

# Senegal

## May 2017

### Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Senegal. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Senegal in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and subsectors. The key highlights in the fact sheet are provided below:

#### Trade

- The exports of services from Senegal in 2014 was valued at USD1.3bn. In terms of global services imports to Senegal grew by 0.60% in 2014 to reach USD1.4bn.
- Global Senegalese exports were valued at USD2.64bn in 2016, increasing by 1.10% y-o-y.
- Global imports from Senegal in 2016 were valued at USD5.48bn.
- South Africa is a net exporter to Senegal with a trade surplus of USD89.22m in 2016.
- The Western Cape's was a net exporter of goods to Senegal with a trade surplus of USD16m in 2016.
- The Western Cape's top three exports to Senegal were apples, pears and quinces; tall oil and citrus fruit.

#### Investment

- The most attractive sectors for inward investment (projects) into Senegal were financial services (15%), communications (11%) and software and IT services (10%).
- The largest markets for FDI into Senegal were the France, the United States and the United Arab Emirates.
- Between January 2003 and June 2016 a total of 3 FDI projects were recorded from South Africa to Senegal. These projects represent a total capital investment of USD296.3m.

#### Tourism

- Due to the countries close relations with France a number of French companies like Europcar and Accor have invested in the Senegalese tourism sector.

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## 1. Country Overview

Senegal is externally bounded by the Atlantic Ocean to the west, Mauritania to the north, Mali to the east, and Guinea and Guinea-Bissau to the south. The land area of Senegal covers almost 197,000 square kilometres, and has an estimated population of 14 million people.

The main industries include food processing, mining, cement, artificial fertilizer, chemicals, textiles, refining imported petroleum, and tourism. Senegal is a member of the West African Economic and Monetary Union (WAEMU), which aims to work toward greater regional integration with a unified external tariff. Senegal is also a member of the Organization for the Harmonization of Business Law in Africa (OHADA). The OHADA treaty has created a supranational court to ensure uniformity and consistent legal interpretations across the member countries. Senegal is a major recipient of international development assistance. Donors include USAID, Japan, France and China.



Source: CIA World Factbook, 2017

GENERAL INFORMATION - SENEGAL	
Capital	Dakar
Population (July 2016 est.)	14,320,055
Chief of State (since 2 April 2012)	President Macky Sall
Head of Government	Prime Minister Mohammed Adallah Boun Dionne
Life expectancy	61.7 years
Literacy	57.7%
Ethnic groups (2010-11 est.)	Wolof 38.7%, Pular 26.5%, Serer 15%, Mandinka 4.2%, Jola 4%, Soninke 2.3%, other 9.3% (includes Europeans and persons of Lebanese descent)
Religion(s)	Muslim 95.4% (most adhere to one of the four main Sufi brotherhoods), Christian 4.2% (mostly Roman Catholic), animist 0.4%
Languages	French (official), Wolof, Pulaar, Jola, Mandinka
Human Development Index (2016)	0.494

Sources: CIA World Factbook, UNDP, 2017

## 2. Economic Overview

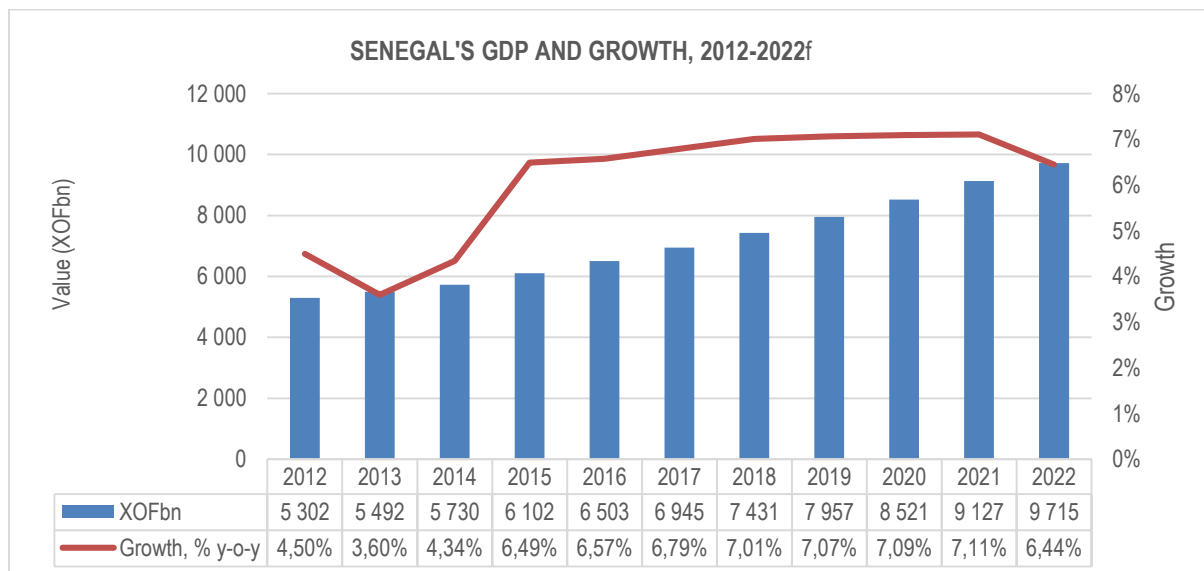
According to CIA Factbook, Senegal still relies heavily on donor assistance. Key export industries include: agricultural products and fish processing, phosphate mining, fertilizer production, and the country is working on oil expropriation projects.

Senegal's GDP (PPP) was valued at USD39.72bn in 2016, making it the 116<sup>th</sup> largest economy in the world measured by purchasing power parity (PPP). In 2016 the country's unemployment rate stood at 48%, one of the highest in the world.

ECONOMIC INFORMATION	
Financial Center	Dakar
Currency	West African CFA franc (XOF)
GDP (PPP) (2016 est.)	USD39.72 billion
GDP growth (2016 est.)	6.60%
GDP per capita (2016 est.)	USD2,600
Inflation (2016 est.)	1.60%
Commercial Bank Prime Lending Rate (2016)	14.30%
Unemployment rate (2016 est.)	48%
Doing Business (2017 ranking)	149
Total Exports (2016)	USD2.443 billion
Total Imports (2016)	USD5.001 billion

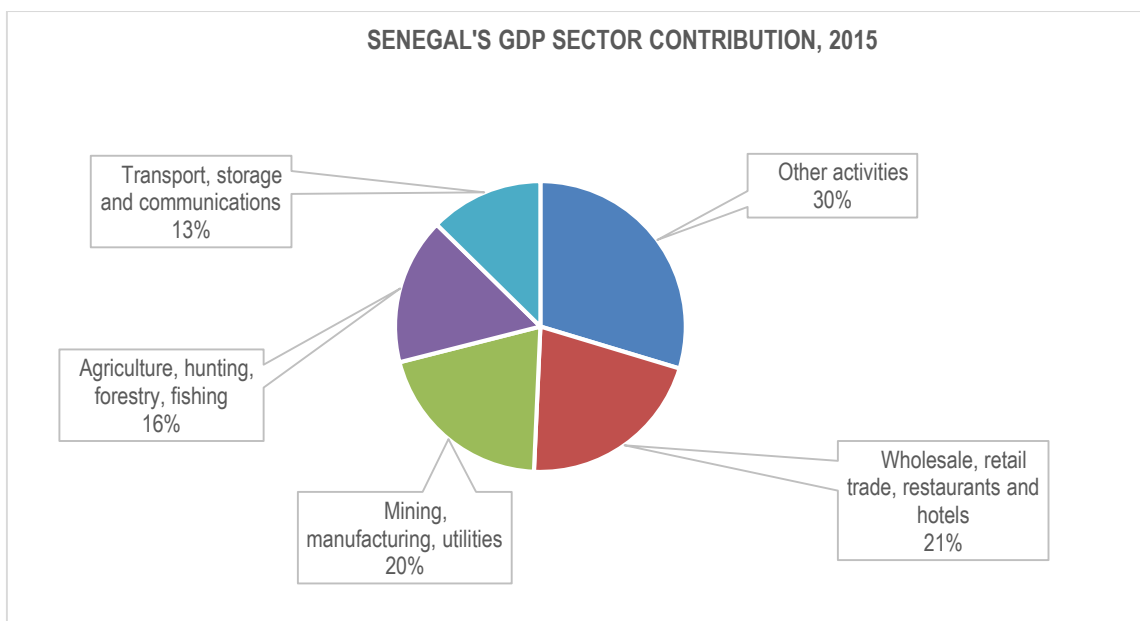
Source: CIA World Factbook, 2017

According to BMI Research, in recent years the authorities have been making efforts to widen the tax base and have been reviewing tax exemptions. The government established an action plan in October 2015 to modify customs procedures, increase taxes on cement, limit tax credit for dependents and introduce an export tax on peanuts. Senegal is one of the countries with the highest energy costs in the world. In terms of GDP growth, the Senegalese economy is expected to grow over the next 5 years at an average of 6.09% y-o-y. This can be attributed to governments more prudent fiscal management practices. The rise in the 2015 growth rate was due in part to the buoyant performance in agriculture because of higher rainfall and productivity in the sector.



Source: IMF, 2017

Turning to the economic structure, the contributions of Senegal's economic sectors to GDP in 2015 are depicted in the graph below. The largest sector contributor was the wholesale, retail, trade, restaurants and hotels sector which accounted for 21% of GDP. This sector was followed by mining, manufacturing and utilities (20%), agricultural, hunting, hunting and forestry (16%) and the transport, storage and communications (13%) sector.



Source: UNCTAD, 2017

## 2.1 Top Senegalese Companies

The top Senegalese companies are shown in the below.

TOP 13 COMPANIES IN SENEGAL			
RANKING	COUNTRY	INDUSTRY	Turnover (Thds\$)
119	Sonatel	Telecoms	1,226,247
228	Socit Africaine De Raffinage	Refining	846,451
253	Total Sngal	Petrol. Services	651,572
248	Sonatel Mobiles	Telecoms	534,856
294	Socit Nationale Dlectricit	Electricity	509,928
471	Int. Trading Oil & Commodities Corp.	Petrol. Services	323,342
-	Comptoir Commercial Sope Nabi	Distribution	314,596
411	Shell Sngal	Petrol. Services	269,716
444	Sococim Industries	Const. Materials	267,404
464	Industries Chimiques Du Sngal	Mining	246,899
427	Libya Oil Sngal	Petroleum	217,257
486	Elf Oil Sngal*	Petrol. Services	214,251
-	Les Ciments Du Sahel	Const. Materials	206,408

Source: TheAfricaReport, 2017

## 2.2 Doing Business in Senegal

The table below shows Senegal's ease of doing business in 2017. According to the World Bank's Group *Doing Business 2017* report, Senegal ranked 147 out of 190 countries in terms of the ease of doing business. Senegal's relative strengths in terms of ease of doing business include starting a business, Senegal rank 90<sup>th</sup> and resolving an insolvency the country ranked 101<sup>st</sup>.

SENEGAL'S EASE OF DOING BUSINESS RANKING, 2017	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2017
Starting a Business	90
Dealing with Construction Permits	139
Getting Electricity	162
Registering Property	142
Getting Credit	139
Protecting Minority Investors	137
Paying Taxes	174
Trading Across Borders	130
Enforcing Contracts	144
Resolving Insolvency	101
<b>Doing Business 2017</b>	<b>147</b>

Source: World Bank Group's *Doing Business, 2017*

## 2.3 Senegal's Risk Ratings

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and also include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating". Source: Investopedia

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing.

Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e. defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

SENEGAL'S SOVEREIGN CREDIT RATINGS			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
Credit Rating Agency	B+/B	Ba3	B-
Outlook	Stable	Stable	Stable
Date Of Last Change	June 2016	May 2017	August 2016

Source: Moody's Investor Services, African Markets.com, African Development Bank 2017

The table below shows Senegal's risk assessment in terms of export transactions and direct investments according to ONDD. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The political risk in

Senegal is high in the short, medium and long-term. Special transaction risk is also high together with all categories of direct investment risk, i.e. war risk, risk of expropriation and government action and transfer risk.

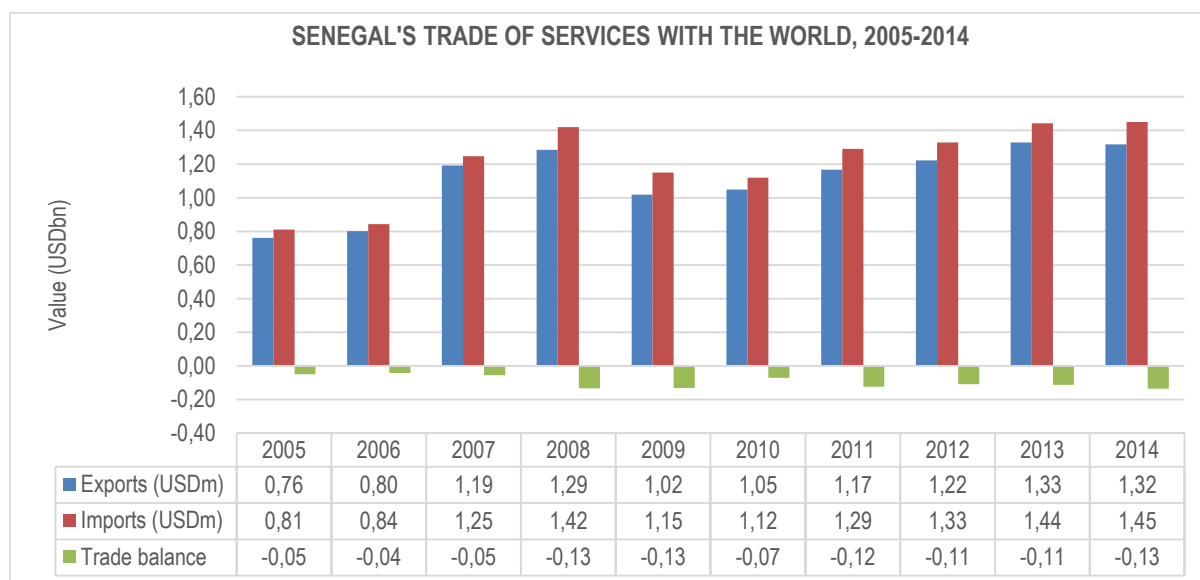
THE SENEGAL'S RISK ASSESSMENT, 2016		
EXPORT TRANSACTIONS		
Political Risks	Short Term	5
	Medium-Long term	5
	Special Transactions	5
Commercial Risk	C	
DIRECT INVESTMENTS		
Political Violence Risk	4	
Risk of expropriation and government action	4	
Transfer risk	5	

Source: ONDD, 2017

### 3. Trade

#### 3.1 Trade in Services

In 2014 Senegal experienced the highest trade in services in terms of imports over the ten year period under review. The exports of services in 2014, declined by 0.1% reaching USD1.32bn. In terms of global imports, Senegalese imports grew by 0.6% y-o-y in 2015 reaching USD1.45bn. Over the period analysed Senegal consistently had a negative trade balance.



Source: TradeMap, 2017

The table below shows Senegal's trade in services for 2016. Travel was the largest services export valued at USD422.97m followed by valued at telecommunications, computer, information services and other business services valued at USD 296.22m and USD188.24m, respectively. The transport category includes postal and courier services.

Transport services were the largest import service into Senegal valued at USD1.4bn followed by telecommunications, computer, and information services valued at USD794.29m.

TOP SERVICES EXPORTED BY SENEGAL IN 2014				TOP SERVICES IMPORTED BY SENEGAL IN 2014			
CODE	SERVICE	VALUE (USDm)	% AVERAGE GROWTH, 2010-2014	CODE	SERVICE	VALUE (USDm)	% AVERAGE GROWTH, 2010-2014
4	Travel	422.97	0	3	Transport	1 413.66	-
9	Telecommunications, computer, and information services	296.22	18.36%	9	Telecommunications, computer, and information services	794.29	-
10	Other business services	188.24	0.46%	4	Travel	149.53	-
12	Government goods and services n.i.e.	156.66	7.09%	6	Insurance and pension services	148.26	-
3	Transport	148.39	31.25%	10	Other business services	131.87	-
5	Construction	57.52	0.64%	5	Construction	116.60	-
2	Maintenance and repair services n.i.e.	14.45	-	12	Government goods and services n.i.e.	42.67	-
6	Insurance and pension services	13.65	6.52%	7	Financial services	36.79	-
7	Financial services	12.78	34.23%	2	Maintenance and repair services n.i.e.	13.56	-

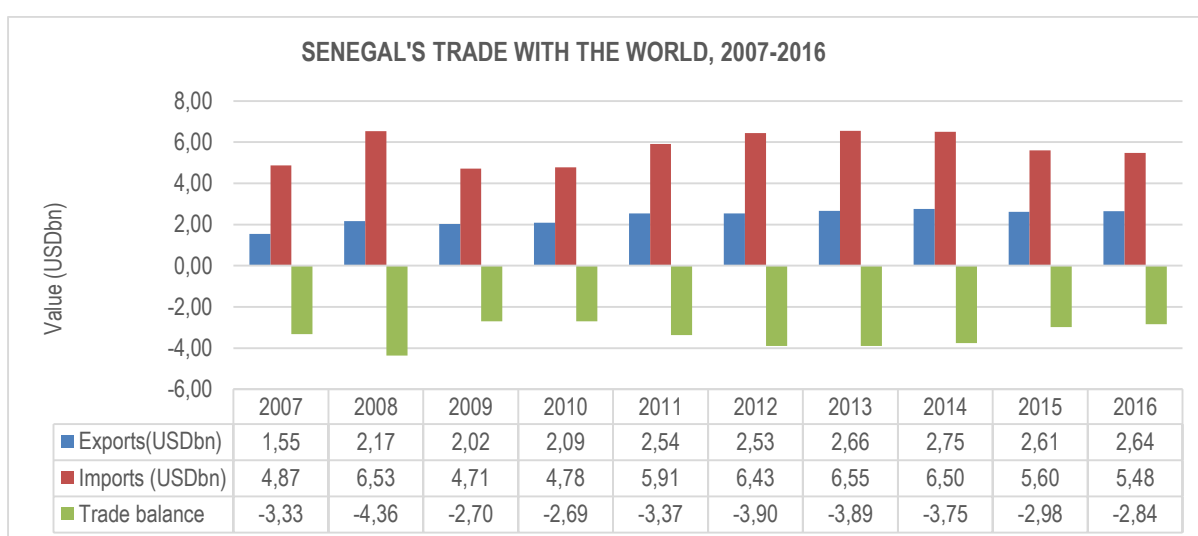


8	Charges for the use of intellectual property n.i.e.	3.87	44.83%	8	Charges for the use of intellectual property n.i.e.	10.13	-
11	Personal, cultural, and recreational services	1.56	-	11	Personal, cultural, and recreational services	5.90	-
1	Manufacturing services on physical inputs owned by others	0.00	-	5	Construction	0.85	-
<b>TOTAL EXPORTS</b>		<b>1 316.29</b>	<b>5.37%</b>	<b>TOTAL IMPORTS</b>		<b>1 450.44</b>	<b>5.37</b>

Source: TradeMap, 2017

### 3.2 Senegal's Global Trade

The graph below illustrates the trend in Senegal's global trade from 2007 to 2016. Between 2007 and 2016 the Senegalese economy was a net importer of global goods having imported goods to the value of USD5.48bn in 2016.

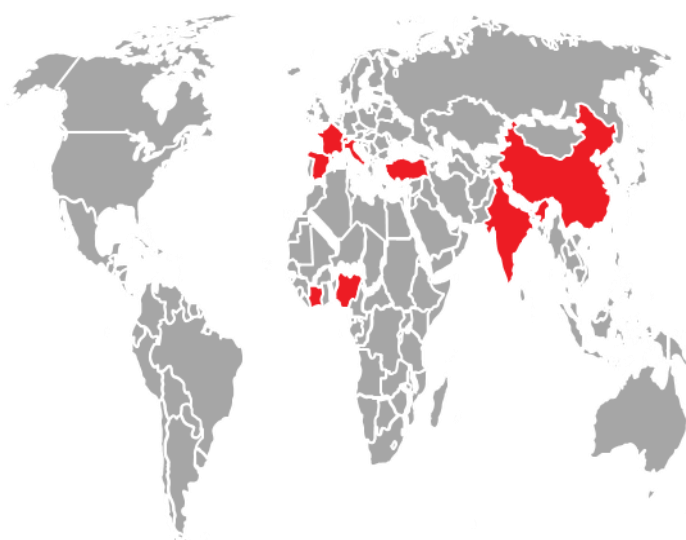


Source: TradeMap, 2017

The table below shows the top 10 destination markets for Senegalese exports in 2016. Mali was the leading export market importing goods to the value of USD1460m. Switzerland and India ranked second and third valued at USD270m and USD210m, respectively.

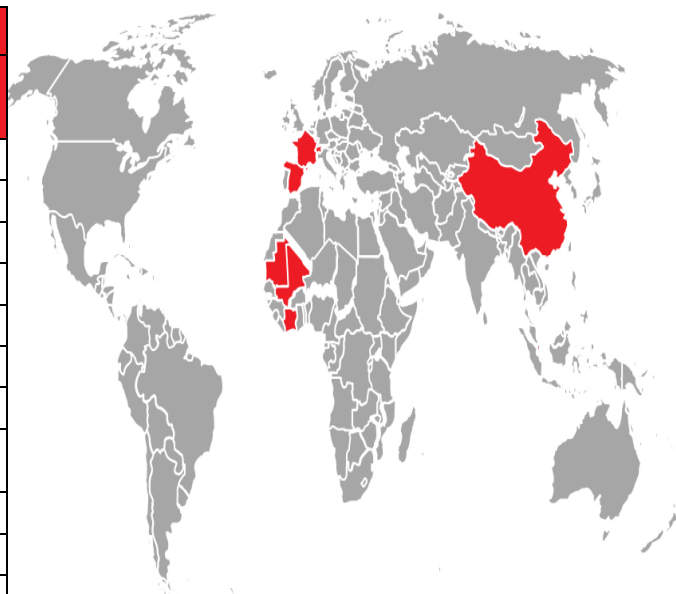
<b>SENEGAL'S TOP 10 DESTINATION MARKETS FOR EXPORTS, 2016</b>			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Mali	461.34	4
2	Switzerland	268.40	-6
3	India	208.09	-8
4	Côte d'Ivoire	135.04	19
5	China	127.23	79
6	Spain	90.32	-19
7	Gambia	85.80	9
8	Guinea	85.30	-2
9	Mauritania	77.66	-9
10	France	74.31	13
<b>TOTAL EXPORTS</b>		<b>2 640.28</b>	<b>1</b>

Source: TradeMap, 2017



The table below shows global import markets for Senegal in 2016. France was the leading import market (USD870.97m) for Senegal in 2016, overtaking China. China (USD564.60m) was the second largest exporter to Senegal followed by Nigeria and India which were ranked third and fourth valued at USD424.81m and USD417.27m, respectively.

SENEGAL'S TOP 10 SOURCE MARKETS FOR IMPORTS, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	France	870.97	-3
2	China	564.60	10
3	Nigeria	424.81	-15
4	India	417.27	-2
5	Netherlands	289.78	1
6	Spain	267.71	3
7	Belgium	161.49	-6
8	United Arab Emirates	157.86	23
9	Turkey	140.12	-6
10	Italy	132.54	2
<b>TOTAL IMPORTS</b>		<b>5 477.91</b>	<b>-2</b>



Source: TradeMap, 2017

The table below shows the top 10 traded products by Senegal in 2016. Gold was the leading export product category, valued at USD329.08m, petroleum oils and oils obtained from bituminous minerals (excluding crude) and frozen fish ranked second and third, valued at USD262.06m and USD212.59m, respectively. Niobium was the fastest growing export product between 2012 and 2016, growing at 2475%.

Petroleum oils and oils obtained from bituminous minerals (excluding crude) were the leading imported product by Senegal in 2016, valued a USD519.58m, Petroleum oils and oils obtained from bituminous minerals (crude) and rice were ranked second and third at USD418.04m and USD325.60m, respectively. Telephone sets were the fastest growing imported commodity between 2012 and 2016, growing by 21%.

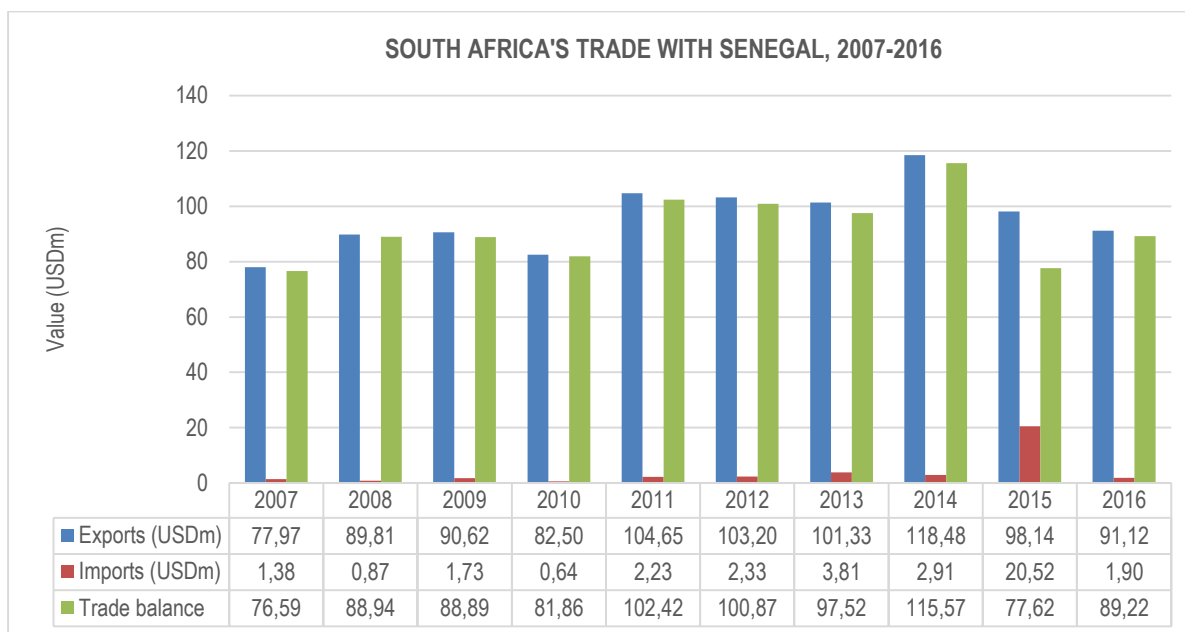
SENEGAL'S TOP 10 EXPORT PRODUCTS, 2016				SENEGAL'S TOP 10 IMPORT PRODUCTS, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Gold	329.08	-5	1	Petroleum oils and oils obtained from bituminous minerals (excluding crude)	519.58	-14
2	Petroleum oils and oils obtained from bituminous minerals (excluding crude)	262.06	-8	2	Petroleum oils and oils obtained from bituminous minerals, crude	418.04	-15
3	Frozen fish	212.59	15	3	Rice	325.60	-8
4	Cement, incl. cement clinkers	209.00	0	4	Medicaments	166.73	0
5	Diphosphorus pentoxide	196.67	-7	5	Motor cars	161.80	-1
6	Soups and broths and preparations therefor	107.08	3	6	Telephone sets	133.69	21
7	Cigars	61.09	4	7	Wheat and meslin	128.82	-15
8	Molluscs	59.00	2	8	Malt extract	112.41	2
9	Groundnuts	56.31	27	9	Motor vehicles for the transport of goods	102.23	1

10	Niobium, tantalum, vanadium or zirconium ores and concentrates	52.64	2475	10	Palm oil and its fractions	94.29	-8
<b>TOTAL EXPORTS</b>		<b>2 640.28</b>	<b>-13</b>	<b>TOTAL IMPORTS</b>		<b>5 477.91</b>	<b>-5</b>

Source: TradeMap, 2017

### 3.3 Trade with South Africa

The figure below shows trade between South Africa and Senegal for the period 2007 to 2016. Over the said period South Africa was a net exporter of goods to Senegal.



Source: Quantec, 2017

The table below shows the top 10 exports and imports between South Africa and Senegal in 2016. The leading South African export product to Senegal was coal valued at USD35.94m. Coal was followed by motor vehicles (USD14.30m), polymer of propylene (USD5.68m), and apples, pears and quinces (USD4.97m). In 2016 the leading import product into South Africa from Senegal was niobium valued at USD1.08m, followed by dishwashing machines (USD0.22m) and frozen fish (USD0.22m). Of the top 10 products the highest 5 year growth for an imported products was for frozen fish which grew by 31% over the said period.

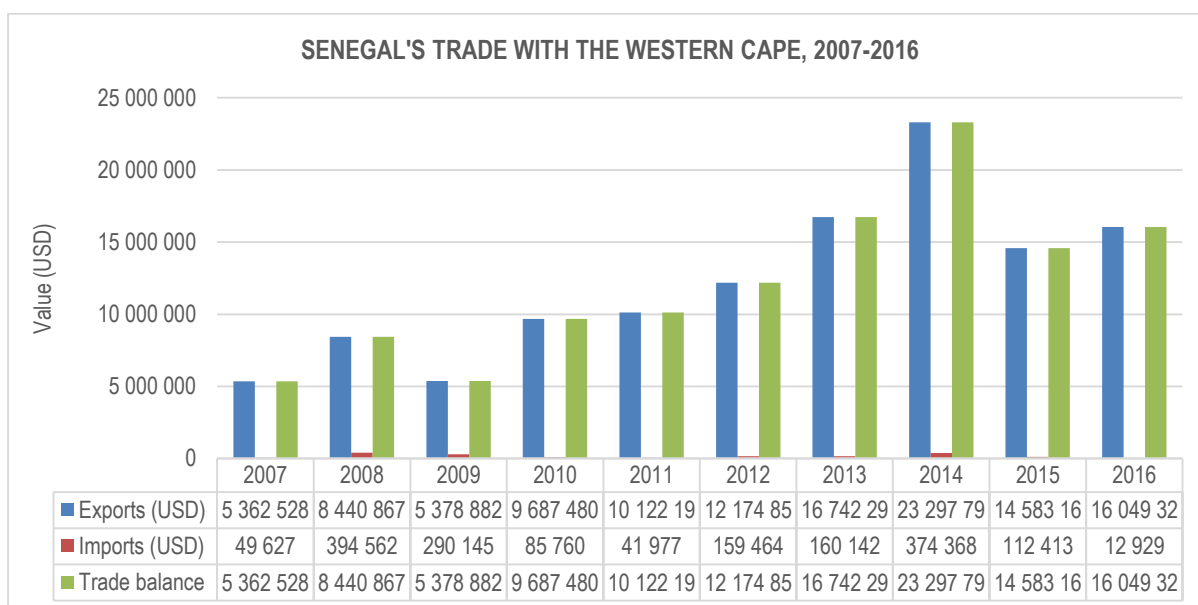
TOP 10 EXPORTS FROM SOUTH AFRICA TO SENEGAL, 2016				TOP 10 IMPORTS INTO SOUTH AFRICA FROM SENEGAL, 2016			
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Coal	35.94	11	1	Niobium	1.08	-
2	Motor vehicles for the transport of goods	14.30	-6	2	Dishwashing machines	0.22	-
3	Polymers of propylene or of other olefins, in primary forms	5.68	-14	3	Frozen fish	0.22	31
4	Apples, pears and quinces, fresh	4.97	-2	4	Wigs, false beards, eyebrows and eyelashes	0.11	-34
5	Motor cars and other motor vehicles principally designed for the transport	3.88	-8	5	Lubricant preparations	0.06	
6	Other paper and paperboard, uncoated	3.02	76	6	Synthetic staple fibres, carded	0.04	-34

7	Telephone sets	2.74	129	7	Basketwork, wickerwork and other articles	0.04	-
8	Pumps for liquids	2.40	-13	8	Ores and concentrates	0.02	-
9	Tall oil, whether or not refined	2.05	-	9	Clays, andalusite, kyanite and sillimanite	0.01	-
10	Parts suitable for use solely or principally with the machinery	2.02	1	10	Parts of aircraft and spacecraft	0.01	16
<b>TOTAL IMPORTS</b>		<b>91.12</b>	<b>-3.00</b>	<b>TOTAL EXPORTS</b>		<b>1.90</b>	<b>14</b>

Source: Quantec, 2017

### 3.4 Trade with the Western Cape

The graph below shows trade between the Western Cape and Senegal from 2007 to 2016. The province exported goods to the value of USD16m in 2016 compared to USD14m 2015, representing an increase of 10%, y-o-y, while imported goods were valued at USD112 413 in 2015 compared to USD12 929 in 2016, declining by 88%, y-o-y. This was due to a huge decline in demand for automatic data processing machines.



Source: Quantec, 2017

The table below shows the top 10 traded products between the Western Cape and Senegal in 2016. Apples, pears and quinces were the leading export product category to Senegal from the Western Cape in 2016, valued at USD9.03m. This top export was followed by tall oil (USD2.20m) and citrus fruit (USD1.77m).

The leading import products into the Western Cape from Senegal in 2016 were antiques valued at USD 6 459 followed by automatic data processing machines and units thereof and valued at USD2 497 and measuring or checking instruments USD1 546, respectively.

TOP 10 EXPORTS FROM THE WESTERN CAPE TO SENEGAL, 2016				TOP 10 IMPORTS INTO THE WESTERN CAPE FROM SENEGAL, 2016			
RANK	PRODUCT (HS4)	VALUE 2016 (USD)	% GROWTH 2012-2016	RANK	PRODUCT (HS4)	VALUE 2016 (USD)	% GROWTH 2012-2016
1	Apples, pears and quinces, fresh.	9 030 168	14.04%	1	Antiques	6 459	-

2	Tall oil, whether or not refined.	2 202 023	-	2	Automatic data processing machines and units thereof	2 497	-
3	Citrus fruit, fresh or dried.	1 766 304	6.60%	3	Measuring or checking instruments	1 546	-
4	Grapes, fresh or dried.	813 346	32.23%	4	Orthopaedic appliances, including crutches, surgical belts and trusses	1 218	-
5	Wine of fresh grapes	460 690	-	5	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls	296	-
6	Carrots, turnips, salad beetroot	239 145	-	6	Printing machinery used for printing by means of plates	223	-
7	Petroleum oils and oils obtained from bituminous minerals, other than crude	201 712	-	7	Imitation jewellery	191	-
8	Fruit juices	185 587	29.04%	8	Textile fabrics coated with gum or amylaceous substances	165	-
9	Aluminium casks, drums, cans, boxes and similar containers	130 965	-	9	Monitors and projectors, not incorporating television reception apparatus	136	-
10	Other printed matter, including printed pictures and photographs.	99 916	-	10	Parts and accessories	109	-
<b>TOTAL EXPORTS</b>		<b>16 049 324</b>	<b>0.14</b>	<b>TOTAL IMPORTS</b>		<b>12 929</b>	<b>0.51</b>

Source: Quantec, 2017

### 3.5 Trade Agreements

Senegal is a member of the Economic Community of West African States (ECOWAS), the WAEMU or UEMOA, the Cotonou Convention and the World Trade Organization. Senegal is also currently eligible for U.S. market access benefits under the African Growth and Opportunity Act (AGOA).

### 3.6 Non-Tariff Barriers

#### Temporary Entry

Imported and re-exported goods are subject to a temporary admission system for custom duties are applied.

#### Importing Requirements and Documentation

- Two copies of the commercial invoice which should identify the exporter and importer as well as their addresses; the goods being imported; the weight, CIF (Cost Insurance and Freight) value and quantity of goods imported; and a complete description of the merchandise. This should be in French or accompanied by a French translation to avoid misinterpretation at the customs entry point.
- A Pro Forma Invoice. This should contain the same information as the commercial invoice.
- A Certificate of Origin is necessary for all imported goods. Before shipping, importers must provide customs officials with documentation listing the quantity, quality and prices of the products subject to customs duties.

#### Prohibited Imports

Prohibited imports include narcotics, munitions and war ammunition (except collector's items), pornographic publications and hallucinogenic drugs, except those authorized by the Ministry of Health.

#### Labelling

Senegal's labelling requirements are applicable to canned and preserved food intended for human consumption. Such products must be marked in French with the following information: country of origin; product manufacture date, specified by the day, the month and the year; the expiration date, marked in the same manner as the date of manufacture and ingredients used.

### 3.7 Tariffs

Senegal continues to maintain an array of import taxes, some of which were also changed in January 2000 to conform to the CET (Central External Tariff). In addition to the one percent “statistical fee”, the CET calls for a one percent “community solidarity tax” (CST) to assist (West African Economic and Monetary Union) member states, such as landlocked Niger, Mali and Burkina Faso, which suffered revenue losses due to the CET.

Tariffs imposed on South African Exports to Senegal for 2016 are listed below.

LIST OF TARIFFS APPLIED BY LITHUANIA ON SOUTH AFRICAN PRODUCTS, 2015					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
HS01: Live animals	8	HS34: Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial ...	26	HS67: Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	20
HS02: Meat and edible meat offal	35	HS35: Albuminoidal substances; modified starches; glues; enzymes	11	HS68: Articles of stone, plaster, cement, asbestos, mica or similar materials	17
HS03: Fish and crustaceans, molluscs and other aquatic invertebrates	11	HS63: Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	12	HS69: Ceramic products	20
HS04: Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	11	HS37: Photographic or cinematographic goods	15	HS70: Glass and glassware	18
HS05: Products of animal origin, not elsewhere specified or included	5	HS38: Miscellaneous chemical products	9	HS71: Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	18
HS06: Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	13	HS39: Plastics and articles thereof	10	HS72: Iron and steel	11
HS07: Edible vegetables and certain roots and tubers	24	HS40: Rubber and articles thereof	14	HS73: Articles of iron or steel	15
HS08: Edible fruit and nuts; peel of citrus fruit or melons	19	HS41: Raw hides and skins (other than furskins) and leather	10	HS74: Copper and articles thereof	11

Coffee, tea, maté and spices	13	HS42: Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	16	HS75: Nickel and articles thereof	16
HS10: Cereals	8	HS43: Furskins and artificial fur; manufactures thereof	13	HS76: Aluminium and articles thereof	14
HS11: Products of the milling industry; malt; starches; inulin; wheat gluten	15	HS44: Wood and articles of wood; wood charcoal	14	HS78: Lead and articles thereof	9
HS12: Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	8	HS45: Cork and articles of cork	7	HS79: Zinc and articles thereof	8
HS13: Lac; gums, resins and other vegetable saps and extracts	5	HS46: Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	20	HS80: Tin and articles thereof	18
HS14: Vegetable plaiting materials; vegetable products not elsewhere specified or included	5	HS47: Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or ...	5	HS81: Other base metals; cermets; articles thereof	14
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...	20	HS48: Paper and paperboard	9	HS82: Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	16
HS16: Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	25	HS49: Printed books, newspapers, pictures and other products of the printing industry; manuscripts, ...	3	HS83: Miscellaneous articles of base metal	18
HS17: Sugars and sugar confectionery	19	HS50: Silk	18	HS84: Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	7
HS18: Cocoa and cocoa preparations	31	HS51: Wool, fine or coarse animal hair; horsehair yarn and woven fabric	17	HS85: Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	11

HS19: Preparations of cereals, flour, starch or milk; pastrycooks' products	20	HS52: Cotton	27	HS86: Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures ...	5
HS20: Preparations of vegetables, fruit, nuts or other parts of plants	21	HS53: Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	6	HS87: Vehicles other than railway or tramway rolling stock	12
HS21: Miscellaneous edible preparations	16	HS54: Man-made filaments; strip and the like of man-made textile materials	19	HS88: Aircraft, spacecraft, and parts thereof	5
HS22: Beverages, spirits and vinegar	19	HS55: Man-made staple fibres	14	HS89: Ships, boats and floating structures	6
HS23: Residues and waste from the food industries; prepared animal fodder	10	HS56: Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	19	HS90: Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	7
HS24: Tobacco and manufactured tobacco substitutes	14	HS57: Carpets and other textile floor coverings	20	HS91: Clocks and watches and parts thereof	20
HS25: Salt; sulphur; earths and stone; plastering materials, lime and cement	15	HS58: Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	20	HS92: Musical instruments; parts and accessories of such articles	10
HS26: Ores, slag and ash	5	HS59: Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable ...	18	HS94: Furniture; bedding, mattresses, mattress support etc.	19
HS27: Mineral fuels	7	HS60: Knitted or crocheted fabrics	20	HS95: Toys, games and sports requisites; parts and accessories thereof	19
HS28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	5	HS61: Articles of apparel and clothing accessories, knitted or crocheted	20	HS96: Miscellaneous manufactured articles	20
HS29: Organic chemicals	5	HS62: Articles of apparel and clothing accessories, not knitted or crocheted	20	HS97: Works of art, collectors' pieces and antiques	20
HS30: Pharmaceutical products	0	HS63: Other made-up textile articles; sets; worn clothing and worn textile articles; rags	19		



HS31: Fertilisers	2	HS64: Footwear, gaiters and the like; parts of such articles	15		
HS32: Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring ...	11	HS65Z: Headgear and parts thereof	14		
HS33: Essential oils and resinoids; perfumery, cosmetic or toilet preparations	15	HS66: Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof	20		

Source: TradeMap, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit [www.macmap.org](http://www.macmap.org) to determine the exact tariff applicable to the product at HS6.

### 3.8 Port-to-Port

The table below shows the distance and time it takes goods to travel from Cape Town Port terminal to Senegalese ports.

TRANSIT TIME FROM CAPE TOWN TERMINAL TO VARIOUS PORTS IN SENEGAL , 2017		
TERMINAL	DISTANCE	TRANSIT TIME
Port of Dakar	6661.13km	19 days
Port of Ziguinchor	6489.34km	18 days
Port of Lyndiane	6663.42km	19 day

Source: SeaRates, 2017

### 3.9 Western Cape Export Opportunities to Senegal

This section uses the Decision Support Model (DSM) to identify realistic export opportunities for Western Cape firms exporting to Senegal. The DSM results, indicated in the table below, show the top 20 realistic export opportunities (REOs) for Western Cape exports to Senegal.

TOP 20 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO SENEGAL			
HS4	HS4 Description	HS6	HS6 Description
HS8474	Sorting/screening/separating/washing machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form	HS847410	Concrete/mortar mixers
HS8413	Pumps n.e.s. in 84.13	HS841381	Centrifugal pumps
HS2712	Petroleum jelly	HS271210	Micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax
HS8418	Household-type refrigerators (excl. of 8418.10-8418.22), elec./oth.	HS841829	Combined refrigerator-freezers, fitted with separate ext. doors
HS7309	Reservoirs, tanks, vats & sim. conts. for any mat. other than compressed/liquefied gas, of iron/steel, of a cap. >300 l, whether or not lined/heat-insulated but not fitted with mech./thermal equip.	HS730900	Reservoirs, tanks, vats & sim. conts. for any mat. other than compressed/li ...
HS3808	Insecticides [excluding that containing camphechlor (iso) (toxaphene)]	HS380850	Disinfectants, put up in forms or packings-RS/as preps./arts.

HS8474	Crushing/grinding machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form	HS847420	Concrete/mortar mixers
HS1005	Maize (corn), other than seed	HS100590	Maize (corn), other than seed
HS3904	Poly(vinyl chloride), non-plasticised, in primary forms (excl. of 3904.10)	HS390421	Fluoro-polymers other than polytetrafluoroethylene, in primary forms
HS3814	Organic composite solvents & thinners, n.e.s.; prepd. paint/varnish removers	HS381400	Organic composite solvents & thinners, n.e.s.; prepd. paint/varnish remover ...
HS3824	Prepared additives for cements/mortars/concretes	HS382440	Mixtures cont. acyclic hydrocarbons perhalogenated only with fluorine & chl ...
HS3603	Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators	HS360300	Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. ...
HS4011	New pneumatic tyres, of rubber (excl. those with herring-bone/sim.tread; excl. of 4011.92-4011.94)	HS401199	New pneumatic tyres, of rubber (excl. those with herring-bone/sim.tread), o ...
HS8409	Parts suit. for use solely/princ. with the engines of 84.07/84.08 (excl. of 8409.10 & 8409.91)	HS840999	Parts suit. for use solely/princ. with spark-ignition int. comb. piston eng ...
HS1209	Seeds, n.e.s., of a kind used for sowing	HS120999	Clover ( <i>Trifolium</i> spp.) seed, of a kind used for sowing
HS8413	Pumps for liquids, fitted/adjusted to be fitted with a meas. device (excl. of 8413.11)	HS841319	Centrifugal pumps (excl. of 8413.11-8413.40)
HS2806	Hydrogen chloride (hydrochloric acid)	HS280610	Chlorosulphuric acid
HS2914	Acetone	HS291411	4-Methylpentan-2-one (methyl isobutyl ketone)
HS7308	Towers & lattice masts of iron/steel	HS730820	Bridges & bridge-sections of iron/steel
HS8207	Rock drilling/earth boring tools other than those with working parts of cermets, incl. parts, for hand tools, whether or not power-operated/for machine tools	HS820719	Dies for drawing/extruding metal, for hand tools, whether or not power-oper ...

Source: DSM Trade Advisory, 2017

#### **Disclaimer re DSM Model Results and Findings**

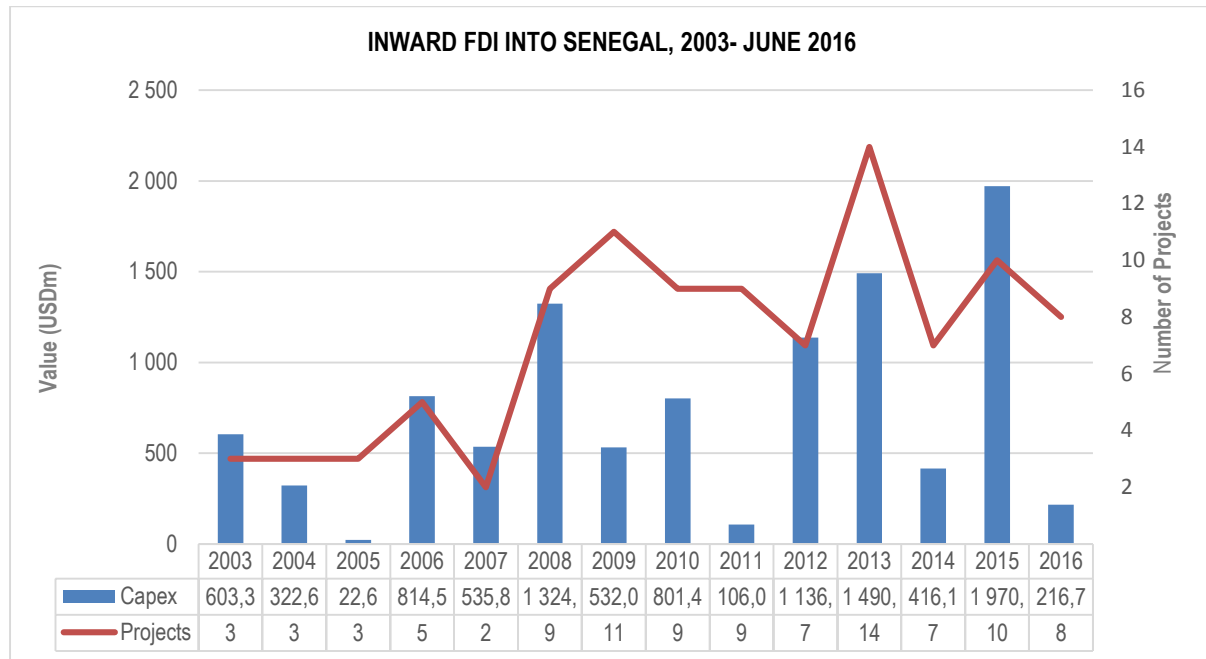
While the Decision Support Model (DSM) can offer varying degrees of input for identifying, prioritising, designing, planning and executing export promotion activities, the results of the DSM are inescapably based on statistical data which are at least two years old. Accordingly, it would be unwise to rest all export promotion decisions upon the DSM results alone, and there is a need to have the realistic export opportunities identified assessed by experts 'in the field' such as panels of exporters, representatives of sector organisations and commercial attaches at diplomatic missions abroad. Diplomatic and political issues also need to be taken into consideration. While the DSM results provide input in the process of concrete export strategy formulation, much more concrete and detailed information is required for designing an appropriate export promotion strategy. This important input should come from market research and further competitive intelligence on given export opportunities. This information should in no way or form be construed as advice as to where an investor should invest or undertake to invest. The model's findings and results are mere indications as to where potential realistic export opportunities (REO's) exist, and it is the responsibility of the user to use these in conjunction with additional competitive intelligence and other relevant market information as outlined above. While Wesgro has taken every effort to ensure that the information in this publication is accurate, we provide said information without representation or warranty whatsoever, whether expressed or implied, and cannot be held responsible for the contents of the publication in any way. © Wesgro, 2017.

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## 4. Foreign Direct Investment

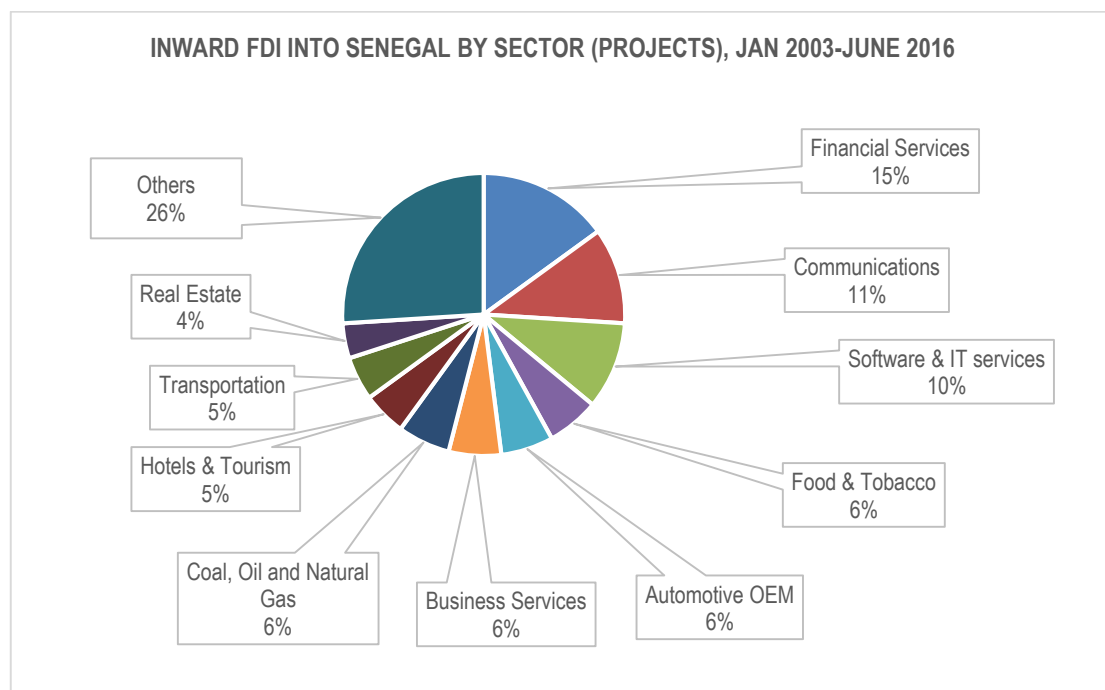
### 4.1 Global Investment into Senegal

Between January 2003 and June 2016 a total of 101 FDI projects were recorded into Senegal. These projects represented a total capital investment of USD10.3bn which is an average investment of USD102m per project. During this period, a total of 203 jobs were created.



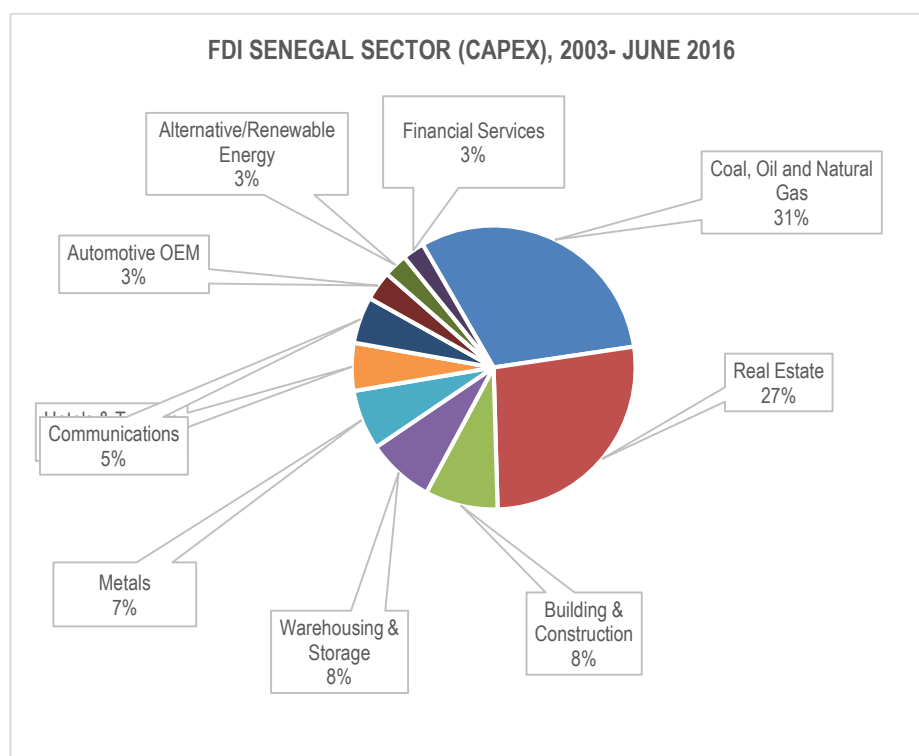
Source: FDI Intelligence, 2017

The figures below show global inward FDI (Foreign Direct Investment) into Senegal by sector, for the period January 2003 to June 2016 by number of projects and CAPEX. The financial services and the communications sector accounted for 15% and 11% of FDI projects, respectively.



Source: FDI Intelligence, 2017

In terms of CAPEX, the coal, oil and natural gas sector was the leading sector with a 31% share. Followed by the real estate (27%), building and construction and warehousing storage sector with a received 8% share.



Source: FDI Intelligence, 2017

The France was the largest source market for inward FDI into Senegal in terms of projects, with 23 investment projects, which accounted for 8% of projects. The United Kingdom and the United States were ranked second and third accounting for 10% and 9% respectively.

TOP 10 SOURCE MARKETS FOR SENEGALESE FDI, 2003- JUNE 2016					
RANKING	COUNTRY	PROJECTS	% PROJECTS	CAPEX	% CAPEX
1	France	23	22.77%	753.7	7.31%
2	United States	10	9.90%	220.3	2.14%
3	UAE	8	7.92%	2 607.8	25.31%
4	Morocco	6	5.94%	68.9	0.67%
5	UK	5	4.95%	987.8	9.59%
6	China	4	3.96%	685.0	6.65%
7	Luxembourg	4	3.96%	231.9	2.25%
8	South Korea	4	3.96%	1 230.6	11.94%
9	Germany	3	2.97%	1 142.3	11.09%
10	Iran	3	2.97%	131.8	1.28%
<b>TOTAL</b>		<b>101</b>	<b>100.00%</b>	<b>10 304.6</b>	<b>100.00%</b>

Source: FDI Intelligence, 2017

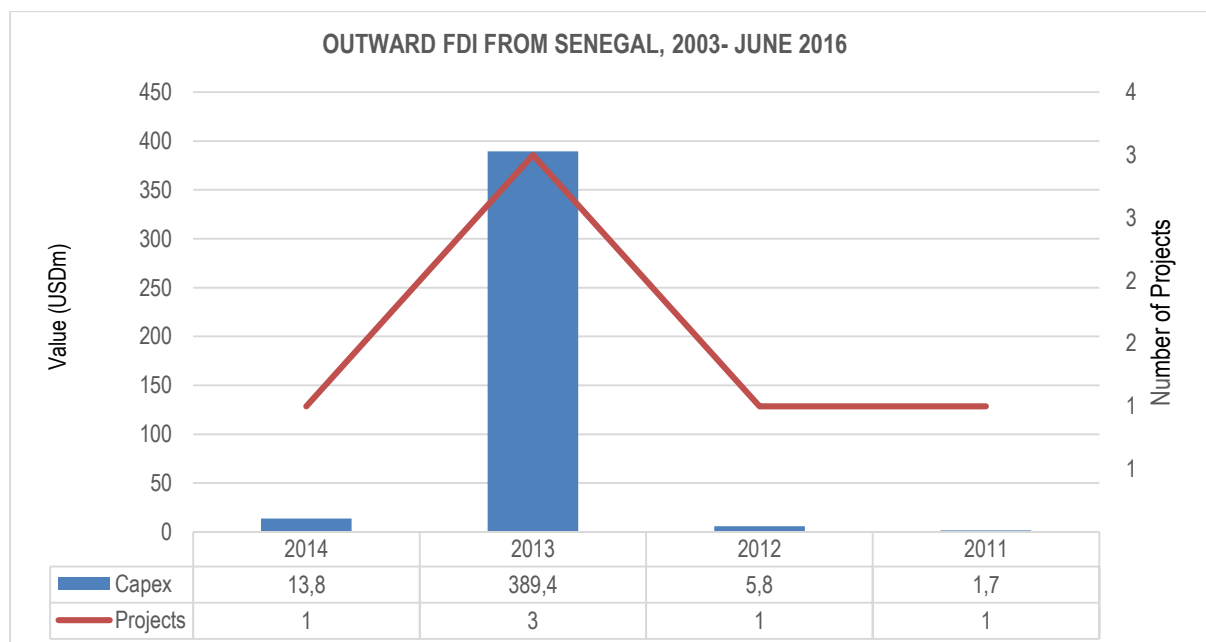
The table below gives a list of the companies for FDI inflow into Senegal. MicroCred and Dubai World were the leading companies.

TOP COMPANIES FOR INVESTING IN SENEGAL, JAN 2003- JUNE 2016				
RANKING	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	MicroCred	Financial Services	7	106.1
2	Dubai World	Real Estate	5	2 054.3
3	Alcatel-Lucent	Communications	2	157.0
4	BGFI Bank	Financial Services	2	22.0
5	Dangote Group	Building and Construction Materials	2	631.3
6	Iran Khodro Industrial Group (IKCO)	Automotive	2	120.0
7	Korea Electric Power (KEPCO)	Coal, Oil and Natural Gas	2	1 187.8
8	Millicom International Cellular	Communications	2	150.9
9	Nestle	Food & Beverages	2	27.0
10	Samsung	Consumer Electronics	2	42.8
<b>TOTAL</b>			<b>101</b>	<b>10 304.6</b>

Source: FDI Intelligence, 2017

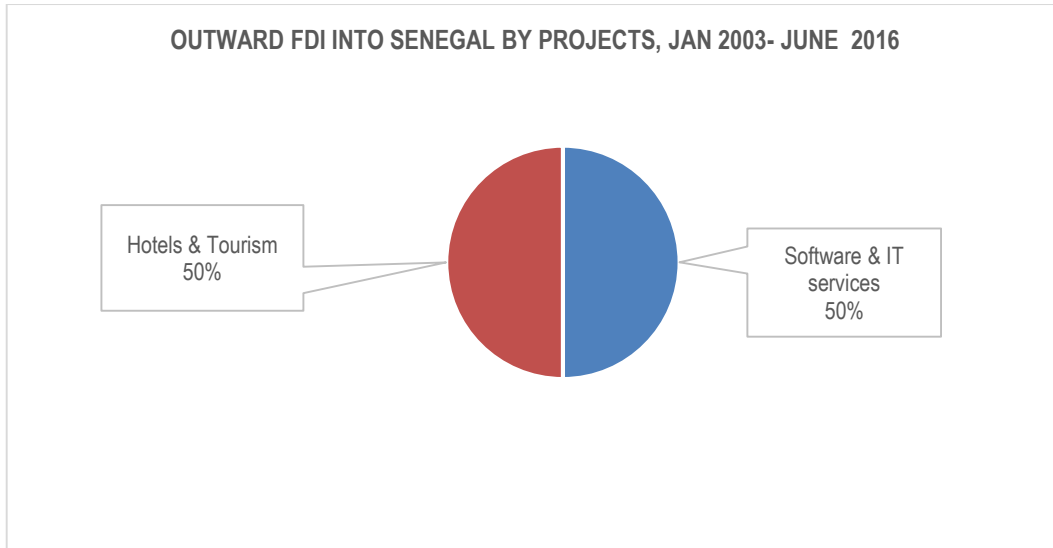
#### 4.2 Global Investment from Senegal

The graph below shows outward FDI from Senegal from January 2003 to June 2016. A total of 6 FDI projects were recorded, representing a total capital investment of USD410.7m, which is an average investment of USD68.5m per project. During this period, a total of 181 jobs were created.



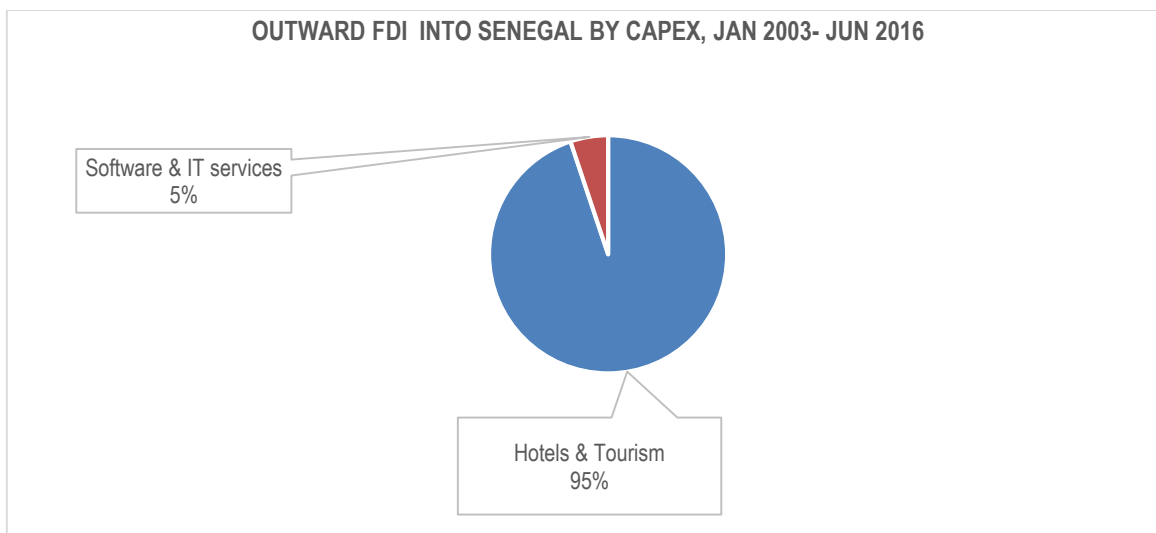
Source: FDI Intelligence, 2017

The figures below shows Senegal's global outward FDI by sector, from 2003 to June 2016 by number of projects and CAPEX. The software and IT services and hotels and tourism sector each received half of the FDI from Senegal in terms of projects accounting for 50% each



Source: FDI Intelligence, 2017

Hotels and tourism received the highest percentage in terms of total capex, accounting for 95%, followed by the software and IT services sector 5%.



Source: FDI Intelligence, 2017

The table below shows the destination markets for outward FDI from Senegal from January 2003 to June 2016.

TOP 10 DESTINATION MARKETS FOR SENEGALESE FDI, 2003-JUNE 2016							
RANKING	COUNTRY	PROJECTS	% PROJECTS	CAPEX	% CAPEX	COMPANIES	% COMPANIES
1	Cameroon	1	16.67%	129.8	31.60%	1	16.67%
2	Cote d'Ivoire (Ivory Coast)	1	16.67%	5.8	1.41%	1	16.67%
3	India	1	16.67%	1.7	0.41%	1	16.67%
4	Sierra Leone	1	16.67%	129.8	31.60%	1	16.67%
5	Togo	1	16.67%	129.8	31.60%	1	16.67%
6	UAE	1	16.67%	13.8	3.36%	1	16.67%
<b>TOTAL</b>		<b>6</b>	<b>100.00%</b>	<b>410.70</b>	<b>100.00%</b>	<b>6</b>	<b>100.00%</b>

Source: FDI Intelligence, 2017

### 4.3 Investment Relations between South Africa and Senegal

#### 4.3.1 Outward Investment from South Africa into Senegal

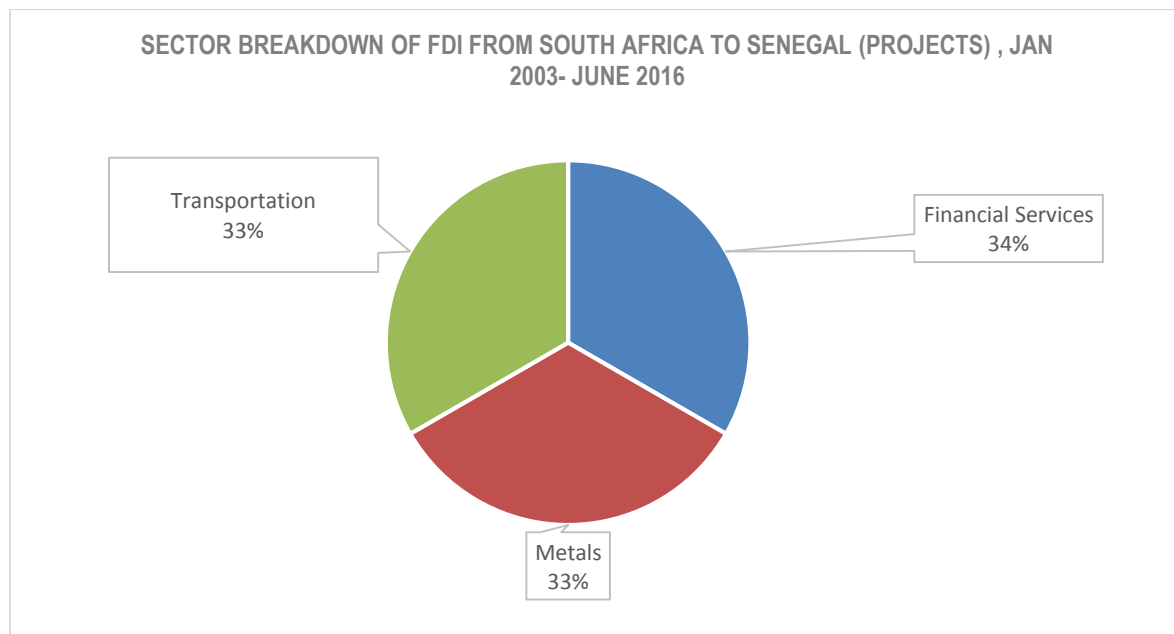
Between January 2003 and June 2016 a total of 3 FDI projects were recorded from South Africa into Senegal. These projects represented a total capital investment of USD296.3m which is an average investment of USD98.8 per project. During the period, a total of 346 jobs were created.

FDI FROM SOUTH AFRICA INTO SENEGAL, JAN 2003- JUNE 2016				
DATE	INVESTING COMPANY	PRIMARY SECTOR	% PROJECTS	CAPEX (USDm)
May-14	Black Rhino	Transportation	1	15.3
Nov-13	Kumba Resources	Metals	1	270
May-04	Standard Bank Group	Financial Services	1	11
<b>TOTAL</b>			<b>3</b>	<b>296.3</b>

Source: FDI Intelligence, 2017

The two diagrams below represent investment from South Africa to Senegal by various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

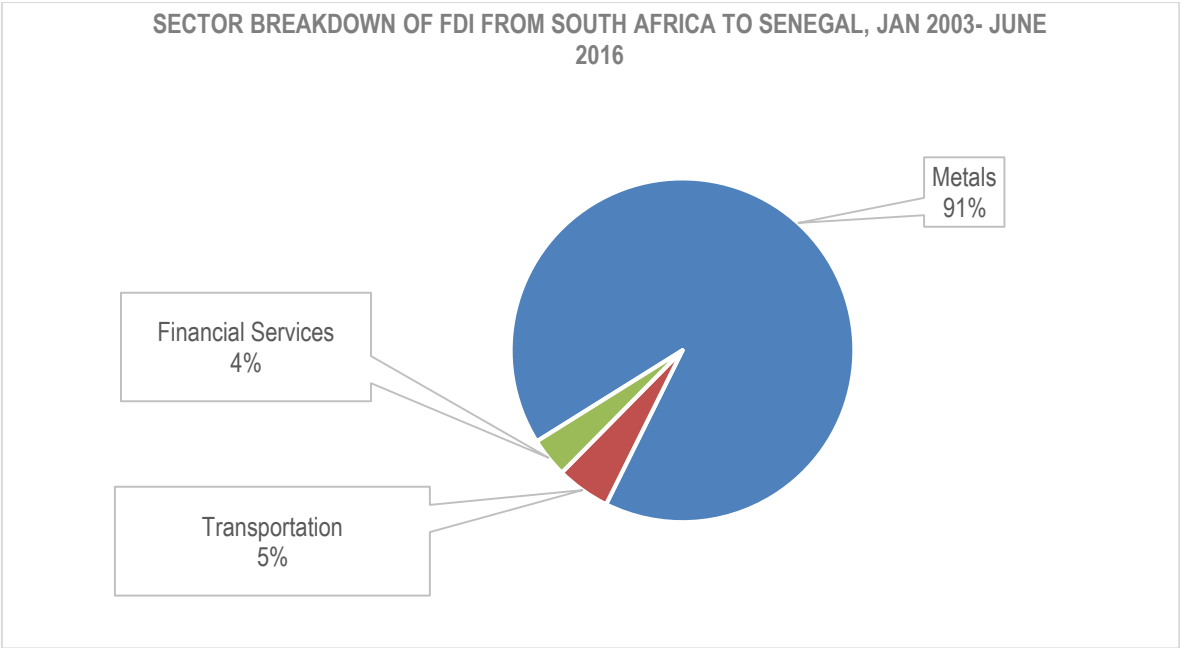
- Financial services - 34%;
- Metals - 33% and
- Transportation - 33%.



Source: FDI Intelligence, 2017

In terms of capital expenditure, the following sectors received the largest investment:

- Metals - 91%;
- Transportation - 5% and
- Financial services - 4%.



Source: FDI Intelligence, 2017

Below are South Africa companies that have invested in Senegal.

FDI FROM SOUTH AFRICA INTO SENEGAL, JAN 2003- JUNE 2016				
DATE	INVESTING COMPANY	PRIMARY SECTOR	% PROJECTS	CAPEX (USDm)
May-14	Black Rhino	Transportation	1	15.3
Nov-13	Kumba Resources	Metals	1	270
May-04	Standard Bank Group	Financial Services	1	11
<b>TOTAL</b>			<b>3</b>	<b>296.3</b>

Source: FDI Intelligence, 2017



#### 4.4 Western Cape Investment Opportunities

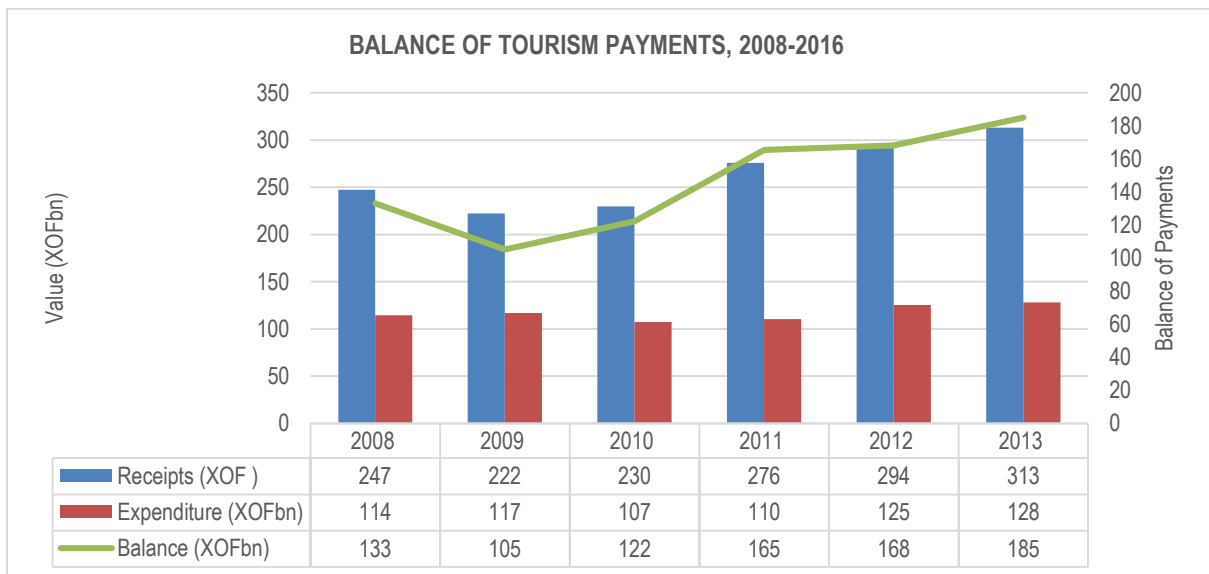
WESTERN CAPE INVESTMENT OPPORTUNITIES FOR IVORY COAST COMPANIES, 2017	
<b>Agribusiness Opportunities:</b>	
<ul style="list-style-type: none"> <li>• Niche markets such as biltong, herbal tea and ostrich meat are likely to find a burgeoning global audience among health-conscious consumers.</li> <li>• The increasing use of genetically modified crops will help to significantly improve yields and output.</li> <li>• Corn production would benefit from a decision to lift the ban on the use of the crop for biofuel.</li> <li>• Sugar consumption is set to rise and, along with disposable incomes, there will be growth in the fast food and casual dining industries.</li> <li>• Development of food supply chain technologies especially in food safety</li> <li>• Growing and exporting of cut and dried flowers.</li> <li>• Expand domestic fruit juice concentrate production.</li> <li>• Extend production of organic products for domestic and export markets.</li> <li>• Expand production of honey bush teas to meet growing consumer demand.</li> <li>• Expand production and processing of ostrich products</li> <li>• Expand production of high quality wines for export and establish boutique cellars.</li> <li>• Modernise and expand wine and beverage production facilities.</li> <li>• Expand packaging, freezing and canning facilities for export products.</li> <li>• Cuniculture (Rabbit farming).</li> <li>• Agri tourism</li> <li>• Cold storage facilities</li> <li>• Multiple opportunities in agribusiness value chain</li> <li>• Per capita food consumption is forecast to grow dynamically over our forecast period, opening up expansion opportunities for existing companies.</li> <li>• A number of food segments remain underdeveloped and would benefit from further investment.</li> <li>• Many industry sub-sectors, such as energy drinks, tea and coffee, are far from saturated and would benefit from further investment.</li> <li>• Rising health-consciousness is boosting demand for low-calorie soft drinks.</li> <li>• Scope for growth in high-end premium retailing as South Africa gets richer over the long term.</li> </ul>	
<b>ICT Opportunities:</b>	
<ul style="list-style-type: none"> <li>• In the personal devices market vendors will be able to tap demand from first-time buyers and in the upgrade/replacement market as the economic environment becomes more supportive.</li> <li>• Improvements to network infrastructure an enabler for device sales, as well as wider adoption of cloud services and smart infrastructure.</li> <li>• Potential for South Africa to become a cloud services hub in the region due to relative strengths in network connectivity and legal environment. Strong private investment in key industry verticals, including financial services, retail and manufacturing.</li> <li>• Vibrant small- and medium-sized business sector will sustain demand for IT products and services.</li> </ul>	
<b>Oil &amp; Gas</b>	
<ul style="list-style-type: none"> <li>• Considerable offshore exploration opportunities with major companies involved in upstream activity.</li> <li>• Shale gas resources in the Karoo Basin are thought to be among the largest in the world.</li> <li>• Coal-bed methane potential in the Karoo, with positive pilot production displaying upside potential.</li> <li>• The potential development of the LNG IPP Programme presents notable upside to gas imports.</li> <li>• The proposed separation of oil and gas regulation from legislation covering the mining industry could provide greater regulatory clarity.</li> <li>• Considerable offshore exploration opportunities in South Africa</li> <li>• Shale gas resources in Karoo Basin</li> <li>• Services facility: Port development and management;</li> <li>• Onshore and offshore maintenance</li> <li>• Pipeline engineering and construction (both subsea and onshore):</li> <li>• Lack of gas infrastructure: LNG facilities plant required: over reliance on imports and Eskom needed to reduce reliance on diesel due to costs and shift towards gas</li> <li>• Upgrading of refineries required to meet standards</li> <li>• Building a new refinery as future forecast is that the consumption will outstrip production</li> <li>• Storage facilities</li> </ul>	
<b>Real Estate Opportunities:</b>	
<ul style="list-style-type: none"> <li>• Good retail sales, despite a slowing economy, reveal potential for relevant commercial unit developments, as well as distribution space.</li> <li>• A developing REIT market will attract foreign investment further down the line.</li> <li>• The anticipated rebound in GDP growth indicates potential for the broader commercial real estate market, amid improving demographics</li> </ul>	

<ul style="list-style-type: none"> <li>• Building of boutique hotels (5 star, 4 star and 3 star) due to growing tourism market</li> </ul>
<b>Electronics Opportunities:</b>
<ul style="list-style-type: none"> <li>• Suppliers of parts and components for wind turbines and photo voltaic</li> <li>• Manufacture of automotive components</li> <li>• Manufacture of electronic components</li> <li>• Manufacture of consumer electronics</li> </ul>

source: BMI, 2017, SAOGA, 2016, AIU, 2017

## 5. Tourism

Between 2008 and 2013 the Senegalese government continued to invest in the travel and tourism sector. The Senegalese tourism market has a lot of room for development especially in terms of online tourism channels. Due to the countries close relations with France a number of French companies like Europcar and Accor have invested in the Senegalese tourism sector. The table below shows Senegal's tourism balance of payments.



Source: Euromonitor, 2017

Senegal's political climate is stable making it an attractive tourism destination market which is reflected in the countries increase in tourist arrivals. Below is a SWOT analysis on Senegal's tourism industry:

<b>TOURISM SWOT ANALYSIS</b>	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
low level of criminality, good weather appealing nightlife, good quality beaches, varied and high-quality cuisine	Underdeveloped transportation infrastructure and services, low level of specialist manpower, ourism infrastructure centred on coastal areas
<b>OPPORTUNITIES</b>	<b>THREATS</b>
Business tourism, exploitation of modern tourism concepts related to beach and water, development of the transportation industry with the opening of two new modern airports, development of domestic tourism, strategic planning to promote Senegalese tourism internationally	Low purchasing power of Senegalese inhabitants, underdeveloped internet penetration hampering e-commerce development, proximity to countries with similar tourism potential

Source: Euromonitor, 2017