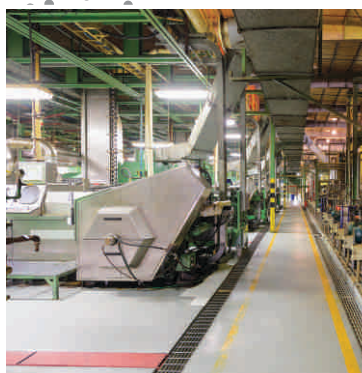


INDIAN INVESTMENTS IN WEST AFRICA: RECENT TRENDS AND PROSPECTS



EXPORT-IMPORT BANK OF INDIA

WORKING PAPER NO. 82

**INDIAN INVESTMENTS IN WEST AFRICA:
RECENT TRENDS AND PROSPECTS**

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EXECUTIVE SUMMARY

The West African region, enriched with vast amount of mineral resources, is among the fastest growing regions in the African Continent. West Africa, comprising 15 members of the Economic Community of West African States (ECOWAS) and Mauritania, is the largest region in Africa with highest number of countries. It is also the most populous region, with an estimated 366 million people in 2017. The West African region account for almost one-fifth of total land area of Africa, 30 percent of total African population, and 25 percent of total GDP of Africa. Nigeria accounts for more than half of West Africa's population, and is expected to become the world's third most populous country by 2050, behind China and India.

With member countries adapting numerous common development policies and reforms, West Africa offers good prospects for growth. The region is endowed with abundant supply of untapped mineral resources, which locally undergo elementary processing. The major mineral resources available include among others, gold, cement, clay, limestone, manganese, granite, phosphate rock, marble, natural gas, crude petroleum, bauxite, diamond, uranium, coal, gypsum, limestone, aluminium, iron ore, steel, coal, lead-zinc ore and barite.

The West African countries qualify for duty-free access to the United States market under the African Growth and Opportunity Act (AGOA). Except for Cabo Verde, Côte d'Ivoire, Ghana, and Nigeria, the remaining West African countries benefit from EU's "Everything But Arms" initiative, under which all products from LDCs except arms and ammunitions have preferential access to EU market. While Cabo Verde is a beneficiary under "GSP+" scheme, Côte d'Ivoire, Ghana, and Nigeria are beneficiaries under the "Standard GSP" scheme of EU, resulting in these countries being granted duty reductions for around 66 percent of all EU tariff lines.

Macroeconomic performance of the region has been good, indicating the resilience of the region to international and regional turbulence to some extent. Many of the West African economies witnessed high growth rates during 2012 and 2015. Regional growth, however, moderated in 2016 as countries such as Nigeria and Liberia recorded negative growth, outweighing high growth witnessed by countries like Côte d'Ivoire, Guinea, Senegal, and Sierra Leone.

According to African Economic Outlook 2018, West Africa's (ECOWAS) growth rebounded in 2017, witnessing an estimated average growth of 2.5 percent, above 0.5 percent growth recorded in 2016. The regional growth is expected to jump to 3.6 percent in 2018, and further to 3.8 percent in 2019, mainly due to expected oil price recovery, increase in oil production in Nigeria and Ghana, and strong agricultural performance. Though Nigerian economy is still stagnating and slowly recovering from the period of low oil prices, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, and Senegal witnessed a solid growth rate of 6 percent or more in 2017, and are expected to sustain strong growth rates in 2018 as well.

The GDP of the West African region is estimated to have decreased marginally from US\$ 569.3 billion in 2016 to US\$ 556.1 billion in 2017, mainly due to a fall in Nigeria's nominal GDP. Nigeria is the largest economy among West African countries, accounting for 68 percent of total GDP of West Africa, followed by Ghana and Côte d'Ivoire. Meanwhile, per-capita income of West African countries increased from US\$ 1,052.1 in 2016 to US\$ 1,091.8 in 2017. Cabo Verde, Nigeria, Ghana and Côte d'Ivoire have the highest per-capita income among the countries in the region during 2017.

The combined international reserves of the region is estimated at US\$ 60.2 billion in 2017, covering 8.2 months of the region's global imports. Nigeria has

the largest foreign exchange reserves in the region. According to the African Development Bank (AfDB), the average inflation of the region increased to 13.3 percent in 2017, from 12.7 percent in 2016. Though the consumer price inflation is in control for most of the economies, a few countries such as Ghana, Liberia, Nigeria, and Sierra Leone witnessed double digit inflation in 2017. Inflationary pressure mainly came from exchange rate depreciation and domestic imbalances resulting from decline in commodity prices and global demand.

International Trade of the West African Region

West African region, with a combined population of 366.4 million and an estimated GDP of US\$ 556.1 billion in 2017 represents a huge market for trade. Total trade of West Africa has increased from US\$ 184.7 billion in 2008 to US\$ 229.4 billion in 2017. The region accounted for 30.4 percent of Africa's total exports and 17.9 percent of Africa's imports in 2017.

Global exports from West Africa have risen from US\$ 106.8 billion in 2008 to reach US\$ 141.8 billion in 2017, driven by strengthening crude oil prices and pick up in global trade. Imports of West Africa have also risen from US\$ 77.9 billion in 2008 to reach US\$ 87.6 billion in 2017. On year-on-year basis, imports declined from US\$ 91.8 billion recorded in 2016, mainly due to fall in imports of Nigeria, Liberia and Burkina Faso.

The top five exporters in 2017 among the sixteen West African countries are Guinea, Nigeria, Ghana, Côte d'Ivoire and Senegal. China, India, USA, Netherlands, Spain, Belgium and France are among the major export destinations for the region. Major commodities exported by West Africa include ores, slag and ash; mineral fuels; pearls, precious stones, and metals; cocoa and cocoa preparations; ships, boats and floating structures; edible fruits and nuts; rubber and articles; fish, crustaceans and aquatic invertebrates; and cotton.

Nigeria, Ghana, Côte d'Ivoire, Liberia and Senegal are the top five global importers in the West African region during 2017, and imports are mainly sourced from China, Belgium, Netherlands, France, India, USA, and

South Korea. The principal imports of the region in 2017 include mineral fuels; machinery and mechanical appliances; ships, boats and other floating structures; electrical and electronic equipment; vehicles other than railway or tramway; and food products especially cereals.

Most of the West African countries are having trade deficit. Accordingly, West Africa as a region experienced a current account deficit of 0.7 percent of GDP in 2017, as against a surplus of 4.1 percent of GDP in 2008. Only Guinea-Bissau and Nigeria recorded current account surplus in 2017.

Foreign Direct Investment in the West African Region

According to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2018, FDI into West Africa fell by 10.9 percent to US\$ 11.3 billion in 2017 compared to US\$ 12.7 billion in 2016, mainly due to decline in FDI to Nigeria and Ghana (two largest economies in the region). West Africa received 27.1 percent of total FDI inflows into Africa in 2017, behind East Africa.

FDI flows to Nigeria witnessed a steep 21.3 percent decline to US\$ 3.5 billion in 2017 from US\$ 4.4 billion in 2016, as investment in consumer-facing businesses has declined due to sluggish domestic demand. Ghana also witnessed a fall in FDI inflows by 6.6 percent to US\$ 3.3 billion in 2017 from US\$ 3.5 billion in 2016, mainly owing to low public spending. In contrast, a few countries in the region witnessed an increase in FDI inflows in 2017, which was higher in case of Côte d'Ivoire and Senegal. FDI inflows to Côte d'Ivoire were higher by 17 percent to US\$ 674.7 million in 2017 from US\$ 577.4 million in 2016, reflecting a dynamic economy, strong public investment and sustained efforts to diversify the economy. In Senegal, FDI inflows rose by 12.8 percent in 2017 to US\$ 532.3 million from US\$ 472 million in 2016.

FDI has been unevenly distributed among the West African countries. Nigeria, Ghana and Côte d'Ivoire have been the major drivers of foreign investment inflows during the period under consideration 2008 to 2017. Out of the total US\$ 170.2 billion of capital investment received,

Nigeria received the highest FDI (US\$ 85.3 billion), followed by Ghana (US\$ 39.5 billion), Côte d'Ivoire (US\$ 10.1 billion), Senegal (US\$ 8.7 billion), Liberia (US\$ 5.9 billion), Guinea (US\$ 4.1 billion), and Niger (US\$ 3.9 billion).

During 2008 to 2017, coal, oil and natural gas was the largest sector to receive capital investment, followed by metals, communications, and alternative/renewable energy, amounting to US\$ 67.8 billion, US\$ 20.6 billion, US\$ 18.7 billion, and US\$ 13.7 billion, respectively. Canada was the largest investor in West Africa during the period 2008-2017, accounting for 13.9 percent of the total. The other major investors during the last ten years were UK (accounting for 8.9 percent of total inward FDI received by West Africa), followed by South Africa (7.8 percent), USA (6.9 percent), China (6.3 percent), and France (6 percent). The top investors in 2017 include Italy, China, Russia, UAE, France, and Luxembourg.

Indian Investment in the West African Region

During 2008 to 2017, India invested US\$ 6.7 billion in 70 FDI projects and created 21,433 jobs in West Africa. Indian investments in West Africa peaked in 2010 at US\$ 3 billion, with Nagarjuna Fertilizers and Chemicals investing US\$ 1.1 billion in Nigeria, and Rashtriya Chemicals & Fertilizers investing US\$ 1.5 billion in Ghana in pesticide, fertilisers and other agricultural chemicals sector. The total amount of capital investment received by West Africa from India during 2008 to 2017 represents 18.2 percent of total Indian FDI in Africa.

Nigeria accounted for the largest share of Indian investment during 2008-2017 with a share of 40.4 percent among the West African countries, followed by Ghana, Senegal, Liberia, Sierra Leone, Burkina Faso, Niger and Côte d'Ivoire.

The chemicals sector received the highest Indian investment in the region, accounting for 40.8 percent of total investment to West Africa during 2008-2017, followed by communications, coal, oil and natural gas, and automotive original equipment manufacturer

(OEM). The maximum number of projects has taken place in business services, where maximum number of jobs were also created during 2008-2017.

Nigeria: During 2008 to 2017, Nigeria has received Indian investment amounting to US\$ 2.7 billion in 38 FDI projects, supporting 12,672 jobs in the country. Nigeria is the fifth largest destination of Indian Investment to Africa during 2008-2017, following Mozambique, South Africa, Zimbabwe, and Egypt, and is the largest destination in West Africa. Nigeria accounted for 7.3 percent of total Indian investments to Africa and 40.4 percent of Indian investments to West Africa during this period. The major sectors receiving Indian investment in Nigeria during 2008-2017 are chemicals, communications, non-automotive transport OEM, automotive OEM, business services, and metals.

Ghana: Ghana received a total of US\$ 2.2 billion of capital investment during 2008-2017 from India in 20 FDI projects and supporting 6,468 jobs. Ghana is the sixth largest destination of Indian investments to Africa during 2008-2017; and is the second largest destination in West Africa, after Nigeria. Ghana accounted for 5.9 percent of total Indian investments to Africa and 32.6 percent of Indian investments to West Africa during this period. Chemicals sector alone accounted for over two-thirds of Indian investment in Ghana, with an investment value of US\$ 1.5 billion during 2008 to 2017. The other major sectors receiving Indian investment in Ghana during 2008-2017 include automotive OEM, communications, metals, and industrial machinery, equipment and tools.

Senegal: Senegal received US\$ 652.5 million investment from India in 2 FDI projects during 2008 to 2017, which has created 980 jobs in the country. The sectors which received Indian investments in Senegal during 2008-2017 are coal, oil and natural gas (85.6 percent of total Indian investment to the country), and automotive OEM.

Liberia: According to fDi Markets analysis, during 2008-2017 Liberia has received Indian investment of amount US\$ 558 million in the coal, oil and natural gas

industry by Jindal Steel & Power for power generation. India and Liberia has entered into an agreement for exchange of information and assistance in collection with respect to taxes with foreign countries in 2012.

Sierra Leone: During 2008 to 2017, Sierra Leone received US\$ 300 million investment from India in 2 FDI projects, which created 300 jobs in the country. The sectors which received Indian investments in Sierra Leone during 2008-2017 are communications and metals.

Burkina Faso: According to fDi Markets analysis, during 2008-2017 Burkina Faso has received Indian investment of US\$ 154 million from 2 FDI projects, which created 424 jobs in the country. The sectors which received Indian investments in Burkina Faso during 2008-2017 are communications and business services.

Niger: Niger received US\$ 104.5 million Indian investment from 2 FDI projects during 2008 to 2017, which has created 404 jobs in the country. The investment has taken place in communications and business services.

Côte d'Ivoire: According to fDi Markets database, during 2008 to 2017 a total of 3 FDI projects from India were recorded in Côte d'Ivoire, representing a total capital investment of US\$ 32.4 million and creating 69 jobs in the country. Major sectors of Indian investment in Côte d'Ivoire during this period include transportation, financial services, and automotive OEM.

Select Focus Sectors for Investment in the West African Region

In line with the priority sectors identified by the respective investment promotion agencies of West African countries, as also resources available in these countries, some potential focus sectors have been identified which Indian investors may explore for investment.

Benin

Agriculture: Benin is predominantly an agrarian economy which accounts for 26 percent of the country's GDP and generate around 80 percent of its export earnings. The agricultural sector is the largest source of employment for the labor force, with 70 percent of jobs being provided by the sector. It is also the sector attracting maximum FDI to the country. Agriculture sector of Benin is dominated by cotton. Benin also produces export crops including cashew, coffee, cocoa beans and palm oil. Though cotton accounts for almost half of Benin's exports, less than 5 percent of cotton production is processed locally. Similarly, high quality cashew nuts production has been booming in recent years, but there are very few industrial processing companies. Beninese agriculture has enormous potential to support national economic growth. Investment opportunities exist particularly in the still embryonic agro-food processing industry that has great potential for development in several sectors namely: fruit crops (pineapple, mangoes, oranges, and avocados), oilseeds (cashew, oil palm, coconut, peanut, shea, and cottonseed), tubers and root crops (yams, cassava, sweet potatoes, potatoes, etc) and cereals (maize, sorghum, millet, rice etc).

Tourism: Though Benin is one of the countries with the most outstanding tourism potential in Africa, the sector contributes only a marginal 2.6 percent of GDP. The government of Benin plans to transform the tourism industry into a growth sector that creates wealth and jobs, and puts Benin firmly on the international map. Beninese tourism, through its triple dimension (business tourism, ecological tourism and leisure tourism) is an important area with little exploited potential. Benin has a natural comparative advantage and possesses important prerequisites for successful tourism development, including endogenous natural and cultural assets, including the best wildlife and nature reserves in West Africa, clustered around a compact coastal region and close to key potential source markets.

According to the World Bank Country Director for Benin, Burkina Faso, Côte d'Ivoire, Guinea and Togo, Benin's tourism sector has the potential to create up to 30 percent of its GDP and could generate an estimated 30,000 additional jobs. The government through Revealing Benin Programme aims to make tourism a sector of economic development through transforming the Pendjari into West Africa's leading wildlife park, revitalizing the lacustrine town of Ganvié as the largest lake village in Africa, building a thematic museum inspired by the activities of the Abomey Kings, building a museum of voodoo art, civilisation and culture in the area around Porto-Novo, and reconstructing the historical city of Ouidah in its original style, and redevelop its historical trails by using vestiges and relics of the slave trade.

Burkina Faso

Energy: Burkina Faso is facing an ever-increasing power demand, while supply is low and production cost remain very high. According to Power Africa, Burkina Faso has around 3 million households without power. The country lacks adequate electricity generation and faces power shortages which hinder the industrial prospects. The rate of access to electricity in the country remains one of the lowest in Sub-Saharan Africa. According to the World Development Indicators (WDI) of the World Bank, only 19.2 percent of population in Burkina Faso had access to electricity in 2016. This lack of access to energy compel millions of people, women in particular, to resort to traditional biomass, resulting in major health problems. Electricity demand in the country has risen by about 13 percent annually over the past decade, against an 8 percent increase in national supply, from 300 MW in 2011 to 321 MW in 2016. There exists investment opportunities in: funding, construction and operation of solar power plants with a high production capacity (especially in Koudougou region for the production of electricity for telecommunication plants); setting up of gas-based power plants; building of thermal power plants;

production and assembly of photovoltaic modules and solar equipment; construction and operation of hydroelectric dams; pre-electrification of villages with photovoltaic solar systems; and construction of hydrocarbons storage terminals.

Information and Communication Technology (ICT): Burkina Faso has the vision to build a modern, inclusive and dynamic Information Society. Telecom sector reforms in the country have resulted in remarkable improvements in its ICT sector. Burkina Faso has created a relatively competitive environment for telecommunication services and has been one of the leading countries in the region in terms of adopting ECOWAS ICT policies and adhering to the supplementary acts. Though, competition has resulted in a sharp drop in the cost of communications, which is less than 100 FCFA per minute, it has also resulted in an increase in traffic which has had some negative impact on the quality of service. Mobile operators have about six million subscribers. Overall, there are 9.4 percent of internet users in the country, compared to an average 12.8 percent for the ECOWAS region, most of them use mobile internet and are concentrated in the major cities Ouagadougou and Bobo-Dioulasso. High costs of access to internet remains an important barrier to most of the population. There are also regular reports of service interruptions in the country. Investment opportunities in this sector exist in the following areas including Fiber Optic Links, Backbone National Network Deployment, Broadband Internet; the development of technologies TNT, 4G, WIFI, WIMAX, V-SAT; development of mobile solutions (electronic banking, web applications, mobile TV); supporting the e-Government project and the putting on line of the public services (data center, digital archiving, computer security, etc.); creation of three techno-poles in the fields of pharmaceutical production, food processing and energy transition; creation of seven university techno-poles; creation of innovation parks on the growth poles; creation of a techno-pole dedicated to ICT in Ouagadougou; and development of e-health.

Cabo Verde

Tourism: Cabo Verde boasts an incredible year-round climate, resulting in the country being named as the “Caribbean without the hurricanes”. It has an array of fine beaches, a warm and sunny climate, and a population known for its hospitality. The waters of Cabo Verde host one of the world’s top ten coral reef biodiversity hotspots; globally important mating and calving sites for humpback whales; and important breeding and foraging grounds for five species of sea turtle. The country has a strategic geographical location and is just four hours direct flight from mainland Europe with flight connections from around the world. Four islands Sal, Boa Vista, Santiago and Sao Vicente have international airports. The country receives a steady flow of tourists annually. According to the World Travel & Tourism Council (WTTC), Cabo Verde has attracted 717,000 international tourist arrivals in 2017. Cabo Verde is targeting to increase this to 1 million international arrivals by 2020. Tourism on the islands is constrained due to scarce physical infrastructure and utilities, limited product diversification, insufficiently trained human resources, and limited economic linkages through employment or procurement. Main business opportunities in the tourism sector include constructing and managing hotels and resorts (luxury hotels, resort hotels, executive hotels, fishing and diving hotels); low cost air transport; rural tourism and ecotourism; cruise tourism; water sports and tracking; health tourism; construction services for tourism projects; and supplying goods or services for tourism undertakings.

Fisheries: The extensive exclusive maritime area of Cabo Verde of 782,000 sq.km is characterized by deep oceanic waters, a coastal line with 1.02 km and a total accumulated area of the continental shelf of 5,394 sq.km. Fisheries in Cabo Verde are characterized by considerable biodiversity with more than 100 species, several taxonomic groups (fishes, mollusc, crustaceans and other invertebrates), many different ecosystems (coastal ecosystems, seamounts ecosystems and open ocean ecosystems),

important genetic resources (endemic species) and a wide variety of the predator-prey and abundance-density relationships. There is an average annual catch of 9.445 tons per year, 47 percent being caught by artisanal fishers’ fleet and 53 percent by semi industrial fleet, and mainly comprising coastal pelagic species, oceanic species and sharks. The export of fresh and frozen products represents about 80 percent of the total produce exported from Cabo Verde. Despite this, it is estimated that about 80 percent of the fish eaten on the tourist islands and 90 percent of fresh fruit and vegetables are imported. Effective local sourcing of fish, fruits and vegetables would save significant costs for the tourism sector, improve the quality of food for tourists and avoid long delays. Investment in fishing sector could pave way for modernization of fleets and an increased catch size. Substituting locally caught fish for fish imported by the tourism sector could also generate more employment opportunities in the country. Opportunities for investment in the sector include: modernization of the fishing fleet; development of infrastructure in fishing communities; promotion of aquaculture projects in the processing industry; and cold storage and freezing facilities; and fish processing plants.

Côte d'Ivoire

Real Estate: Côte d’Ivoire in the recent years has been introducing various reforms in property registration, development programmes, and efforts to improve the business environment in the country. This has resulted in creating strong investment opportunities in housing finance and housing development sectors. Supported by various reforms, a lot of FDI has come into the sector for developing urban infrastructure and housing in the recent years. There is still a need to innovate housing finance to bridge the gap between demand and supply of adequate and affordable houses. Côte d’Ivoire has a deficit of 400,000-600,000 housing units, half of which is in Abidjan. The demand is estimated to be growing by 40,000-50,000 units every year. Providing decent, affordable housing has become a key legislative component of

Côte d'Ivoire's government, especially the need to strengthen the financing options for home buyers and real estate developers. Potential also exists in industrial, office space and retail sectors. In terms of space for industry and manufacturing, Côte d'Ivoire has an estimated 7,000 ha of industrial-zoned land, of which about 1,800 ha is in Abidjan. The demand is particularly high in San Pedro, where the development of the port and new cocoa-processing units entailed increased needs in high-end accommodation. There is also an increased demand for class-A office space driven by the country's economic growth and the arrival of foreign firms over the past five year. Hence, investment opportunities exist in construction of new office space as well as the rehabilitation of existing office space areas.

Energy Infrastructure: As a part of the National Development Plan 2016-20, Côte d'Ivoire has set a goal of making the country an energy hub in Sub-Saharan Africa by providing quality, cheap and abundant energy to national and sub regional population. Côte d'Ivoire was one of the first countries in Sub-Saharan Africa to privatize its electricity sector and to introduce independent power producers (IPPs). The electricity system in the country has been stable with a very low rate of shortages. While the country's electricity grid is relatively expansive and access rates are high, the actual share of household connection is low, mainly due to the upfront cost of connection. Electricity demand is expected to continue increase as investment grows in sectors including manufacturing and mining. More hydropower, biomass and solar power projects are critical to diversify the energy mix and meeting the future demand. Potential for investment in the sector exists in generating sufficient electricity and demand side management; increasing installed capacity by approximately 150 MW each year; diversifying the generation mix, which currently depends heavily on domestic natural gas; increase participation of independent power producers (IPPs); and restoring the financial viability of the energy sector – tariff adjustments and loss reduction.

The Gambia

Energy Sector: The demand for energy in the country has far outstripped the ability of the State owned utility to supply to the country in the wake of rapid growth in the population of the Gambia. Firewood, electricity, petroleum imports, and liquefied petroleum gas (LPG) are the major energy sources in the country. Poor state of transmission and distribution system in the country result in high technical losses and un-metered consumption which is estimated at about 40 percent. The country also experiences extremely high cost of energy estimated at an average of US\$ 0.18. The provision of efficient, reliable and affordable energy that is sustainable and environmentally sound has become a priority for the government. Electricity generation capacity of the Gambia with an effective installed capacity of 65 MW is substantially below demand. The government plans to collaborate with various entities for the development of renewable energy through Research and Development. The government also encourages the use of other energy sources. The utilization of solar PV equipment is increasing in the country for industrial, commercial and domestic uses. Similarly, use of biomass (agricultural waste such as saw dust, groundnut shells, and straw) is also seen to be increasing. The government is encouraging use of windmills for powering water pumps, resulting in increased use of the same throughout the country.

Tourism Sector: The Gambia, renowned as the 'Smiling Coast of Africa, is an attractive tourism destination given its unique geographical position and strategic location combined with proximity to Europe and English as the official language. The country is endowed with numerous investment opportunities in the tourism value chain. The unprecedented increase in tourist arrival numbers over the years coupled with the robust government strategy to boost tourism and expected increase in arrivals to half a million by the year 2020, the sector offers great investment potential.

The government of the Gambia is committed to an orderly development and expansion of the sector, especially cultural and eco-tourism. The expansion of infrastructure in designated tourism development areas including natural forest parks, land marks and monuments of cultural significance are considered under the sector's development strategy. There exist investment opportunities in maritime infrastructure – notably marinas; development of new 4 star and 5 star hotels; upgrading of budget hotels to 3 star and 4 star hotels; eco-tourism; recreational parks; integrated resorts; community, culture and heritage tourism; river cruise excursions; eco-village and community based tourism; bike trails; bird watching and recreational fishing; and golfing.

Ghana

ICT and Telecommunications: Ghana's ICT Sector has made remarkable progress over the past two decades. Ghana was one of the first countries in the region to introduce widespread liberalization in basic telecommunications services. Ghana has established the necessary legal and regulatory framework to guarantee the safety of investments in the ICT industry. The mobile penetration rate in Ghana has surpassed 100 percent. However, this does not imply that every Ghanaian has a mobile phone. The high penetration rate can be attributed for multiple sim cards and ownership of multiple mobile phones. It is estimated that mobile phone ownership in the country is just around 16 million. There also exists opportunity for growing the voice market. The internet subscriptions per 100 population are lower than the annual internet penetration as the majority of Ghanaians make use of internet cafes. Another favourable area for investment is the mobile money sub-sector, which is expected to witness high growth in the coming years on account of favourable regulatory environment and pro-financial inclusion policies. Interoperability of mobile payments is one of the key priorities of Ghana. The ICT sector requires service providers in connecting international voice

calls to the local public network. Internet service providers are required to offer internet access to the public especially in the rural areas at less cost, and broadcasting operators to establish Radio and Television broadcasting in the country. There is also a lack of ICT facilities and infrastructure on a broad scale across the nation. Investments are needed in providing software, extending broadband network to reach the entire country and to provide computer access to rural students. Technological and other support related services such as the supply of quality telecommunications equipment, ICT equipment and office and network equipment are also required.

Mineral Processing: Endowed with substantial mineral resources, a well-established and high growing mining sector, mineral industry represents an important pillar of the Ghanaian economy. Investment promotion remains a major objective of the industry with a comprehensive vision to facilitate greater exploitation of Ghana's industrial minerals. The Minerals and Mining Policy, developed by the Ministry of Mining aims to promote diversification in the sector to lesser known minerals, and to provide forward and backward linkages between the mining sector and other sectors of the economy. As per the investment authorities, the country has the potential to build a vertically integrated aluminum industry which could utilize the full value chain of bauxite development; mining bauxite, refining bauxite into alumina and smelting alumina into aluminium for export and local consumption, and fabrication of aluminium products, among others. Investment opportunities in the mining industry are mainly in the areas of exploitation, production and industrial processing of these minerals, including production of industrial minerals for both local and international consumption; and applications/processing of industrial minerals in the areas of construction, ceramics, paints, electronics, filtration, plastics, glass, detergents and paper.

Guinea

Agriculture and Fisheries: Guinea's agricultural sector has great potential and could serve as the engine for eventual accelerated growth and sustainable employment creation. This potential can ensure food security in the country, increase revenues from exports, mainly from cash crops, and facilitate profitable investments with high added value. Identified as a key growth sector along with mining and energy, the agricultural sector has undergone diversification trends with the revival of cotton farming and the development of rubber and palm plantations. Opportunities for investment exist in industrial milling of rice; pineapple and papaya plantation; vegetable and fruit plantation; crop protection products, fertilizers, coenzymes, seeds and plants; producing and processing *néré*, shea butter, cashew nuts etc.; producing and processing cereals; producing and processing niche products (sesame, shea, fonio, ziamma coffee, chili peppers, ginger, peppers etc.); promoting agricultural export crops (coffee, palm oil, rubber, pineapple, mango, etc.); rice farming; irrigation services; processing and packaging agricultural produce; and industrial processing of fruits, potato, cassava and other tubers.

Guinea has significant commercial fishing and aquaculture potential composed of four large groups of species pelagic fish, demersal fish, cephalopods, and shrimps. It has a coastline of more than 300 km and a continental shelf which is among the largest in West Africa, extending beyond 80 nautical miles offshore. The fisheries sector has been identified as a potential source for the country's economic growth to reduce poverty in both urban and rural areas and to ensure food security by meeting the population's animal protein need. Opportunities in the sector include constructing cold storages and exporting fresh seafood; constructing fish processing units that meet quality standards; building fish packaging materials plant; developing distribution and marketing channels in the domestic market for seafood; promoting the export of smoked fish; installing and repairing fishing equipment; motorized small-scale fishing

(engine power 15 - 40 hp and engine power 40 - 250 hp); inland fishing and industrial fishing; maritime security; maritime care; fisheries surveillance; and setting up a central fisheries supply point.

Energy and Hydraulic Sector: The Guinean energy sector with a capacity of 6,000 MW is also a priority growth sector. Guinea's abundant rainfall, sunny weather, and natural geography is suitable for hydroelectric and renewable energy production. For decades, this potential has not been exploited adequately. Guinea has huge energy potential but the power generation capacity is still insufficient to meet national consumption needs and favor accelerated growth objectives. The potential of hydropower generation, transmission, distribution, interconnection and maintenance of the energy sector is estimated at 6,000 MW for an annual energy supply of 19,300 GWh. In Guinea, the average rate of access to energy services is 18.1 percent; 47.8 percent in urban areas and 2 percent in rural areas. Energy consumption is concentrated in urban areas while it is almost unavailable in rural households. Energy consumption per capita in the country is less than a half ton of oil equivalent (TOE), of which 80 percent is from biomass. Opportunities exist in constructing and managing hydroelectric dams; constructing and managing solar power stations; constructing and managing thermal power plants; equipping, renovating and maintaining water distribution systems; service delivery; drinking water production and distribution; rehabilitation of the Donkéya hydropower plant; strengthening electricity networks rehabilitation and extension of distribution lines in the commune of Matam; and project for the rehabilitation and extension of distribution lines in the communes of Ratoma, Matoto, Dubréka and Coyah.

Guinea-Bissau

Agriculture and Agro Industry: The mainstays of agriculture and agroindustry in the country would be the development of cashew and rice sectors. As a staple in Guinea-Bissau, rice accounts for most of its

food imports. Guinea-Bissau aims to achieve a four-fold increase in the revenue generated by the cashew sector between 2015 and 2025. This would be through processing 30 percent of domestic production locally and by building technical and financial partnerships with the key international players and by setting up a “Cashew from Bissau” label. Guinea-Bissau also intends to achieve rice self-sufficiency by producing 450,000 tonnes by 2020, and become a net exporter by producing over 500,000 tonnes of rice by 2025. These require developing rice-growing in 54,000 hectares of rain-fed lowlands and mangroves in the country, and through the improvement of rice-growing methods and the reconstitution of the country’s seed stock. In addition, government is planning to reorganize the storage and distribution systems. A policy for supporting the rice sector is being promoted in the country, targeting young producers and implementing funding mechanisms for marketing and rice processing campaigns. The government has identified following areas for development of the sector, including setting up reference laboratory for agro-industry; enhancement of the cashew value chain; vegetable production program (including development of rain fed lowlands and mangroves for rice production); promotion of animal production (including supporting infrastructure); and horticulture development through promoting market gardens.

Tourism: Guinea-Bissau’s tourism industry is among the less developed in the region, though the country is well endowed. Given its location, climate and vast stretches of unspoiled natural beauty, tourism development is a major focus of government investment. There are a number of hotel development projects seeking for joint venture and/or financing including construction of 5 Star hotels, bar and restaurants and recreation facilities. Ministry of Tourism, Environment and Traditional Arts (MTAA) is the authority responsible for overseeing tourism in Guinea-Bissau. Guinea-Bissau aims to become a world-renowned destination for ecotourism and beach resort tourism in 2025. Potential areas for investment include eco-tourism development in

the Bolama-Bijagós archipelago (establishment and operationalization of the Bijagós special tourist area agency); development of National Tourism Transportation Network; and planning and promotion of a network of parks (Varela, Pecixe, etc.); tourist zones project, which will extend throughout the country; developing and maintaining national parks and reserves; barbeque port cruise-ship project; sport tourism; fishing tourism; tourist resort projects in the Bijagos Islands; Bijagos islands hotels projects; cultural tourist projects; conference-tourist hotels; and tourist resort project in Salinho.

Liberia

Healthcare: The 14 years of civil war has left the health system of the country dysfunctional with the destruction of the infrastructure and severe health workforce shortages. Since then, the country has made great effort to rebuild its health system through various reforms and introduction of the Basic Package of Health Services (BPHS), which is since changed to the Essential Package of Health Services (EPHS) under the National Health Policy and Plan 2011- 2021. The 2014/15 health facility assessment indicated that 13 percent of facilities did not have access to safe water, 43 percent had no functional incinerators, while 45 percent did not have a primary power source for emergency lighting. 71 percent of the population live within 5 km of a health facility. However, there exist significant variations across counties: it ranges from 32 percent in Gbarpolu to 96 percent in Montserrado. The public health workforce included 0.03 physicians per 1,000 population, 0.08 physician assistants per 1,000 population, 0.4 nurses per 1,000 population, and 0.12 midwives per 1,000 population in 2015.

Some of the priority areas of investment in healthcare as identified by the government of Liberia include extending and remodeling existing facility infrastructure to ensure that they are appropriate for epidemic management, have functional utilities (i.e. water, power) and are enabled to deliver high quality services; upgrading three existing county hospitals (JJ Dossen, Phebe and Redemption) to

regional hospitals with training capabilities and 12 clinics to health centres; accelerate completion of 17 unfinished health facilities; build a National Reference Laboratory, Medical Diagnostics Laboratory and 4 Regional Laboratories, upgrading 1 Laboratory at Phebe to Regional Laboratory standards; build a national public health institute; build a national biobank; support renovations at John F. Kennedy Medical Center to solidify it as Liberia's primary referral and training hospital; establish robust management and maintenance systems for facilities, fleet and equipment and strengthen referral/transport network; construct new required health facilities guided by norms to increase access to care; and build adequate warehouse capacity for national drug service at national and county level.

Road Transportation: The International Monetary Fund (IMF) has identified that the length of the road network in the country is lower than that in peer countries. The quality of road infrastructure in Liberia is also perceived as much worse than the average of ECOWAS member countries, and is ranked as one of the lowest in the world. The country has made solid progress in the recent years in rehabilitating transport infrastructure with the support of the World Bank and other international agencies. The road infrastructure priorities identified by the government include roads connecting Buchanan (Grand Bassa County) to Greenville (Sinoe County); Gbarnga (Bong County) to Medikorma (Sierra Leone Border); part-financing construction of primary highway from Ganta – Tappita; financing construction of primary highway from Tappita – Fish Town; rehabilitation of Monrovia to Bo-Waterside border & Sanniquelle to Côte d'Ivoire (Danane); and ELWA (Monrovia) to Roberstfield International Airport road. The transport corridor expansion plan also requires paving extensions to major road corridors, and linking Somalia Drive to Sinkor in Monrovia. Some of the investment opportunities exist in provision of mass transport services; public parking facilities; construction of bus stations and bus services;

construction and management of road links (toll road system); and long term road maintenance initiatives.

Mali

Energy: Energy sector of Mali is characterized by a high dependence on oil. Imports are constantly increasing due to the demands of a fast growing population and economic growth. Electricity production in Mali is dominated by hydraulic (55 percent) and thermal (44 percent) sources. There is a continuously growing demand (at 15 percent per year) and an ever widening gap between available supply and demand. By 2030, Mali is expected to have a total deficit in energy generation of 22,600 GWh. Electrification rates in the country remains low especially in rural areas. Only 15 percent of rural towns and villages are electrified as compared to 55 percent in urban centres. Most households in rural areas meet their energy needs by using kerosene and batteries, which are expensive and unreliable. As per the investment agency, there is an immediate and short term demand on the EDM residential and commercial network of at least 180 MW, on isolated networks of at least 60 MW, and by large industrial companies of at least 200 MW. The needs of investment in the power sector are in average of € 212 million per annum. There exists immense potential in electricity generation through renewable energy sources.

Agriculture: Mali has important and underexploited agricultural potentialities, especially in the south and center of the country. Foreign and national private investors are encouraged to undertake agricultural activities. Attaining Mali's long-term growth potential through economic transformation require gradual expanding and diversifying of the productive sectors of the economy, particularly agriculture. In addition to subsidies allocated to producers of cotton, the Malian government dedicates 15 percent of its budget to the agricultural sector.

Mali is among the largest producers of cotton in Africa at 500,000 tons per year. Mali exports nearly all the cotton it grows, though less than 2 percent of cotton production is processed locally. Processing of cotton seeds into oil and animal feed is another attractive investment field. Opportunities also exist in the diversification of activities, particularly value-added niches, such as spinning, production of loom state fabric (in great demand in the garment industry) and manufacture of bazin dyed cloth (highly prized in West Africa, particularly for embroidery). Investment potential also exists in horticulture (mangoes, citrus fruit, string beans, onions, potatoes, tomatoes, cabbages and cucumbers), cottonseed meal, sugar cane processing, and construction of sugar factories. There also exists potential for other crops including rice, millet, and horticultural products. The expansion of irrigation and technical improvements has led to higher rice yields and horticulture production in the recent years. There are also opportunities in the agricultural machinery supply areas, fertilizers, agribusiness, farming, irrigation tools, livestock, poultry, import/export, and animal feed.

Mauritania

Hydrocarbon Sector: Mauritania is one of the latest countries in Africa to start producing oil, and possesses considerable offshore natural gas deposits. Mauritania's hydrocarbon sector is attracting more and more global oil companies in the recent years. Mauritania's inland and coastal areas lies on giant oil and gas reserves making the country a potential major oil producer in Africa that also benefits from its geographical location to transform into a major crude exporter to international markets, particularly Europe. A number of major oil and gas discoveries have been made so far, making Mauritania a major hotspot for investors. There exist opportunities to invest in planned development for prospecting and exploiting oil; intensified exploration activities in the Taoudenni basin; drilling of oil wells; exploration and exploitation of gas fields; and setting up of power plants by gas.

Fisheries Sector: Mauritania's Strategic Plan for Accelerated Growth and Shared Prosperity has identified agro-processing, fisheries, hotel construction and related logistics and infrastructure as the key sectors for development. Its coastal waters and ocean territory is a highly biodiverse eco-region having some of the most abundant fish stocks in the world. This is reflected in the fishery sector, a crucial sector for the Mauritanian economy in terms of its contribution to GDP, exports, income for the national budget and job creation. The Mauritanian waters are highly productive as they are very rich in fishery resources due to nutrients carried by the Canary Current and cold water upwelling. Despite its importance to the Mauritanian economy, the fisheries sector is relatively undeveloped, due to the remoteness of Nouadhibou, which used to be the only landing point for the industrial fleet and lack of processing facilities. Opportunities exist in the following areas: acquisition and exploitation of fishing boats; processing and conservation industry; emerging fisheries development like anchovies and shellfish; developing aquaculture and prawn breeding; infrastructure for offloading; development of fish processing and transformation industries; industries related to fishing; and setting up of fish meal plants.

Niger

Transport Infrastructure: Transport infrastructure, specifically roads and railways, play a strategic role in the development of Niger given its vast landlocked location (2,500 km distance from east to west and 1,500 km from north to south). Niger depends heavily on its transport infrastructure, particularly for its agricultural sector. Its transport infrastructure comprises a road network of 18,950 km, 21 percent of which are paved and classified as primary roads. Niger's costs and time to trade across borders are among the highest in the region in spite of its

relatively high efficiency in moving goods across borders. Regional corridors on Nigerien territory are in poor condition. There is no fully operational railway in Niger. Niger's air transport sector also remains relatively underdeveloped, and funding to upgrade facilities remains a problem. Niger requires strong foreign investment to modernize, upgrade, renew and expand the existing roads and rails. Opportunities to invest exist in the construction of railway lines; renovation and restoration of airports; improvement and asphaltting of roads to enhance the transportation and infrastructure network; renewal of the public transportation fleet; and creation of public transport companies.

Energy Sector: Niger offers invaluable potential in the renewable energy sector (solar, wind and hydraulic). Due to a particularly fertile underground, Niger has all types of energy sources: fossils, oil, gas, coal, and uranium. Despite such rich reserves, final energy consumption in Niger is estimated at 0.15 tonne of oil equivalent (TOE) per capita, one of the lowest in the world. The government needs to reduce its present dependency on imported electricity as 70 percent of its electricity supply comes from Nigeria. Energy production of Niger needs to be increased substantially, as the current electricity demand is insufficient to meet the country's needs. There are many opportunities to invest in the energy sector including construction of pipeline for the transport of petroleum products; creation of an assembly unit and commercialization of panels and various solar equipment; creating modern units for filling and marketing domestic gas; construction of solar power plants; construction of thermal power plants; construction of transmission lines; construction of charcoal complex; village electrification by solar photovoltaic system; construction of concentrated solar power plants; hybridization of diesel power plants; and setting up an assembly of solar panels and various options of solar kits including lighting systems, cold production, pumping etc, assembly line of solar street lights and unit of production or assembly of solar water heaters.

Nigeria

Manufacturing: The Light Manufacturing sector is considered to be an ideal industry to drive Nigeria's development due to the labor-intensive, export-focused nature of the business. Manufacturing activities in Nigeria, Egypt, South Africa and Morocco together account for two-thirds of Africa's total factory activities in value terms. Manufacturing contributes around 9 percent of Nigeria's GDP. Government initiatives such as the import ban on a number of goods, forex restrictions, and targeted incentives to onshore production are geared towards creating a more attractive environment for investors, thereby unlocking a range of industries. Investment opportunities exist in the following manufacturing activities: food and beverages; chemical and pharmaceuticals; domestic and industrial plastic, rubber and foam products; basic metal, iron, steel and metal fabrication; pulp, paper/paper products, printing and publishing; electrical and electronics products; textile weaving, apparel, carpet, leather/leather footwear; wood and wood products including furniture; non-metallic mineral product (e.g cement); and motor vehicle and miscellaneous assembly.

Investment opportunities in the light manufacturing sector exist in auto components (auto parts and replacement accessories); textile and footwear (embroidery, synthetic filament yarn woven fabric, non-knit men and women's suit, light pure woven cotton, knit t-shirts, etc.); white goods (centrifuge, refrigerator, washing and bottling machines, air-conditioners); ICT equipment (telephones, computers, broadcasting equipment and accessories); and electrical and electronics products (electric generating sets, video displays, electrical transformers, insulated wire, low voltage protection equipment, and electrical control boards).

Healthcare: Demand for healthcare in Nigeria currently exceeds supply, presenting a wide range of opportunities for foreign investment and expertise. It is estimated that about 30,000 Nigerians spend more than US\$ 1 billion on medical tourism each

year, of which 60 percent is spent in four major areas of healthcare, namely cardiology, orthopedics, renal dialysis issues and cancer. Nigeria, being the most populous nation in Africa, has a large number of cases of widespread communicable diseases. With a major shift towards processed foods in Nigeria, the need for treatments linked to lifestyle diseases including cancer, cardiovascular disease and obesity also rises. Nigeria's current health system requires major investments to increase its capacity to deal with these diseases. It is estimated that out of the total drug consumption in Nigeria, the indigenous pharmaceuticals companies are only able to meet about 45 percent of the demand for drugs. Also, over 63 percent of trained doctors in the country end up practicing medicine abroad, due to reasons such as unattractive remuneration, poor working conditions, and lucrative opportunities abroad.

Investment opportunities in Nigeria's healthcare sector include setting up of specialist hospitals; diagnostic and trauma centers - imaging, nuclear medicine, pathology and paternity testing; ambulance services; mobile clinics; pharmaceutical manufacturing - collaborating with smaller Nigerian players who need funding and expertise to expand in the regional market; smallholder specialist clinics; hospital management - managing medical facilities, implementing innovative technology, and hence appealing the large number of Nigerian doctors working abroad to return to the country; and health insurance.

Senegal

Agriculture: Senegal is an agricultural based economy producing a wide variety of fruits and vegetables. Agriculture, livestock and agribusiness are among the main dynamic sectors of the Senegalese economy. The country has a favourable oceanic climate with soil suitable for cereal and horticultural crops. The Emerging Senegal Plan provided stimulus to the development of primary industry sectors. Special programmes for products like rice, corn, sesame, etc., were implemented, followed by grants for

agricultural inputs and equipment leading to satisfactory crop yields. The Plan also encourages the development of peanut production and substitution of 20-30 percent of the consumption of imported oils by locally-produced peanut oils. Considering the country's large, under-exploited hydraulic potential, Senegal provides important business opportunities in the agriculture sector. The agribusiness sector offers room for growth especially in conservation and versatility of producing equipment. Key opportunities include development of floriculture - cut flowers and decorative flowers; dynamic horticultural sector based particularly on export horticulture; market gardening; production of irrigated rice; production of tropical products especially for exports, especially the bio-banana; food processing (cashew nut); development of service packages: funding, access to inputs / agricultural machinery, technical support / management, collection of production / processing / marketing; development of dedicated spaces and construction of storage facilities and processing and access roads; developing cereal corridors; development of private irrigation; and agri-tourism.

Tourism: Senegal is considered to be a forerunner in the expansion of tourism in Africa. A favourable geographical location, a hospitality tradition, underdeveloped sites and generous incentives are some of the advantages of Senegal as a touristic hub in the region. The tourist destination "Senegal" is built around business and convention tourism. Given the increasing potential of the sector and its positive impact on Senegal's economy, the government aims to reach 2 million tourist arrivals by 2019. To facilitate the arrival of tourists, the authorities recently decided to abolish the entry visa and reduce airport taxes. The Emerging Senegal Plan also aims to reinforce tourist infrastructure. Since, several international companies have chosen Senegal for their African logistics hubs and headquarters, business tourism also plays an important role in the market's overall performance.

Within the country there are four important categories of tourism products: health tourism, business tourism, nature tourism and cultural tourism. The

tourism sector offers a wide range of opportunities in different sub-sectors and activities including the development of tourist areas, the hotel industry and catering (construction of resort hotels and luxury business hotels with conference facilities), tourist transportation, the strengthening of capacities and services, the holding of conferences and congresses, leisure and sports activities, etc. There are different sites with exploitation potential such as Mbodiène, Pointe Sarene and Joal Finio in the Petite Côte; Saint Louis, Potou Sea and Djouj Bird Sanctuary in the North Zone; and the Saloum Delta Islands.

Sierra Leone

Telecommunications: The telecommunications sector in Sierra Leone is one of the most liberalised sectors in the economy. The 'Agenda for prosperity, road to middle income status (2013-2018)' of the government of Sierra Leone aims to use ICT to reduce poverty and boost prosperity. The mobile sector in the country has experienced rapid growth since then with a total of 10 mobile phone licenses been issued and a number GSM networks commencing operation. The government is finalising a divestiture strategy for increased participation of the private sector. Despite the efforts by the government, only 11.8 percent of population uses internet and 0.2 fixed telephone subscriptions per 100 people were available in the country in 2016. Similarly, secure internet servers per 1 million people stood at 1.9 in 2017. Mobile cellular subscriptions per 100 people in the country stood at 84.9 in 2016.

Investment opportunities exist in construction of the national fibre optic backbone of fibre optic cables; providing bandwidth and activated services in the areas of voice, data and video to increase penetration levels; linking ICT to agribusiness, education, medical and tourism sectors of the country; and providing support to harness internet services by government offices for proper service delivery.

Agriculture: The economy of Sierra Leone is strongly reliant on the agricultural sector. The country with an estimated 5.4 million hectares of arable land,

abundant farmland, varied ecosystem, fertile soil, and sufficient rainfall offers great potential for agriculture and agribusiness. The government is investing heavily in the sector by improving transport infrastructure to ease the movement of goods, encouraging and supporting private sector investment, as well as lending support to farmers. Agriculture has been identified as one of the priority sectors by the government to diversify the economy from iron ore exports.

The improvements in infrastructure planned by the government are expected to open up substantial new areas for profitable agricultural use. Opportunities to invest exist in production, processing and marketing of domestically produced rice; rehabilitation of existing cocoa and coffee plantation or establishing new cocoa and coffee plantation; industrial production of starch and cassava flour; cultivation and processing of groundnut, pepper and vegetables both for local consumption as well as for export; supply of agricultural inputs such as fertilizer, improved seeds, agro-chemicals, animal feeds and veterinary inputs; diversification into livestock production by improving the productive livestock industry (increase the production levels of cattle, sheep, goats, pigs and poultry); livestock breeding as total domestic production is not sufficient to meet the needs of the growing population; use of intensive methods in the farming of existing cropped areas, together with increasing cultivable land; developing irrigation infrastructure for improved cultivation; constructing feeder roads to increase links between production centres and markets and processing infrastructure for prominent products within localities; enhancing effectiveness of rural financial services institutions at local level to directly support farmers' access to financial services; and supporting smallholder farmers in out-grower schemes and training.

Togo

Infrastructure: Togo is among the fast growing emerging economies in West Africa, but is currently being encumbered with an underdeveloped land

transport infrastructure that is not sufficient to meet the rising demand. The government has realized the importance of development of the transport infrastructure to make Togo a hub for West Africa, and subsequently introduced a number of measures for upgrading the rail, air, port and road infrastructure in the country. With a depth of 14 meters, the Port of Lomé is the only deep water port on the West African coast that can accommodate third-generation ships. Due to its free port status, there are no customs restrictions on the handling and transfer of goods within the port area, saving time and easing cargo handling operations. The autonomous port of Lomé is a transit point for goods from the landlocked countries of the sub-region (Burkina Faso, Mali and Niger). Air transport is provided from Lomé by several companies. Lomé International Airport has a runway of 3,000 meters. Another international airport exists in the country in Niamtougou, which has a 2,400 meter runway for commercial flights. The road network of Togo comprising 7,800 kms, carries almost 80 percent of the country's passenger traffic, and remains highly congested.

Five projects have been planned to improve the transport infrastructure in Togo. This includes transport corridor project, the truck park project, the special economic zone project, rail project and Cinkassé dry port. Opportunities for investment exist in the following areas, including optimizing port area operations at the Port of Lomé; new dry port terminal construction project; logistics hub at the back of the port of Lomé (improving storage facilities); modernization of mineral quay; building a new airport near Lomé; construction of a railway network from port of Lomé to the northern border; building a 675 km motorway from the port of Lomé to the northern border; construction of East-West corridor linking the Ghana and Benin borders and North-South corridor linking Lomé and Cinkasse; and strengthening of road infrastructure, including the rehabilitation of the Trunk Road No 1 and secondary roads as well as feeder roads for the transport of the agricultural produce.

Energy Sector: Most of the electricity produced in Togo comes from thermal technologies and hydroelectric plants. National electricity production covers just 25 percent of the energy requirement in Togo. Around 66 percent of the Togolese population live in rural areas and consume just 7 percent of the country's electricity. According to International Development Association (IDA), security of supply, reliability, and efficiency are major issues affecting Togo's power system. Around 25 percent of businesses reported power cuts for more than 20 percent of business hours, and 56.7 percent of businesses had cuts for less than 20 percent of operating hours in 2015. In order to have a balanced development and to improve the living conditions of the population, the new energy policy guidelines focus on the development of renewable energy sources (solar, wind, biogas and hydropower systems). Recently, the government of Togo has announced its new electrification strategy which aims to reach 100 percent electricity coverage and achieve the universal service access by 2030. The size of the country and the low population density implies that the extension of the network and use of solar kits would be necessary to achieve universal electrification. Current opportunities for investment exist in construction of thermal power plant; construction of 161 KV energy line network; solar power generation for utilities, schools and public administration; transmission and distribution for rural electrification; rehabilitation and reinforcement of the medium and low voltage systems; and supplying solar photovoltaic panels.

Export-Import Bank of India in West Africa

In its endeavour to promote India's international trade, Export-Import Bank of India (Exim Bank) today seeks to develop commercially viable business relationships with externally oriented companies. The countries in the African continent have always been a focus region for Exim Bank, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the

commitment towards building relationships with the African region is reflected in the various activities and programmes, which Exim Bank has set in place. Exim Bank has representative offices in Abidjan, Côte d'Ivoire; Addis Ababa, Ethiopia; and Johannesburg, South Africa; which play key roles in facilitating economic cooperation with the African Region, and are closely associated with several of the Bank's initiatives.

Lines of Credit

Exim Bank extends Lines of Credit (LOC) to overseas governments, parastatal organisations, financial institutions, commercial banks and regional development banks to support export of eligible goods and services on deferred payment terms. The Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. LOC is a financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters, especially to SMEs, and serves as an effective market entry tool. Exim Bank also extends overseas buyer's credit directly to foreign entities for import of eligible Indian goods and related services or for financing eligible turnkey projects. Exim Bank also extends LOCs on behalf and at the behest of Government of India (GOI).

In West Africa, as on August 31, 2018, Exim Bank has 62 GOI-supported operative LOCs valued at US\$ 2,862.5 million, covering fifteen countries and Ecowas Bank of Investment & Development (EBID) in diverse sectors. Additionally, Exim Bank has also extended 3 direct LOCs to African Export-Import Bank (Afreximbank), EBID and West African Development Bank, valued at US\$ 70 million.

Project Exports

Exim Bank has been providing a steady stream of support to project activities in engineering, procurement, and construction (civil, mechanical, electrical or instrumental). This includes the provision of specific equipment related to supplies, construction and building materials, consultancy,

technical know-how, technology transfer, design, and engineering (basic or detailed). Exim Bank also supports existing or new projects, plants or processes that require additional assistance in processes such as international competitive bidding including multilaterally funded projects in India.

Buyer's Credit under the National Export Insurance Account (BC-NEIA)

In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. Under this programme, Exim Bank facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by Ministry of Commerce and administered by the ECGC Ltd. As on May 2018, a positive list of 88 countries have been identified by ECGC for which Indian exporters can avail Buyer's Credit under NEIA, of which 11 countries belong to West Africa. As on March 31, 2018, Exim Bank has sanctioned an aggregate amount of US\$ 1.07 billion under BC-NEIA for 6 projects in West Africa valued US\$ 1.08 billion. The projects include supply of vehicles and spares, and supply of buses; railway line construction; and design, supply and assembly of transmission lines.

Finance for Joint Ventures Overseas

Further, Exim Bank supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoters to set up such ventures overseas. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation

in host countries. As on June 30, 2018, Exim Bank through its overseas investment finance programme has supported 5 such ventures in West Africa with an aggregate sanction of ₹ 44.7 crores.

Memorandum of Cooperation/Memorandum of Understanding (MOCs/MOUs)

With a view to build institutional linkages, Exim Bank has entered into MOUs/MOCs with various institutions in the region, including African Development Bank (AfDB), Côte d'Ivoire; Afreximbank; Nigerian Export - Import Bank and Ecobank PLC, Togo.

Association with African Development Bank (AfDB)

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim Bank works very closely with the AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including the AfDB. Exim Bank assists Indian companies in projects supported by the AfDB, through not only fund and non-fund based assistance, but also through providing advance alerts on upcoming opportunities. With support from Exim Bank, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, and water supply and sanitation. Exim Bank also organizes Business Opportunities Seminars in Projects funded by the AfDB across various centres in India.

Africa – India Partnership Day

Exim Bank together with Federation of Indian Chambers of Commerce and Industry (FICCI) organizes the Africa – India Partnership Day, on the sidelines of the AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership model of financing infrastructure development. Exim Bank, along with FICCI, has so far hosted five

such events; first being on May 30, 2013 in Morocco; followed by Rwanda on May 22, 2014; Côte d'Ivoire on May 27, 2015; Zambia on May 24, 2016, and Ahmedabad, India on May 24, 2017. The Africa-India Partnership Day has become a regular feature of the AfDB Annual Meeting, and showcases the immense scope for expanding the mutually enriching partnership between Africa and India.

Member of Association of African Development Finance Institutions (AADFI)

Exim Bank is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

Project Development Company (PDC) in Africa

Africa is a region of opportunities, as the continent is receiving plenty of investments in the infrastructure space. The PPP structure is slowly getting popularised by the national governments, increasing the interest of the private sector in infrastructure development. However, institutional capacity in several African nations is in a nascent stage.

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim Bank, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent. The PDC

will provide the entire gamut of project development expertise to various infrastructure projects, such as project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, environmental and social impact assessment, etc.

The PDC shall utilise the domain expertise of each partner during the project development process to establish a bankable and sustainable implementation format based on an in-depth understanding of the concerns of all the stake holders - public authority, users community, developers/ investors and lenders.

Global Network of Exim Banks and Development Finance Institutions (G-NEXID)

Exim Bank has entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form the Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. The G-NEXID was formally launched at its inaugural meeting at the UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations among developing countries. The G-NEXID has been granted observer status by the UNCTAD.

The G-NEXID members in the African Region include: African Export-Import Bank (Afreximbank), Cairo; Banque Nationale d'Investissement, Côte d'Ivoire; Banque de Financement des Petites et Moyennes Entreprises, Tunis; Central African States Development Bank, Brazza Ville; Development Bank of Mali, Bamako; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka;

Development Bank of Southern Africa, Midrand; East African Development Bank, Kampala; ECOWAS Bank for Investment and Development, Lomé; Industrial Development Bank of Kenya, Nairobi; Industrial Development Corporation South Africa, Johannesburg; Nigerian Export-Import Bank, Nigeria; Ghana Export-Import Bank, Accra; and Trade and Development Bank (TDB - formerly PTA Bank), Nairobi.

GPCL as a Consultant

Global Procurement Consultants Ltd. (GPCL) has been promoted by Exim Bank in association with leading public sector and private sector consultancy organizations. GPCL synthesizes India's consultancy expertise in project management and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, environment, information and communication technology, industry, agriculture, mining, water resources, health and education. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, and resources of its shareholders to assist funding and project executing agencies. GPCL has extensive experience supporting projects in Africa, and assignments undertaken include:

- **Procurement Audit** of contracts in the World Bank funded projects in Eritrea, Ghana, Malawi, Nigeria, and Uganda covering Health, Education, Agriculture, Infrastructure, Power, Transport, Privatization and Emergency rehabilitation.

- **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by the AfDB.
- **Country Procurement Assessment Review (CPAR)** in the Kingdom of Swaziland for the AfDB in order to examine the existing public procurement framework, benchmark them with good procurement practices, and provide recommendations to revamp the system for better governance.
- **Procurement Monitoring Agent** for a World Bank funded health project in Kenya calling for review of the procurement of goods, services and minor works including an audit of the procurement processes of the institutions and procurement units supported by the project.

Partner in Institutional Building in Africa

As a partner institution in promoting economic development in Africa, Exim Bank shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, Exim Bank undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim Bank has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on Projecting Mauritius as an investment hub for Indian Firms; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

Exim Bank has been commissioned by the Ghana Export-Import Bank for undertaking an assignment

for 'Institutional Capacity Building for Export Credit in Ghana'.

Institutional Linkages

Exim Bank has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the African Region. Towards this end, Exim Bank has taken up equity in Afreximbank, West African Development Bank (BOAD), and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs), the Bank has in place, with key institutions in the African Region including: AfDB; Trade and Development Bank (formerly Eastern and Southern African Trade and Development Bank - PTA Bank); Afreximbank; Banque de Financement des Petites et Moyennes Entreprises (BFPME), Tunisia; Banque Internationale Arabe de Tunisie, Tunisia; Board of Investment, Mauritius; ECO Bank (Pan African Bank); Foreign Investment Promotion Agency, Tunisia; Industrial Development Bank of Sudan; Industrial Development Corporation of South Africa Limited (IDC); Nigerian Export-Import Bank (NEXIM); National Bank of Egypt; and Societe Tunisienne de Banque, Tunisia.

Knowledge Building and Technology Transfer

In the area of knowledge building and technology transfer, Exim Bank's research studies have focused on potential areas for boosting India's trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), West African region, Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region. In order to support the AfDB's High 5 agenda, Exim Bank released five studies namely, Integrate Africa: A

Multidimensional Perspective; Feed Africa: Achieving Progress Through Partnership; Water, Sanitation and Healthcare in Africa: Enhancing Facility, Enabling Growth; Power Sector in Africa: Prospect and Potential; and Manufacturing in Africa: A Roadmap for Sustainable Growth.

In sum, Exim Bank, with its comprehensive range of financing, advisory and support services, seeks

to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the African Region, focusing on West Africa. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of Exim Bank, ensconced in its range of activities, also contribute towards institutional building in the region.

1. ECONOMIC GROUPINGS IN THE WEST AFRICAN REGION: A BACKGROUND

Economic Community of West African States (ECOWAS) is the main regional body in West Africa, supporting the process of African regional integration. Comprising 15 countries (Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo) of the sub-region, ECOWAS target to promote economic, social and cultural cooperation and integration, with the ultimate aim of economic and monetary union through the full economic integration of member states, leading to enhanced living standards and greater economic stability. ECOWAS is currently a free trade zone and, on the strength of its trade liberalization scheme, is expected in due course to become a customs union. In order to achieve this goal, the Community adopted a Trade Liberalization Scheme (TLS)¹.

The ECOWAS was incorporated on May 28, 1975 through the Treaty of Lagos, with the primary purpose of creating a single economic and monetary union in order to facilitate economic growth and development in West Africa. ECOWAS also aim to maintain peace in the region, with its member states sending joint military forces to intervene in states or regions with unrest and political instability. In order to establish a unified economic zone, ECOWAS sought the removal of customs duties for intra-ECOWAS trade, establishment of a common external tariff and harmonization of economic and financial policies.

In 2011, the ECOWAS adopted its development plan for the next decade 'Vision 2020' and a policy on Science and Technology (ECOPOST). Subsequently, the scope was increased to include socio-political interactions and mutual development in related spheres. On October 25, 2013 the member states adopted the

ECOWAS Common External Tariff (CET) consisting of 5 duty rate categories ranging from 0 percent for basic social goods and 35 percent for specific goods for economic development. The Presidential Taskforce on the ECOWAS Single Currency Programme has adopted a revised roadmap in 2018 for accelerating the use of the common Currency by 2020.

The West African Monetary Zone (WAMZ) is a group of 6 West African countries (the Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone) established in 2000 to speed up the macroeconomic convergence necessary for a single currency across the entire sub-region. It is envisaged that WAMZ will be merged with the West African Economic and Monetary Union (WAEMU or UEMOA) to form a single monetary zone in West Africa². Consisting of all English speaking countries, the main goal of WAMZ is to work towards adopting a common currency, 'Eco' for faster regional integration. WAMZ also attempt to rival the CFA franc, whose exchange rate is pegged to the euro and backed by the French treasury. The eventual aim is for both these currencies to merge and give Central and West Africa a single unified stable currency. The launch of this new currency is being originated by the West African Monetary Institute, which is located in Accra, Ghana.

The West African Economic and Monetary Union (Union Economique et Monétaire Ouest-Africaine - UEMOA) was conceived in 1994 after the signing of the Treaty of Dakar, Senegal. The eight UEMOA members, namely, Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, already shared the same currency, the CFA Franc, and have similar legal codes. All the countries in the group, except Guinea-Bissau, are francophone. The group

¹ECOWAS Commission Website

²Monetary Integration In the ECOWAS, Mwanji P. Fwangkwai, Central Bank of Nigeria, 2014

represents a custom and monetary union among the ECOWAS. Their main objectives lie in coordinating fiscal policies, creating a common market and merging of macro-economic policies and indicators. The group has successfully implemented macro-economic convergence criteria and a functional surveillance mechanism, and has embraced a custom union and CET, and has consolidated indirect taxation regulations, additionally commencing regional, structural and sectorial policies. The IMF in 2002 cited the UEMOA as “the furthest along the path toward integration” of all the regional groupings in Africa. The CFA franc, common currency of UEMOA countries is pegged to the euro at CFAfr 655.96: €1 and is backed by a guarantee from the Banque de France. UEMOA has a common central bank, the Central Bank of West African States (BCEAO) located in Dakar, Senegal, which conducts monetary policy for the group. The BCEAO is the only entity authorized to issue currency throughout the UEMOA member States. It also has a single banking regulator, a unified payment system, and a regional stock market- the Bourse Régionale des Valeurs Mobilières SA (BRVM).

Special Economic Zone in the SKBo triangle: A recent regional cooperation in West Africa is the launching of a special economic zone (SEZ) in the SKBo triangle, composed of the regions of Sikasso (Mali), Bobo Dioulasso (Burkina Faso) and Korhogo (Côte d’Ivoire) in May 2018. This is the first SEZ in West Africa that operates across borders, with the aim of attracting private sector investment, especially in agribusiness, agro-industry and the mining sector. There would be fiscal advantages for companies that decide to operate in this cross-border area and this could contribute to the integration of local economies.

ECOWAS Bank for Investment and Development

The ECOWAS Bank for Investment and Development (EBID), based in Togo, is the principal financial institution of ECOWAS, which became operational from January 1, 2003. EBID operates through its two subsidiaries, namely, the ECOWAS Regional Development Fund (ERDF), which focuses primarily on the public sector, granting direct medium - and

long-term concessionary loans for the financing of infrastructure and economic and social development projects in ECOWAS member states, and the ECOWAS Regional Investment Bank (ERIB), supporting integration-oriented infrastructure projects and other development programmes in the private and commercial sectors.

EBID was established with the objective of financing and execution of development and infrastructure projects of member states, particularly in the areas of telecommunications, energy, transport, industry, water and environment, providing grants for feasibility studies, providing guarantees for foreign investments, facilitating mobilization of internal and external resources, promoting intra-regional trade and integration among the community countries, and providing compensation for member states, which suffer losses as a result of implementation of the integration policy.

EBID Group’s priority target sector is infrastructure sector, particularly in the areas of roads, bridges, railways, telecommunications, energy, transport, water and rural development, social sector, industry and services. EBID’s main objective is to contribute towards the economic development of West Africa through the financing of projects and programmes in infrastructure sector.

Within the scope of its corporate objectives, EBID cooperates with national and sub-regional development organisations operating within the Community. EBID also cooperates with other international organisations with similar aims and other institutions involved in development of the Community.

EBID financial and technical assistance is open to all ECOWAS member countries or their agencies; public and private companies and mixed enterprise corporations of ECOWAS member countries; local financial institutions; and corporate bodies from member countries or from foreign countries desirous of investing in the ECOWAS zone, in sectors within EBID’s areas of intervention.

2. ECONOMIC ENVIRONMENT IN THE WEST AFRICAN REGION

The West African region, with vast amount of mineral resources, is among the fastest growing regions in the African Continent. West Africa, comprising 15 members of the Economic Community of West African States (ECOWAS) and Mauritania, is the largest region in Africa with highest number of countries. It is also the most populous region, with an estimated 366 million people in 2017. The West African region account for almost one-fifth of total land area of Africa; 30 percent of total African population and 25 percent of total GDP of Africa³. Nigeria accounts for more than half of West Africa's population, and is expected to become the world's third most populous country by 2050, following China and India.

With member countries adapting numerous common development policies and reforms, West Africa offers good prospects for growth. The region is endowed with abundant supply of untapped mineral resources, which locally undergo elementary processing. The major mineral resources available include among others, gold, cement, clay, limestone, manganese, granite, phosphate rock, marble, natural gas, crude petroleum, bauxite, diamond, uranium, coal, gypsum, limestone, aluminium, iron ore, steel, coal, lead-zinc ore and barite.

Macroeconomic performance of the region has been good, indicating the resilience of the region to international and regional turbulence to some extent. Many of the West African economies witnessed high growth rates during 2012 and 2015 (**Table 2.1**). Regional growth, however, moderated in 2016 as countries such as Nigeria and Liberia recorded negative growth, outweighing high growth witnessed by countries like Côte d'Ivoire, Guinea, Senegal, and Sierra Leone.

According to African Economic Outlook 2018, West Africa's growth⁴ rebounded in 2017, witnessing an estimated average growth of 2.5 percent, above 0.5 percent growth recorded in 2016. The regional growth is expected to jump to 3.6 percent in 2018, and further to 3.8 percent in 2019, mainly due to expected oil price recovery, increase in oil production in Nigeria and Ghana, and strong agricultural performance. Though Nigerian economy is still stagnating and slowly recovering from the period of low oil prices, Burkina Faso, Côte d'Ivoire, Ghana, Guinea and Senegal witnessed a solid growth rate of 6 percent or more in 2017, and are expected to sustain strong growth rates in 2018 as well.

The GDP of the West African region is estimated to have decreased marginally from US\$ 569.3 billion in 2016 to US\$ 556.1 billion in 2017, mainly due to a fall in Nigeria's nominal GDP. Nigeria is the largest economy among West African countries, accounting for 68 percent of total GDP of West Africa, followed by Ghana and Côte d'Ivoire. Meanwhile, per-capita income of West African countries increased from US\$ 1,052.1 in 2016 to US\$ 1,091.8 in 2017. Cabo Verde, Nigeria, Ghana and Côte d'Ivoire have the highest per-capita income among the countries in the region during 2017.

The combined international reserves of the region is estimated at US\$ 60.2 billion in 2017, covering 8.2 months of the region's global imports. Nigeria has the largest foreign exchange reserves in the region. According to the African Development Bank (AfDB), the average inflation of the region increased to 13.3 percent in 2017, from 12.7 percent in 2016. Though the consumer price inflation is in control for most of the economies, a few countries such as Ghana,

³Calculated based on Economist Intelligence Unit (EIU) and IMF World Economic Outlook (WEO) April 2018 Database

⁴West Africa's growth given by African Economic Outlook pertains to ECOWAS.

Exhibit 2.1: Map of the West African Region



Note: Map not to scale and is only for depiction purpose.
Source: United Nations, Geospatial Information Section

Liberia, Nigeria, and Sierra Leone witnessed double digit inflation in 2017. Inflationary pressure mainly came from exchange rate depreciation and domestic imbalances resulting from decline in commodity prices and global demand.

EXTERNAL ENVIRONMENT OF WEST AFRICAN COUNTRIES

The West African countries qualify for duty-free access to the United States market under the African Growth and Opportunity Act (AGOA). Except for Cabo Verde, Côte d'Ivoire, Ghana, and Nigeria, the rest of the West African countries benefit from EU's "Everything But Arms" initiative, under which all products from LDCs except arms and ammunitions have preferential access to EU market. While Cabo

Verde is a beneficiary under "GSP+" scheme, Côte d'Ivoire, Ghana, and Nigeria are beneficiaries under the "Standard GSP" scheme of EU, resulting in these countries being granted duty reductions for around 66 percent of all EU tariff lines.

West African region, with a combined population of 366.4 million and an estimated GDP of US\$ 556.1 billion in 2017 represents a huge market for trade. Total trade of West Africa has increased from US\$ 184.7 billion in 2008 to US\$ 229.4 billion in 2017 (**Chart 2.1**). The region accounted for 30.4 percent of Africa's total exports and 17.9 percent of Africa's imports in 2017.

Global exports from West Africa have risen from US\$ 106.8 billion in 2008 to reach US\$ 141.8 billion

in 2017, driven by strengthening of crude oil prices and pick up in global trade. Imports of West Africa have also risen from US\$ 77.9 billion in 2008 to reach US\$ 87.6 billion in 2017 (**Table 2.2**). On year-on-year basis, imports declined from US\$ 91.8 billion recorded in 2016, mainly due to fall in imports of Nigeria, Liberia and Burkina Faso.

The top five exporters among the sixteen West African countries in 2017 include Guinea, Nigeria, Ghana, Côte d'Ivoire and Senegal. Majority of exports from the region go towards China, India, USA, Netherlands, Spain, Belgium and France. Major commodities exported by West Africa include ores, slag and ash; mineral fuels; pearls, precious stones,

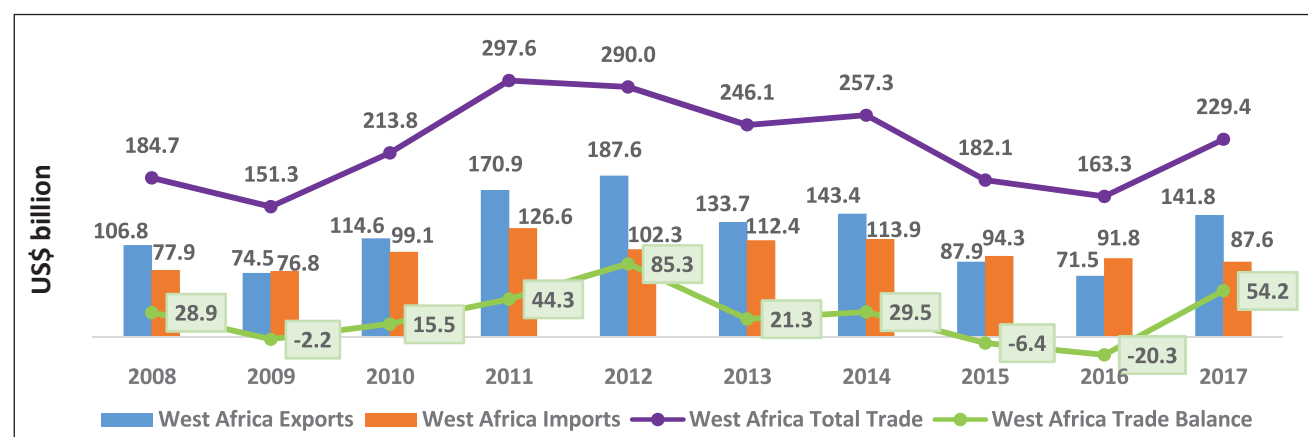
Table 2.1: Select Macroeconomic Indicators of West African Countries

Country	Real GDP Growth (%)				GDP Current Prices (US\$ bn)				Inflation (avg prices %)			
	2016	2017	2018 ^e	2019 ^f	2016	2017	2018 ^e	2019 ^f	2016	2017	2018 ^e	2019 ^f
Benin	4.0	5.6	6.0	6.3	8.6	9.2	11.0	12.2	-0.8	0.1	2.9	2.9
Burkina Faso	5.9	6.4	6.0	6.0	11.3	12.6	14.6	15.9	-0.2	0.4	2.0	2.0
Cabo Verde	3.8	4.0	4.3	4.0	1.6	1.7	2.0	2.1	-1.4	0.8	1.0	1.5
Côte d'Ivoire	8.3	7.8	7.4	7.1	36.4	40.4	48.1	53.0	0.7	0.8	1.7	2.0
The Gambia	2.2	3.5	5.4	5.2	1.0	1.0	1.1	1.2	7.2	8.0	5.8	5.0
Ghana	3.7	8.4	6.3	7.6	42.8	47.0	51.6	56.7	17.5	12.4	8.7	8.0
Guinea	6.6	6.7	5.8	5.9	8.5	9.7	10.9	11.7	8.2	8.9	8.2	8.0
Guinea-Bissau	5.8	5.5	5.5	5.5	1.2	1.4	1.6	1.7	1.5	1.1	2.0	2.2
Liberia	-1.6	2.5	3.2	4.7	3.3	3.3	3.3	3.5	8.8	12.4	11.7	10.5
Mali	5.8	5.3	5.0	4.7	14.0	15.3	17.9	19.2	-1.8	1.8	1.4	1.7
Mauritania	1.6	3.2	2.7	4.5	4.8	5.1	5.4	5.5	1.5	2.3	3.7	5.0
Niger	5.0	5.2	5.1	5.4	7.5	8.3	9.9	10.7	0.2	2.4	3.9	2.0
Nigeria	-1.6	0.8	2.1	1.9	405.4	376.3	408.6	475.6	15.7	16.5	14.0	14.8
e-estimated Senegal	6.7	7.2	7.0	7.0	14.7	16.5	19.7	21.7	0.9	1.4	1.5	1.5
Sierra Leone	6.3	3.5	3.5	5.6	3.8	3.6	3.8	4.0	11.5	18.0	13.9	11.2
Togo	5.1	4.4	4.9	5.2	4.5	4.8	5.6	6.1	0.9	-0.7	0.4	1.2

Note: ^e – estimates; ^f forecasts

Source: IMF World Economic Outlook April 2018 and Exim Bank Analysis

Chart 2.1: West Africa's Foreign Trade, 2008-2017



Source: ITC Geneva, based on COMTRADE Statistics and Exim Bank Analysis

Table 2.2: External Environment of West African Countries

Country	Exports (US\$ mn)		Imports (US\$ mn)		Trade Balance (US\$ mn)		Current Account Balance (% of GDP)	
	2008	2017 ^e	2008	2017 ^e	2008	2017 ^e	2008	2017 ^e
Benin	421.1	731.6	1,713.6	3,068.4	-1,292.6	-2,336.8	-7.5	-9.4
Burkina Faso	475.0	2,380.5	1,888.3	1,817.2	-1,413.4	563.3	-11.5	-8.3
Cabo Verde	32.0	49.9	780.1	793.6	-748.0	-743.7	-13.7	-8.8
Côte d'Ivoire	9,778.8	11,213.5	7,883.7	8,628.9	1,895.1	2,584.5	1.9	-1.2
The Gambia	13.7	22.5	322.2	553.9	-308.5	-531.4	-12.2	-14.3
Ghana	3,809.9	11,369.4	8,536.1	13,656.4	-4,726.1	-2,287.0	-11.9	-4.5
Guinea	1,430.5	62,057.8	1,835.5	2,957.2	-4,04.9	59,100.5	-6.6	-23.0
Guinea-Bissau	136.8	269.8	241.1	356.7	-104.2	-86.9	-3.3	0.1
Liberia	1,231.2	1,171.9	11,881.3	8,282.1	-10,650.2	-7,110.3	-29.3	-22.4
Mali	1,918.3	947.4	3,338.9	2,959.7	-1,420.7	-2,012.4	-13.7	-6.2
Mauritania	1,627.1	1,989.4	1,637.6	3,522.4	-10.5	-1,533.0	-12.1	-10.0
Niger	1,025.6	510.5	1,208.3	958.8	-182.8	-448.3	-12.0	-13.2
Nigeria	81,820.5	44,466.4	28,193.6	30,686.0	53,626.9	13,780.3	8.8	2.5
Senegal	2,170.5	2,989.0	6,527.6	6,728.7	-4,357.1	-3,739.6	-14.2	-9.4
Sierra Leone	368.6	885.5	764.1	1,044.1	-395.5	-158.7	-9.0	-21.9
Togo	562.8	749.3	1,171.7	1,614.9	-608.9	-865.7	-6.7	-8.2
West Africa	106,822.4	141,804.4	77,923.7	87,629.0	28,898.6	54,174.8	4.1	-0.7

Source: ITC Geneva, based on COMTRADE Statistics and IMF, WEO April 2018

and metals; cocoa and cocoa preparations; ships, boats and floating structures; edible fruits and nuts; rubber and articles; fish, crustaceans and aquatic invertebrates; and cotton.

Nigeria, Ghana, Côte d'Ivoire, Liberia and Senegal are the top five global importers in the West African region during 2017, and imports are mainly sourced from China, Belgium, Netherlands, France, India, USA, and South Korea. The principal imports of the region in 2017 were mineral fuels; machinery and mechanical appliances; ships, boats and other floating structures; electrical and electronic equipment; vehicles other than railway or tramway; and food products especially cereals.

Most of the West African countries are having trade deficit. Accordingly, West Africa as a region experienced a current account deficit of 0.7 percent of GDP in 2017, as against a surplus of 4.1 percent of GDP in 2008. Only Guinea-Bissau and Nigeria recorded current account surplus in 2017.

ECONOMIC PARTNERSHIP AGREEMENT BETWEEN EUROPEAN UNION AND WEST AFRICA

West Africa- European Union Economic Partnership Agreement (EPA) negotiations, concluded in February 2014, is a major achievement from a trade and development point of view as it confirms the privileged partnership between the two regions.

The EPA is based on the ACP (Africa, Caribbean and Pacific) -EU negotiation which was signed in Cotonou in 2000. The agreement is aimed towards furthering growth and is backed by significant development cooperation funds that will ensure that West Africa gains the most in the area of trade.

The EPA is expected to aid in integrating the region better with the global trading system and will boost economic growth and investment. West Africa's exports to the EU region is expected to rise which in turn would stimulate investment and foster emergence of productive capacity, with an encouraging effect on employment. For EU, it helps in providing new business opportunities and legal certainty in the area to European investors. Until the adoption of the full regional EPA with West Africa, EU has entered into provisional application of Economic Partnership Agreements with Côte d'Ivoire and Ghana in 2016.

ECONOMIC PROFILES OF WEST AFRICAN COUNTRIES

This section provides a broad overview of the prevailing economic environment in West African countries.

Benin

Benin, covering a total area of 112,622 sq. km and a total estimated population of 11.1 million in 2017, is one of the most stable countries in Africa. Benin is bordered by Togo to the west, Nigeria to the east, and Burkina Faso and Niger to the north. Benin is widely considered as a strategic transit corridor of Africa as it links the UEMOA countries with Nigeria and depends heavily on informal re-export and transit trade to Nigeria. Transport is, therefore, a crucial sector in the economy. The country has enacted various economic and structural reforms. In April 2017, Benin and IMF signed a three year deal, as part of the Enhanced Credit Facility valued at US\$ 151 million, which aims at supporting the country's economic reforms, the financing programs and in raising the standard of living.

Benin is a tropical nation which heavily depends on agriculture, contributing to 25.6 percent of Benin's GDP with majority employment income arising from subsistence farming. Agriculture of Benin is dominated by cotton, though the country also produces export crops including cashew, coffee, cocoa beans and palm oil. Supported by various food-

Table 2.3: Macroeconomic Indicators of Benin

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	9.2	9.7	8.3	8.6	9.2	11.0	12.2
Real GDP Growth (%)	7.2	6.4	2.1	4.0	5.6	6.0	6.3
GDP per capita, Current Prices (US\$)	916.1	946.5	786.2	791.5	830.4	966.4	1,040.8
Average Consumer Price Inflation (%)	1.0	-1.1	0.3	-0.8	0.1	2.9	2.9
Population (mn)	10.0	10.3	10.6	10.8	11.1	11.4	11.7
Merchandise Exports (US\$ mn)	602.0	968.3	624.9	409.8	731.6	-	-
Merchandise Imports (US\$ mn)	2,940.7	3,703.7	2,539.1	2,630.2	3,068.4	-	-
Current Account Balance (US\$ bn)	-0.7	-0.8	-0.7	-0.8	-0.9	-0.9	-1.0
Current Account Balance (% of GDP)	-7.4	-8.6	-9.0	-9.4	-9.4	-8.5	-7.9
Foreign Exchange Reserves (US\$ mn)	692.0	722.0	841.0	265.0	699.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

safety programmes developed in response to the food crisis, food production in the country has increased. Though the country produces cotton in great quantity, less than 5 percent of cotton production is processed in the country. Similarly, high quality cashew nuts production has been booming in recent years, but there are very few industrial processing companies.

Industrial sector contributes around 23.1 percent of Benin's GDP. Despite some proven mineral reserves, mining activity is relatively underdeveloped. Industrial production is dominated by food, textile and cement industries. Tertiary sector accounts for 51.3 percent of the GDP in 2017. Services activities are primarily based on trade, which is highly dependent on the state of Benin's relationship with Nigeria. As the economy is highly concentrated on agriculture and trade, Benin remains vulnerable to external shocks.

Economic growth of the country remain strong, with an estimated GDP growth of 5.6 percent, higher than 4 percent growth witnessed in 2016, supported by record cotton production and processing, and the recovery of the Nigerian economy. Inflation turned positive and averaged 0.1 percent in 2017, driven by high food and petroleum prices (**Table 2.3**). The current account deficit is estimated to have widened in 2017 to US\$ 0.9 billion, driven by an increase in imports, reflecting higher investments and higher food imports. Benin's foreign exchange reserves rose from US\$ 265 million in 2016 to US\$ 699 million in 2017.

Some of the major industries in Benin include textiles, food processing, construction materials, and cement. Benin became a full participant in the G20 Compact with Africa (CWA) initiative in October 2017, in line with its strategy to boost the role of the private sector in the economy and attract private sector financing for the Government's Action Program (GAP), 2016-21.

Merchandise Trade

Benin's exports increased sharply to US\$ 731.6 million in 2017 from US\$ 409.8 million in 2016, on account of high cotton exports. Benin produced a record 451.2 tonnes cotton in 2017 on account of a 20 percent increase in yields. Imports also increased by 16.7 percent in 2017 to an estimated US\$ 3.1 billion from US\$ 2.6 billion in 2016. Accordingly, Benin's trade deficit narrowed from US\$ 2.2 billion in 2016 to US\$ 2.3 billion in 2017.

Cotton was the principal export item of Benin, accounting for 49 percent of the total exports in 2017. Other major items exported by Benin in 2017 included edible fruit and nuts (13 percent of total exports), animal or vegetable fats and oils (5.9 percent), oil seeds and oleaginous fruits (4.5 percent), machinery, mechanical appliances (4.1 percent), and meat and edible meat offal (3.1 percent).

Vietnam was the leading export destination of Benin, accounting for 13.7 percent of total exports in 2017. Other major destinations of exports from Benin in the same year included Bangladesh (12.4 percent of total exports), Malaysia (11.5 percent), India (10.3 percent), Nigeria (10 percent), and China (7.7 percent).

Cereals were the major items imported by Benin in 2017, accounting for 35.3 percent of its total imports. Other principal items imported by Benin in 2017 included mineral fuels (17.3 percent of total imports), animal or vegetable fats and oils (7.1 percent), vehicles other than railway or tramway (5.4 percent), machinery and equipment (3.5 percent), and meat and edible meat offal (3.3 percent).

India is the major source of Benin's imports, accounting for 19.1 percent of the total imports in 2017. Other important sources of imports in the same year included Thailand (14.4 percent of total imports), China (7.8 percent), Netherlands (7.1 percent), Togo (7 percent), and France (6.8 percent).

Benin's trade balance is skewed towards imports, owing to a weak export base. Export growth is expected to outpace imports in the short run on the back of an expected rise in cotton exports. Current-account deficit is also expected to narrow from an estimated 9.4 percent of GDP in 2017 to 8.5 percent of GDP in 2018 and 7.9 percent of GDP in 2019. The current account deficit would be financed mainly by concessional loans from multilateral and bilateral creditors, as well as by FDI inflows arising from infrastructure-related public-private partnerships.

Burkina Faso

Burkina Faso is a landlocked country, covering a total area of 274,122 sq. km and a population of 18.9 million in 2017. The economy is heavily dependent on agriculture sector, with around 80 percent of the population employed in the sector. The agricultural sector has benefitted from various measures to speed up productivity gains, particularly through access to agricultural inputs and equipment. The services sector accounted for 46.1 percent of the country's GDP, followed by primary sector, which accounted for 31.9 percent of GDP, and industry sector (22 percent of GDP). Major industries in the country include cotton lint, beverages, agricultural processing, soap,

cigarettes, textiles, and gold. Cotton is the country's major cash crop, while gold exports have gained lot of importance in recent years with the construction of new mines and entry of foreign investors.

The GDP of Burkina Faso stood at US\$ 12.6 billion in 2017, with real GDP growth at 6.4 percent, owing to higher agricultural output, particularly of cotton, increased mining activity, especially gold, and a significant scaling up of public investment in infrastructure (**Table 2.4**). The economy, however, remain vulnerable to external shocks arising from risks pertaining to the volatility of oil import prices and gold and cotton prices.

The real GDP growth is expected to remain at around 6 percent in the short term, supported by the agricultural, services, and mining sectors and ongoing public investment. With large mineral deposits, the country is one of the most attractive mining destinations in Africa especially for gold exploration and exploitation. The country has around 4.9 million hectares of idle farmable land and it processes less than 1 percent of its cotton production, hence there is a lot of potential for large-scale cotton production and processing.

Table 2.4: Macroeconomic Indicators of Burkina Faso

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	12.0	12.4	10.4	11.3	12.6	14.6	15.9
Real GDP Growth (%)	5.8	4.3	3.9	5.9	6.4	6.0	6.0
GDP per capita, Current Prices (US\$)	699.8	704.9	575.8	614.0	663.8	750.6	793.5
Average Consumer Price Inflation (%)	0.5	-0.3	0.9	-0.2	0.4	2.0	2.0
Population (mn)	17.1	17.6	18.1	18.4	18.9	19.5	20.0
Merchandise Exports (US\$ mn)	2,376.9	2,605.8	2,219.1	2,520.0	2,380.5	-	-
Merchandise Imports (US\$ mn)	4,148.7	3,588.9	3,078.2	3,342.7	1,817.2	-	-
Current Account Balance (US\$ bn)	-1.3	-1.0	-0.9	-0.8	-1.0	-1.1	-1.0
Current Account Balance (% of GDP)	-11.3	-8.1	-8.5	-7.3	-8.3	-7.5	-6.5
Foreign Exchange Reserves (US\$ mn)	615.7	83.2	67.2	51.0	49.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap (Mirror Data), and Exim Bank Analysis

At the same time, inflation rose to 0.4 percent in 2017 from a negative growth in 2016 due to increase in global oil prices, continuing strong domestic demand and a slight depreciation of the CFA franc against the US dollar. It is expected to remain at moderate levels in the short term.

The economy has benefitted from public investment program in the 2016–20 National Economic and Social Development Plan covering energy, hydro-agricultural development, and road and telecommunications infrastructure. In March 2018, the IMF has approved a new three-year arrangement under the Extended Credit Facility (ECF) for Burkina Faso for about US\$ 157.6 million in support of the country's economic and financial reform program. The current account deficit widened to 8.3 percent of GDP in 2017 from 7.3 percent of GDP in 2016.

Merchandise Trade

As per the data derived from ITC Trademap (mirror data), Burkina Faso's exports marginally declined to an estimated US\$ 2.4 billion in 2017 compared to US\$ 2.5 billion exports in the previous year. During 2017, imports decreased to an estimated US\$ 1.8 billion from US\$ 3.3 billion in the preceding year. Accordingly, Burkina Faso recorded a trade surplus of US\$ 0.6 billion in 2017.

Gold is the principal export item of Burkina Faso, and accounts for 78.5 percent of total exports in 2017. Other major exports in the same year include cotton (8.3 percent), ores, slag and ash (5.8 percent), edible fruits and nuts (3.2 percent), oil seeds and oleaginous fruits (2.5 percent), and animal or vegetable fats and oils (0.8 percent).

Switzerland was the major destination for Burkina Faso's exports in 2017, accounting for 55.3 percent of total exports, followed by India (27.3 percent), Turkey (2.7 percent), Germany (2.6 percent), and Spain (2.4 percent).

As regards imports, major components in Burkina Faso's import basket include machinery and mechanical appliances (18.3 percent of total

exports), vehicles other than railway (11.4 percent), electrical equipment and machinery (11.3 percent), pharmaceutical products (6.9 percent), and salt, sulphur, stone, plastering materials and cement (4.2 percent).

France was the major import source for Burkina Faso in 2017, accounting for 15.6 percent of total imports, followed by China (10.1 percent), India (7.7 percent), Togo (7.4 percent), and Belgium (6.4 percent).

Cabo Verde

Cabo Verde is an archipelago of 10 islands covering a total land area of 4,033 sq. km, and has an estimated population of 0.5 million in 2017. With just 10 percent of its territory being classified as arable land, and possessing limited mineral resources, Cabo Verde is mainly a service oriented economy. Services sector accounted for 74.2 percent of GDP in 2017, followed by industry which accounted for 17.9 percent of GDP.

Cabo Verde has successfully developed as one of the fastest growing tourism industries in the world. Tourism has become the main source of growth and foreign exchange, while attracting most of the FDI inflows to the country. It is estimated that tourism receipts account for 47 percent of total exports of goods and services of the country. Though majority of population are rural based, the share of agriculture in total GDP in 2017 was only 7.9 percent, as agriculture sector is mainly dominated by subsistence farming. The country possess fishing potential, mostly lobster and tuna, which is yet to be fully exploited.

The country's small population spread across a large water area limiting economies of scale and creating significant connectivity issues and service delivery challenges. Cabo Verde witnessed significant economic growth during 1990-2008, supported by increased development of tourist resorts. Being a small open economy, the country is vulnerable to the volatilities in global economic developments, necessitating economic diversification. Recognizing this, the government of Cabo Verde has invested heavily in infrastructure sector in the recent years

to diversify its economy. Cabo Verde drafted a new Sustainable Economic Development Plan (2017-2021) in 2017 focusing on promoting the private sector, stimulating economic transformation and diversification of the country to improve resilience to climate change, and strengthening regional integration within the ECOWAS.

Driven by agriculture and services (primarily tourism), the economy of Cabo Verde started recovering in 2016. The economy grew by 4 percent in 2017 from a 3.8 percent growth witnessed in 2016, on the back of firm external demand from EU, the country's major partner, higher tourism and recovering domestic demand. The trend is expected to continue in the short term with the economy expected to grow by 4.3 percent in 2018, boosted by the recovering tourism sector. An improvement in economic conditions in Europe is expected to strengthen the tourism sector further. In absolute terms, nominal GDP increased to US\$ 1.7 billion in 2017 from US\$ 1.6 billion in 2016, and is expected to increase further to US\$ 2.1 billion in 2019 (**Table 2.5**).

Inflation which stood at -1.4 percent in 2016 mainly due to low energy and food prices increased to 0.8 percent in 2017, on the back of higher commodity

prices and relatively buoyant demand. Inflation is expected to rise further to 1.5 percent in 2019, driven by higher oil prices, and strong demand. The current account deficit (CAD) is estimated to have widened to 8.8 percent of GDP in 2017, following rising oil prices and rise in imports. The rising CAD is expected to be financed by long-term debt disbursements from official creditors, investment inflows and government borrowing. The Cabo Verde escudo has officially been pegged to the euro since 2002 and the peg is underwritten by the Portuguese Treasury. The foreign exchange reserves of Cabo Verde stood at US\$ 617.4 million in 2017, with an import cover of over 9 months.

Merchandise Trade

The European Union remains the major trading partner of Cabo Verde, resulting in EU granting "Generalised System of Preferences (GSP) +" status to Cabo Verde—the first African country to receive this status. More than 90 percent of total Cabo Verdean exports to the EU benefit from the preferential GSP+ duties.

As per the data derived from ITC Trademap, Cabo Verde's exports fell in 2017 to stand at an estimated

Table 2.5: Macroeconomic Indicators of Cabo Verde

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	1.9	1.9	1.6	1.6	1.7	2.0	2.1
Real GDP Growth (%)	0.8	0.6	1.0	3.8	4.0	4.3	4.0
GDP per capita, Current Prices (US\$)	3614.5	3590.1	3043.0	3086.1	3237.6	3632.8	3807.3
Average Consumer Price Inflation (%)	1.5	-0.2	0.1	-1.4	0.8	1.0	1.5
Population (mn)	0.5	0.5	0.5	0.5	0.5	0.5	0.6
Merchandise Exports (US\$ mn)	332.5	356.8	215.2	60.4	49.9	-	-
Merchandise Imports (US\$ mn)	726.4	768.7	606.3	672.2	793.6	-	-
Current Account Balance (US\$ bn)	-0.1	-0.2	-0.1	0.0	-0.2	-0.2	-0.2
Current Account Balance (% of GDP)	-4.9	-9.1	-3.2	-2.8	-8.8	-9.5	-10.0
Foreign Exchange Reserves (US\$ mn)	475.3	510.9	494.5	572.7	617.4	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

US\$ 49.9 million compared to US\$ 60.4 million in 2016. During 2017, imports increased by 18.1 percent to an estimated US\$ 793.6 million from US\$ 672.2 million in the preceding year. Accordingly, Cabo Verde's trade deficit widened to US\$ 743.7 million in 2017 from US\$ 611.8 million in 2016.

The principal components of Cabo Verde's merchandise exports include preparations of meat, fish or crustaceans, accounting for 54.5 percent of total exports in 2017. Other major exports in the same year include fish and crustaceans (19.9 percent), articles of apparel and clothing accessories (13 percent), footwear, gaiters and parts (7.5 percent), and toys, games and sports requisites (2.2 percent).

Spain was the major destination for Cabo Verde's exports in 2017, accounting for 70.8 percent of total exports, followed by Portugal (24.8 percent), USA (2.3 percent), Angola (0.5 percent), and Italy (0.4 percent).

As regards imports, major components in Cabo Verde's import basket include machinery and equipment, accounting for 10.2 percent of total exports in 2017. Other major exports in the same

year include mineral fuels, oils and products of their distillation (10.1 percent), electrical machinery and equipment (7.3 percent), vehicles other than railway or tramway (5.3 percent), dairy produce, eggs and natural honey (4.5 percent), and aircraft, spacecraft, and parts (4.3 percent).

Portugal was a major import source for Cabo Verde in 2017, accounting for 42.9 percent of total imports, followed by Spain (12.6 percent), Italy (6.1 percent), China (5.4 percent), Netherlands (4.6 percent), and France (3.8 percent).

Côte d'Ivoire

Côte d'Ivoire, with its frontier market status⁵, has been recognized as one of the most dynamic countries in West Africa. Covering a land area of 322,463 sq. km and an estimated population of around 25 million in 2017, Côte d'Ivoire is one of the fastest growing countries in Africa.

The economy of Côte d'Ivoire is largely dominated by services sector, which accounts for 53.8 percent of GDP, followed by industrial sector (28.8 percent of GDP). Major industries in the country include foodstuffs, beverages, wood products, oil refining,

Table 2.6: Macroeconomic Indicators of Côte d'Ivoire

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	31.3	35.4	33.1	36.4	40.4	48.1	53.0
Real GDP Growth (%)	9.3	8.8	8.8	8.3	7.8	7.4	7.1
GDP per capita, Current Prices (US\$)	1,388.5	1,530.6	1,398.0	1,495.2	1,617.0	1,879.9	2,016.4
Average Consumer Price Inflation (%)	2.6	0.4	1.2	0.7	0.8	1.7	2.0
Population (mn)	22.5	23.1	23.7	24.3	25.0	25.6	26.3
Merchandise Exports (US\$ mn)	12,083.8	12,985.1	11,844.8	10,631.0	11,213.5	-	-
Merchandise Imports (US\$ mn)	12,483.0	11,177.7	9,532.2	8,405.9	8,628.9	-	-
Current Account Balance (US\$ bn)	-0.4	0.5	-0.2	-0.4	-0.5	-0.7	-0.7
Current Account Balance (% of GDP)	-1.4	1.4	-0.6	-1.1	-1.2	-1.5	-1.3
Foreign Exchange Reserves (US\$ mn)	4,806	5,165.0	5,16.0	4,935.0	6,070.0	6,130.0	6,590.0

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

⁵Changing Times for Frontier Markets: A Perspective from Portfolio Investment Flows and Financial Integration, August 2016, IMF Working Paper 16/177

gold mining, truck and bus assembly, textiles, fertilizer, building materials, and electricity. Agriculture contributes 17.4 percent of GDP and provides employment for half of the labour force. Côte d'Ivoire is the world's largest producer and second largest exporter of cocoa, and a significant producer and exporter of coffee and palm oil.

Côte d'Ivoire has remained one of the most buoyant economies in Africa. Despite domestic and external shocks at the beginning of the year, Côte d'Ivoire's economic growth continue to remain strong, at 7.8 percent in 2017, though a tad lower vis-à-vis the previous year, mainly supported by structural public investment and the dynamism of the private sector. The 35 percent drop in the price of cocoa, the main source of export earnings in the first few months of 2017 resulted in CFAF 200 billion loss for local producers, but economic growth was helped by the upswing in the primary sector, good performance of the energy sector, and higher domestic consumption⁶. Supported by dynamic secondary and tertiary sectors, growth is expected to remain above 7 percent in the short term.

Inflation stood at 0.8 percent in 2017, increasing from 0.7 percent in 2016, and is expected to remain moderate, at 1.7 percent in 2018 and 2 percent in 2019 (**Table 2.6**). The country remains vulnerable to unfavourable macroeconomic shocks, especially lower commodity prices and FDI. A continuing decline in cocoa prices is another major vulnerability, making it necessary for the country to accelerate its economic diversification and identify alternate sources of growth to reduce its dependence on cocoa beans.

The National Development Plan 2016-2020 aimed to make Côte d'Ivoire an emerging country with a strong industrial base, and also to reduce poverty. It aims for a structural transformation of the economy by making it competitive, processing commodities and increased exports. The IMF has approved a US\$ 658.9 million for Côte d'Ivoire under the ECF

plan in 2016⁷, for supporting the country's economic and financial reform program, which was extended to US\$ 917.8 million in 2018. The program seeks to achieve a sustainable balance of payments position and reduce poverty by investing in infrastructure and priority social projects. The country would be benefitted from the G20 Compact with Africa, which is expected to boost the private sector, particularly through increased FDI. Côte d'Ivoire is focusing on improving its business environment, which has increased digitization and simplified investment procedures.

Merchandise Trade

In 2017, exports from Côte d'Ivoire increased by 5.5 percent to US\$ 11.2 billion from US\$ 10.6 billion in 2016. Similarly, imports also increased by 2.7 percent in 2017 to US\$ 8.6 billion from US\$ 8.4 billion in 2016.

Cocoa and cocoa preparations accounted for 53.1 percent of Côte d'Ivoire's exports in 2017. Other items of exports were rubber and articles (10.1 percent), mineral fuels, oils and products of distillation (9.9 percent), edible fruit and nuts (7.7 percent), natural or cultured pearls, precious or semi-precious stones (4.1 percent), and ships, boats and floating structures (3.7 percent). Netherlands remained Côte d'Ivoire's major export destination, accounting for 15.9 percent of Côte d'Ivoire's exports in 2017. Other major destinations include USA (11.2 percent), France (8.5 percent), Germany (6.8 percent), and Belgium (6.2 percent).

The major imports of Côte d'Ivoire in 2017 were mineral fuels, oils and products of their distillation (11.5 percent of total imports). Other major imported products were machinery and mechanical appliances (10.5 percent), cereals (7.7 percent), electrical machinery and equipment (6.7 percent), vehicles other than railway or tramway (6.6 percent), and plastics and articles (4.7 percent).

China is the major source of imports for Côte d'Ivoire, accounting for 19.7 percent of its imports in 2017,

⁶Côte d'Ivoire Economic Outlook, AfDB

⁷IMF press release 12/12/2016

followed by France (15.5 percent), Nigeria (8 percent), India (6.2 percent), and Belgium (4.6 percent).

The Gambia

The Gambia, with a land area of 11,295 sq. km is surrounded by Senegal, except for a 60 km coastline on the Atlantic Ocean. The country with a population of 2.1 million in 2017, is one of the most densely populated countries in Africa. The country has limited mineral and natural wealth and relies primarily on tourism, rain-fed agriculture, and remittances.

Majority of the population depends on crops and livestock. Agricultural sector accounts for 20.4 percent of GDP and employs over 70 percent of the labour force. However, agricultural output in the Gambia only meets 50 percent of the country's food needs, and the rest of the requirement is met by imports, with rice and wheat accounting for over 70 and 20 percent of these requirements, respectively. The new Agriculture and Natural Resources Policy 2017 – 2026 and the Gambia National Agricultural Investment Plan 2016-2021 supports agricultural production in the country.

Services sector is the largest contributor to economic activity, accounting for 65.4 percent of total GDP of the Gambia in 2017. Tourism, re-export and transit

trade are the major growth drivers of the sector, supported by various bilateral preferential trade policies and a relatively efficient port infrastructure. The Vision 2020 of the government of the Gambia aims at transforming the country into a middle income economy by 2020.

Industrial sector's share in GDP is just 14.2 percent with various small-scale industries present, including processing of peanuts, fish, and hides, beverages, agricultural machinery assembly, woodworking, metalworking, and clothing. Re-export trade to neighbouring countries account for a substantial portion of the country's good exports. Its location on the ocean and proximity to Europe has made the country one of the most frequented tourist destinations in West Africa.

Real GDP growth of the Gambia is estimated to have increased to 3.5 percent in 2017 compared to 2.2 percent growth in 2016, propelled by lower interest rates and a rebound in the service sector. Inflation is still following a rising trend, reaching 8 percent in 2017 compared to 7.2 percent in 2016, on the back of higher local food prices. The current account deficit widened from 8.9 percent of GDP in 2016 to 14.3 percent of GDP in 2017 (**Table 2.7**).

Table 2.7: Macroeconomic Indicators of the Gambia

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	0.9	0.8	0.9	1.0	1.0	1.1	1.2
Real GDP Growth (%)	4.8	0.9	4.3	2.2	3.5	5.4	5.2
GDP per capita, Current Prices (US\$)	483.5	434.5	451.2	473.2	480.0	500.0	517.9
Average Consumer Price Inflation (%)	5.2	6.3	6.8	7.2	8.0	5.8	5.0
Population (mn)	1.9	1.9	2.0	2.0	2.1	2.2	2.2
Merchandise Exports (US\$ mn)	106.2	103.9	92.9	94.0	22.5	-	-
Merchandise Imports (US\$ mn)	350.2	387.2	413.7	385.2	553.9	-	-
Current Account Balance (US\$ bn)	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2
Current Account Balance (% of GDP)	-10.3	-10.8	-15.0	-8.9	-14.3	-18.4	-16.9
Foreign Exchange Reserves (US\$ mn)	210.6	159.3	111.0	87.6	170.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

With its narrow economic base, its size and overreliance on tourism and subsistence rain-fed agriculture, the country remains vulnerable to external shocks. Energy shortages is a major challenge for its economic development. The Gambia National Development Plan 2018-2021 lays out eight strategic priority areas for the Gambia's socioeconomic transformation focusing on accelerating inclusive growth and generating employment opportunities. The high external debt levels at around 123.6 percent of GDP in 2017⁸, pose a major challenge creating significant risks of debt distress. With the Gambia hosting the next Organization of Islamic Countries (OIC) summit in 2019, FDI is expected to peak in airport, port, agro-processing and packaging industries and luxury hotel sectors.

Merchandise Trade

The Gambia's exports is estimated to have decreased to US\$ 22.5 million in 2017 from US\$ 94 million in the previous year. Imports on the other hand, increased by 43.8 percent to stand at an estimated US\$ 553.9 million in 2017 from US\$ 385.2 million in 2016. As a result, the Gambia's trade deficit widened to an estimated US\$ 531.4 million in 2017, compared to US\$ 291.2 million in 2016.

Oil seeds and oleaginous fruits were the main exports of the Gambia in 2017, accounting for 31.9 percent of total exports of the country. The other major export items in 2017 included fish, crustaceans and molluscs (13.7 percent), dairy produce, eggs and natural honey (10.5 percent), man-made filaments (6.7 percent), edible fruit and nuts (6.4 percent), and sugars and sugar confectionery (5.6 percent).

The major destinations of the Gambia's exports in 2017 were Vietnam (36.1 percent of total exports), Mali (27.7 percent), Guinea-Bissau (9.6 percent), China and India (5.1 percent each), and South Korea (3.9 percent).

Mineral fuels, oils and distillation products formed the principal import of the Gambia in 2017, accounting for 29.9 percent of total imports of the country.

Other major import items in the same year included salt, sulphur, plastering materials, and cement (17.7 percent), cereals (8.1 percent), vehicles other than railway and tramway (6.4 percent), and animal or vegetable fats and oils (5.8 percent).

The main origins of the Gambia's imports in 2017 were Côte d'Ivoire (29.4 percent of total imports), Senegal (17.4 percent), China (8.3 percent), Brazil (6.3 percent), and Spain (5.2 percent).

Ghana

Ghana, with a total land area of 238,537 sq. km, is located along the Gulf of Guinea and Atlantic Ocean and borders Togo, Côte d'Ivoire, and Burkina Faso. Ghana has an estimated population of 28.3 million in 2017. Despite its relatively small size and population, Ghana is among Africa's fastest-growing economies, driven mainly by its substantial natural riches and strong agricultural production. Ghana is a market-oriented economy with relatively few policy barriers to trade and investment compared to other countries in the region.

Though Ghana is an agrarian economy, agriculture accounted for only 18.3 percent of GDP in 2017, but absorb half of its total work force. Ghana is the second largest exporter of cocoa in Africa and fifth largest globally. Exports of gold, cocoa and timber have been major foreign exchange earners for the country over the years. Industrial sector contributed to 24.5 percent of the GDP, dominated by mining activities which play significant role in the export earnings of the country. Major industries in the country include mining, lumbering, light manufacturing, aluminum smelting, food processing, cement, small commercial ship building, and petroleum.

Gold is a dominant mineral contributing most of the earnings from minerals exports. Ghana is the second largest gold exporter in Africa, after South Africa. Crude oil and gas are also discovered in commercial quantities with oil production having started in 2010. Ghana's oil industry has advanced at a steady pace in

⁸The Gambia, Overview, World Bank

recent years despite a drop in international oil prices. The development of the oil industry has played a key role in reviving Ghana's economic growth, providing the much needed foreign exchange. The development of the domestic gas industry is playing a major role in resolving Ghana's electricity shortage. The services sector continued to be the leading contributor to GDP, accounting for 57.2 percent of GDP.

Ghana's macroeconomic performance improved in 2017, with the real GDP growing at 8.4 percent in 2017 from a 3.7 percent growth witnessed in 2016, resulting in corresponding increase in the size of GDP from US\$ 42.8 billion in 2016 to US\$ 47 billion in 2017, driven by recovery in non-oil sectors, lower inflation, and new hydrocarbon wells (**Table 2.8**). As the Offshore Turret Remediation Project was deferred from 2017 to 2018, oil production rose strongly.

Inflation moderated in 2017 to 12.4 percent compared to 17.5 percent in 2016, reflecting tighter fiscal policy. Inflation is expected to continue to fall during 2018, owing to lower borrowings and tighter fiscal policy. Current account deficits narrowed to 4.5 percent of GDP in 2017 with pick up in oil exports. International reserves stood at an estimated US\$ 7.6 billion in 2017, up from US\$ 6.2 billion in 2016.

The country's heavy reliance on primary commodities, including cocoa, gold, and oil make it vulnerable to volatilities in international commodity prices. Viewing this, the Ghanaian government has increased its efforts to diversify the economy in the recent years embarking on producing more vegetables to help boost growth.

Ghana's National Development Planning Commission is finalizing a 40 Year Long Term Development Plan (2018-2057), with the objective of achieving structural economic and social transformation of Ghana. As a part of this, a 30-year National Infrastructural Plan has also been prepared for Ghana comprising plans for improved mobility, utilities, internet connectivity, capacity building, modern facilities and financing strategies.

Merchandise Trade

Ghana is a major exporter of agricultural products, particularly cocoa and timber products, minerals such as gold, aluminum, and manganese ore, and energy in the form of oil. With increased oil export revenue, exports recovered in 2017 to US\$ 11.4 billion from US\$ 10.7 billion recorded in 2016. Natural or cultured pearls, precious or semi-precious stones and metals (almost entirely gold) was the major export item of

Table 2.8: Macroeconomic Indicators of Ghana

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	47.8	38.8	36.9	42.8	47.0	51.6	56.7
Real GDP Growth (%)	7.3	4.0	3.8	3.7	8.4	6.3	7.6
GDP per capita, Current Prices (US\$)	1,870.2	1,479.0	1,371.9	1,551.7	1,663.2	1,779.9	1,907.2
Average Consumer Price Inflation (%)	11.7	15.5	17.2	17.5	12.4	8.7	8.0
Population (mn)	25.6	26.2	26.9	27.6	28.3	29.0	29.7
Merchandise Exports (US\$ mn)	12,643.9	13,251.8	11,646.2	10,655.8	11,369.4	-	-
Merchandise Imports (US\$ mn)	12,787.2	15,603.1	14,968.3	11,361.0	13,656.4	-	-
Current Account Balance (US\$ bn)	-5.7	-3.7	-2.8	-2.9	-2.1	-2.1	-2.3
Current Account Balance (% of GDP)	-11.9	-9.5	-7.7	-6.7	-4.5	-4.1	-4.0
Foreign Exchange Reserves (US\$ mn)	5,632.0	5,461.0	5,885.0	6,162.0	7,555.0	9,022.0	9,538.0

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

Ghana in 2017, accounting for 38.3 percent of total exports of the country. Other principal export items in 2017 included mineral fuels, oil and distillation products (23 percent of total exports), cocoa and cocoa preparations (22.8 percent), ores, slag and ash (3.4 percent), edible fruits and nuts (2.7 percent), and wood and articles of wood (1.9 percent).

India was the major export destination of Ghana in 2017, accounting for 24.2 percent of total exports of the country, followed by China (16.3 percent of total exports), Switzerland (16.1 percent), Netherlands (8.9 percent), USA (6.9 percent), and France (3.2 percent) in 2017.

Imports too picked up in 2017, owing to both the recovery of the domestic economy and an increase in capital imports for the building of local infra structure. Imports stood at US\$ 13.7 billion in 2017 compared to US\$ 11.4 billion worth imports in 2016. Machinery and mechanical appliances were the major import item of Ghana, accounting for 11.1 percent of total imports of the country in 2017. Other major import items in 2017 included electrical machinery and electronic equipment (8.7 percent), mineral fuels (7.9 percent), vehicles other than railway or tramway (7.2 percent), plastics and articles (4.6 percent), and articles of iron or steel (3.8 percent).

China was the major import source of Ghana in 2017, contributing 35.6 percent of total imports in 2017. Other major import sources in 2017 included USA (6.5 percent of total imports), Netherlands (5.6 percent), India (4.7 percent), UK (3.6 percent), and Belgium (2.9 percent). Ghana's external trade is characterized by a structural trade deficit, which increased from US\$ 705.2 million in 2016 to US\$ 2.3 billion in 2017.

Guinea

Guinea, with a land area of 245,857 sq. km., shares its northern borders with Guinea-Bissau, Senegal, and Mali, and southern borders with Sierra Leone, Liberia, and Côte d'Ivoire. With an estimated population of 13 million in 2017, the economy of Guinea is dominated by informal sector. With abundant mineral resources, Guinea has the potential to be an economic leader

in extractive industry in the region. Guinea has over half the world's bauxite reserves (aluminum ore). Guinea also possesses untapped high-grade iron ore, significant gold and diamond reserves, undetermined amounts of uranium and prospective off-shore oil reserves.

Services sector is the dominant sector of the economy, accounting for 42.1 percent of GDP in 2017, followed by industry sector (38.4 percent of GDP). Agricultural sector accounted for 19.5 percent of GDP, but employed more than 75 percent of the working population. The Vision 2040 and 2016-2020 National Economic and Social Development Plan (PNDES) of Guinea address the various development challenges posed by the socioeconomic and environmental situation of the country while ensuring alignment with various international development agendas. In December 2017, the Executive Board of the IMF approved a three-year arrangement under the Extended Credit Facility (ECF) for Guinea for about US\$ 170 million to support PNDES which aims at fostering higher and broad-based growth, diversifying the economy, and reducing poverty.

Economic growth of Guinea rebounded in 2016 from the Ebola epidemic shocks and collapse in commodity prices. The trend continued in 2017 with economy of Guinea growing at 6.7 percent compared to 6.6 percent growth in 2016, supported by increased mining production (particularly bauxite), resumed construction activity, good agricultural performance, and the improved provision of electricity (**Table 2.9**). The country witnessed a 50 percent rise in its bauxite production in 2017, driving Guinea to fourth place in the world. Extractive sector is expected to benefit from large scale foreign investments - the Chinese Simandou project (high quality iron oxide) and the Emirates (EGA) and UK (Alufer) projects (bauxite mine production). Increased efforts to boost agricultural output, revival of some of commercial crops, including coffee and palm oil, and increased mining activities are expected to support real GDP growth in the medium term.

Inflation remained high at 8.9 percent in 2017, increasing from 8.2 percent in 2016, reflecting cautious monetary policy. Rising import prices are expected to keep inflation at higher levels. The current account deficit remained high though narrowed to 23 percent of GDP in 2017 from 31.9 percent of GDP in 2016 as higher bauxite exports more than offset strong construction-related demand for capital imports.

Merchandise Trade

According to data derived from ITC Trademap, Guinea's total exports in 2017 stood at US\$ 62.1 billion, as against US\$ 3.5 billion in 2016, mainly on account of large scale exports of aluminium ores and concentrates (bauxite) to China. Guinea is the top supplier of the ore to China.

Ores, slag and ash was the main foreign exchange earner for Guinea, accounting for 89 percent of total exports of the country, followed by ships, boats and floating structures (7.8 percent of total exports), pearls, precious stones, metals and coins (2.8 percent), and edible fruits and nuts and rubber and articles (0.1 percent each). China is the major export destination of Guinea, accounting for 86.6 percent of total exports of the country in 2017. Other major export destinations of Guinea in 2017 were Belgium

(6.8 percent of total exports), Singapore (1.7 percent), UAE (1.5 percent), and USA (1 percent).

Guinea's imports stood at US\$ 3 billion in 2017, with ships, boats and floating structures accounting for 21.4 percent of total imports. Other major imported items in 2017 include machinery and mechanical appliances (18.2 percent of imports), vehicles other than railway or tramway (13.8 percent), mineral fuels, oils and distillation products (9.8 percent), and cereals (5.6 percent). Côte d'Ivoire is the primary import source of Guinea, contributing 22.3 percent of total import needs of the country in 2017. Other major import sources included China (11.6 percent of total imports), Spain (8.8 percent), Netherlands (7.9 percent), Belgium (7.2 percent), and India (6.7 percent).

Guinea-Bissau

Guinea-Bissau is a small country in the West African region, with a land area of 36,125 sq.km and borders Senegal to the north and Guinea to the south and east. Guinea-Bissau has an estimated population of 1.7 million in 2017, and the majority of population depends on farming, agro-pastoral activities, and timber logging. Hence, Guinea-Bissau is a predominantly agrarian economy with

Table 2.9: Macroeconomic Indicators of Guinea

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	8.4	8.8	8.8	8.5	9.7	10.9	11.7
Real GDP Growth (%)	3.9	3.7	3.5	6.6	6.7	5.8	5.9
GDP per capita, Current Prices (US\$)	713.0	729.8	709.9	669.9	749.5	816.5	858.5
Average Consumer Price Inflation (%)	11.9	9.7	8.2	8.2	8.9	8.2	8.0
Population (mn)	11.7	12.0	12.3	12.7	13.0	13.3	13.6
Merchandise Exports (US\$ mn)	1,780.5	1,946.7	1,573.7	3,496.1	62,057.8	-	-
Merchandise Imports (US\$ mn)	2,401.0	2,509.2	2,138.6	3,508.0	2,957.2	-	-
Current Account Balance (US\$ bn)	-1.1	-1.2	-1.3	-2.7	-2.2	-2.1	-1.2
Current Account Balance (% of GDP)	-12.5	-13.4	-15.4	-31.9	-23.0	-19.1	-10.0
Foreign Exchange Reserves (US\$ mn)	174.0	293.0	249.2	372.7	331.8	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

agriculture and allied activities contributing 44.1 percent of the total GDP and providing jobs to 82 percent of working age population. The country has relatively abundant, but under-utilized forest resources (especially rosewood). Guinea-Bissau is among the largest producers of cashew in the world. Limited infrastructure (power and transport) and underdeveloped rural markets are the main obstacles to development and diversification of the rural sector.

Importance of service sector has increased in the recent years, with the sector contributing 43 percent of GDP in 2017. Industry sector remained relatively small, contributing 12.9 percent of GDP. In 2017, construction sector rebounded from a sharp downturn in the previous year and grew by around 17 percent. The major industries in the country include agricultural products processing, beer and soft drinks.

The country has substantial potential for development of mineral resources, including phosphates, bauxite, and mineral sands. The country's mining potential remains largely unexploited, but oil exploration activities have started picking up recently. Guinea-Bissau's three-year ECF arrangement was approved by the IMF in July 2015, in order to restore

macroeconomic stability and improve efficiency in public service delivery to foster inclusive growth in the country. The economy of Guinea-Bissau is growing strongly, along with improvements in its fiscal position. Supported by favorable terms of trade, real GDP growth of Guinea-Bissau averaged almost 6 percent in 2015-2016. GDP growth though slowed down in 2017, remained strong at 5.5 percent, driven mainly by increased food crop production and the fishing industry, along with an upturn in aid and credit inflows.

In 2017, average inflation stood at 1.1 percent, lower than 1.5 percent recorded in 2016. On the back of rising food prices, inflation is expected to increase to 2 percent in 2018 (**Table 2.10**). Exports of Guinea-Bissau are heavily dependent on the performance of the cashew nut sector, which generates maximum export revenue. Guinea-Bissau's trade balance has benefited from low global prices for imported oil and food and high cashew nut prices, which has resulted in current account surpluses during 2014-16. The current account surplus is estimated to have narrowed from an estimated 1.3 percent of GDP in 2016 to 0.1 percent of GDP in 2017, as a worsening

Table 2.10: Macroeconomic Indicators of Guinea-Bissau

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	1.0	1.1	1.0	1.2	1.4	1.6	1.7
Real GDP Growth (%)	3.3	1.0	6.1	5.8	5.5	5.5	5.5
GDP per capita, Current Prices (US\$)	671.1	662.4	636.4	700.1	794.1	910.4	972.9
Average Consumer Price Inflation (%)	0.8	-1.0	1.5	1.5	1.1	2.0	2.2
Population (mn)	1.6	1.6	1.6	1.7	1.7	1.7	1.8
Merchandise Exports (US\$ mn)	303.4	265.2	285.3	360.1	269.8	-	-
Merchandise Imports (US\$ mn)	324.0	412.5	296.2	354.8	356.7	-	-
Current Account Balance (US\$ bn)	-0.05	0.01	0.02	0.02	0.001	-0.05	-0.05
Current Account Balance (% of GDP)	-4.6	0.5	2.3	1.3	0.1	-3.3	-2.6
Foreign Exchange Reserves (US\$ mn)	215.6	230.5	291.7	366.4	349.4	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

in the balances on trade and services offset the large secondary income surplus.

Merchandise Trade

Exports of Guinea-Bissau stood at US\$ 269.8 million in 2017, with edible fruits and nuts (mostly cashew nuts) accounting for 94.4 percent of total exports. Other major exports in 2017 include fish and crustaceans and other aquatic invertebrates, ships, boats and floating structures, and oil seeds and oleaginous fruits. India alone accounted for 94.6 percent of exports of Guinea-Bissau in 2017. Other main export destinations in 2017 were Togo, France, South Korea, Turkey and China.

Imports of Guinea-Bissau increased in 2017 owing to higher global oil prices and increased capital imports for foreign-financed investment projects. Imports stood at US\$ 356.7 million in 2017 compared to US\$ 354.8 million in 2016. Mineral fuels, oils and distillation products accounted for 18.1 percent of Guinea-Bissau's imports in 2017, followed by cereals (13.8 percent), beverages, spirits and vinegar (6 percent), machinery and mechanical appliances and electrical machinery and equipment (5.1 percent each). Guinea-Bissau's main import sources in 2017 were Portugal (accounting for 28.9 percent of total imports), Senegal (16.7 percent), China (9.4 percent), Netherlands (6.7 percent), and Pakistan (6.6 percent).

Liberia

Liberia, with a total area of 111,370 sq.km, has an estimated total population of 4.5 million in 2017. The country has abundant natural resources such as iron ore, timber, diamonds, gold and other mineral resources. Bordered by Sierra Leone to its west, Guinea to its north, Côte d'Ivoire to its east, and the Atlantic Ocean to its south, Liberia also has abundant water supply for agriculture, as well as, sufficient electric power generation. Liberia is primarily a tertiary sector oriented economy, with the sector contributing around 53.4 percent of the country's

GDP. Liberia operates a "flag of convenience" shipping policy, which enable ships to reduce operating costs by registering as non-domiciled residents in the country, payment for which is recorded as a services credit. Agriculture sector contributes to 36.1 percent of total GDP, but employ around 70 percent of population. The government of Liberia has launched an Agriculture Transformation Agenda focusing on agricultural value chains to promote the agribusiness sector by incentivizing private sector participation supported by policy reforms that will create an enabling environment for investors.

Industrial sector's contribution to GDP is marginal at 10.5 percent in 2017. Some of the major industries include mining (iron ore and gold), rubber processing, palm oil processing, and diamonds. The Government of Liberia has put into place the Vision 2030, to transform the country into a middle income country capable of meeting and sustaining its own development. The pro-poor agenda of government focus on poverty reduction, job creation, skills development and bridging infrastructure-related gaps in the country. The government has focused on encouraging agricultural development to reduce the country's dependency on food imports and repairing public service provision. An IMF ECF programme with Liberia ended in November 2017, has supported the country during commodity price slump and Ebola epidemic.

Low commodity prices and Ebola outbreak has resulted in an economic stagnation in Liberia during 2014-16. A modest pickup in gold prices supported economic growth to reach 2.5 percent in 2017 from a contraction in 2016. Liberia is expected to grow at 3.2 percent in 2018 and 4.7 percent in 2019, supported by further gold and iron ore expansion, commercial palm oil production, and normalization of investment after the political transition. Inflation touched double digits to 12.4 percent in 2016 compared to 8.8 percent in 2016, due to depreciation of the Liberia dollar and

Table 2.11: Macroeconomic Indicators of Liberia

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	3.1	3.1	3.2	3.3	3.3	3.3	3.5
Real GDP Growth (%)	8.8	0.7	0.01	-1.6	2.5	3.2	4.7
GDP per capita, Current Prices (US\$)	751.6	750.9	739.6	745.1	729.3	722.3	748.2
Average Consumer Price Inflation (%)	7.6	9.9	7.7	8.8	12.4	11.7	10.5
Population (mn)	4.1	4.2	4.3	4.4	4.5	4.6	4.7
Merchandise Exports (US\$ mn)	1,401.4	1,396.3	1,295.8	1,075.5	1,171.9	-	-
Merchandise Imports (US\$ mn)	13,715.5	11,854.3	8,547.5	9,789.2	8,282.1	-	-
Current Account Balance (US\$ bn)	-0.7	-0.8	-0.8	-0.6	-0.7	-0.8	-0.8
Current Account Balance (% of GDP)	-21.6	-26.3	-26.5	-18.5	-22.4	-22.5	-22.4
Foreign Exchange Reserves (US\$ mn)	493.1	499.0	522.6	529.7	459.8	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

capital flight. Similarly, current account deficit has widened to 22.4 percent of GDP in 2017 from 18.5 percent of GDP recorded in 2016 (**Table 2.11**).

Inflation is expected to remain double digits in the medium term following higher average oil prices and a rapidly depreciating Liberian dollar. Similarly, current account deficit is expected to widen marginally in 2018, driven by higher imports due to rising oil prices.

Merchandise Trade

In 2017, total exports of Liberia increased by 9 percent to US\$ 1.2 billion from US\$ 1.1 billion in the previous year, supported by a rise in global rubber prices. On the other hand, imports decreased from US\$ 9.8 billion in 2016 to US\$ 8.3 billion in 2017.

During 2017, principal exports were ships, boats and floating structures, accounting for 46.2 percent of total exports of the country. Other major exports of the country in the same year included pearls, precious stones, metals and coins (16.9 percent), rubber and articles (11.3 percent), mineral fuels, oils and products of distillation (7.6 percent), ores, slag and ash (6.5 percent), and cocoa and cocoa preparations (3.1 percent). As regards imports, ships, boats and floating structures accounted for 46.5 percent of total imports of Liberia in 2017, followed

by mineral fuels (7.3 percent of imports), machinery and mechanical appliances (2.8 percent), cereals (1.8 percent), and articles of iron and steel (1.3 percent).

In 2017, Germany accounted for 40 percent of total exports of Liberia, followed by Switzerland (16.2 percent), USA (8.1 percent), Indonesia (5.3 percent), and India (3.2 percent). As regards imports, the major suppliers in 2017 included Singapore (31 percent of total imports), China (25.4 percent), South Korea (15.8 percent), Japan (9.8 percent), and India (3.1 percent).

Mali

Mali, with a land area of 1,240,190 sq.km, is the second-largest country by size in the West African region, after Niger. Mali is a land locked country and is bordered by Algeria to the northeast, Niger to the east, Burkina Faso and Côte d'Ivoire to the south, Guinea to the south-west, and Senegal and Mauritania to the west. Mali has large deposits of gold, phosphate, rock salt, oil, limestone, bauxite, iron, magnesium, gypsum, uranium and marble. Mali has a population of 18.9 million in 2017, with 80 percent of the working age population engaged

in the agriculture sector. Mali is one of the leading cotton producers in Sub-Saharan Africa.

The country depends heavily on gold mining and agricultural exports. With gold and cotton exports accounting for over 82 percent of total export revenue, Mali remains vulnerable to global commodity price movements and agricultural harvests. In order to diversify, foreign exchange revenue from gold, the country started developing its iron ore extraction industry. Recently, substantial new discoveries of bauxite reserves have also been taken place, which could further promote growth of the mining sector.

Agriculture, livestock husbandry and other primary sector activities dominate the Malian economy, and accounts for 40.9 percent of the GDP in 2017. Industrial sector contributed around 18.9 percent of Mali's GDP, and the main industries in the country include construction, mining and food processing. The government is promoting large scale infrastructure development projects, especially to create a network of connectivity between people, resources and export ports. The services sector, which accounted for 40.2 percent of GDP, remains one of the most vibrant sector in the country witnessing strong

growth from renewed dynamism in the ICT sector. The Government's economic reforms since 1995, supported by the IMF and the World Bank, have succeeded as is visible from economic growth.

Mali's GDP is estimated at US\$ 15.3 billion in 2017. The real GDP growth of Mali remained strong at an estimated 5.3 percent in 2017, albeit lower than 5.8 percent in 2016 despite security issues between northern and southern regions of the country. Strong investment activity supported the growth, though unfavourable weather conditions has resulted in the slow down. Average inflation increased from a contraction of 1.8 percent in 2016 to 1.8 percent in 2017, driven by unfavorable weather conditions resulting in higher food prices and increased oil prices. Despite deterioration in the trade balance due to higher oil prices and lower gold prices, the external current account deficit decreased at 6.2 percent of GDP in 2017, against 7.2 percent in 2016, in line with the fiscal consolidation. Foreign exchange reserves of Mali increased to US\$ 647.8 million in 2017 (**Table 2.12**).

The rationalization of recurrent expenditures and significant improvement in domestic revenues have

Table 2.12: Macroeconomic Indicators of Mali

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	13.3	14.4	13.1	14.0	15.3	17.9	19.2
Real GDP Growth (%)	2.3	7.0	5.96	5.8	5.3	5.0	4.7
GDP per capita, Current Prices (US\$)	798.6	840.8	740.4	767.6	810.8	917.5	954.7
Average Consumer Price Inflation (%)	-0.6	0.9	1.4	-1.8	1.8	1.4	1.7
Population (mn)	16.6	17.1	17.7	18.3	18.9	19.5	20.2
Merchandise Exports (US\$ mn)	3,044.0	3,271.3	3,600.5	2,847.6	947.4	-	-
Merchandise Imports (US\$ mn)	2,918.2	3,134.3	3,059.5	3,845.4	2,959.7	-	-
Current Account Balance (US\$ bn)	-0.38	-0.68	-0.70	-1.02	-0.951	-1.24	-1.24
Current Account Balance (% of GDP)	-2.9	-4.7	-5.3	-7.2	-6.2	-6.9	-6.4
Foreign Exchange Reserves (US\$ mn)	1294.4	1043.8	802.5	395.7	647.8	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

contained the fiscal deficits. The current account deficit was mostly financed by FDI and public borrowing. Real GDP growth is expected to remain robust at 5 percent in 2018, albeit lower than the growth in 2017. Agricultural growth would remain strong underpinned by favorable weather and the positive effects of input subsidy reforms. Services sector is also expected to grow, reflecting stronger activity in the telecom, transport and trade sectors. Imports are expected to increase in 2018, on the back of higher global oil and food prices and a rise in capital imports for development and reconstruction. Export revenue from gold is also expected to increase in 2018, supported by increased production and higher international gold prices.

Merchandise Trade

Exports of Mali stood at US\$ 947.4 million in 2017, with pearls, precious or semi-precious stones and metals (mostly gold) accounting for 65 percent of total exports. Other major exports in 2017 include cotton (17.6 percent), wood and articles of wood (3.5 percent), and oil seeds and oleaginous fruits (3 percent). Switzerland accounted for 60.5 percent of exports of Mali in 2017. Other main export destinations in 2017 were India (13 percent), China (7.2 percent), Thailand (3.7 percent), and Turkey (3.2 percent).

Imports of Mali stood lower at US\$ 3 billion in 2017 compared to US\$ 3.8 billion in 2016. Machinery and mechanical appliances accounted for 11.9 percent of Mali's imports in 2017, followed by vehicles other than railway or tramway (9.8 percent), electrical machinery and equipment (7.8 percent), mineral fuels, mineral oils and products of their distillation (6.8 percent), and pharmaceutical products (6.3 percent). Mali's main import sources in 2017 were Senegal (accounting for 20 percent of total imports), France (12.6 percent), China (11.4 percent), Belgium and Netherlands (5 percent each).

Mauritania

Mauritania, the third largest country in West Africa, has a total land area of 1,030,700 sq. km. It is a

desert country, with just around 0.5 percent arable land and is among the fourth least densely populated countries in Africa. Mauritania is bordered by Algeria, Senegal, Mali, and Western Sahara, and an estimated population of 3.9 million in 2017. Mauritania bridges the Arab Maghreb and western Sub-Saharan Africa. The country has extensive mineral resources, including significant deposits of iron ore, gold and copper. Mauritania is relatively one of the newest oil producers in Africa.

Agriculture sector contributes to 22.5 percent of Mauritania's GDP in 2017. The country imports around 70 percent of its food requirements, making it vulnerable to rising world prices for staple commodities. Services sector dominate the economy with a 39.7 percent share in the country's GDP and has recorded the highest growth in 2017 compared to primary and secondary sectors. Industry sector accounts for 37.8 percent of Mauritania's GDP, with mining plays a major role in the economy by ensuring the country's growth. Most of the foreign investment into the country is attracted towards this sub-sector. In December 2017, Mauritania and the IMF entered into a three year ECF agreement to foster economic growth, maintain macroeconomic stability, and reduce poverty in the country.

Economic growth of Mauritania rebounded from 1.6 percent in 2016 to 3.2 percent in 2017, partially due to a gradual recovery in international mining prices and prudent fiscal policy measures. While improved performances in the fisheries, livestock, manufacturing, and commerce sectors supported growth, tighter liquidity conditions in the economy emerged from fiscal consolidation and contractionary monetary policy is restraining the economic activity to some extent. Rise in food prices reflecting higher international prices, uncompetitive food markets and bad weather has pushed inflation to 2.3 percent in 2017, up from 1.5 percent in 2016.

Budgetary controls and improved mining (iron and copper) exports has resulted in a narrowing of current account deficit to 10 percent of GDP from 14.9 percent in 2016. The narrowing current account

Table 2.13: Macroeconomic Indicators of Mauritania

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	5.7	5.4	4.8	4.8	5.1	5.4	5.5
Real GDP Growth (%)	6.1	5.6	0.8	1.6	3.2	2.7	4.5
GDP per capita, Current Prices (US\$)	1,618.2	1,488.8	1,305.8	1,253.4	1,317.9	1,369.0	1,365.2
Average Consumer Price Inflation (%)	4.1	3.8	0.5	1.5	2.3	3.7	5.0
Population (mn)	3.5	3.6	3.7	3.8	3.9	4.0	4.1
Merchandise Exports (US\$ mn)	2,462.5	2,139.8	1,831.7	1,722.9	1,989.4	-	-
Merchandise Imports (US\$ mn)	3,978.5	3,641.8	3,703.4	2,282.4	3,522.4	-	-
Current Account Balance (US\$ bn)	-1.3	-1.5	-1.0	-0.7	-0.5	-0.5	-0.5
Current Account Balance (% of GDP)	-22.0	-27.3	-19.8	-14.9	-10.0	-9.9	-8.4
Foreign Exchange Reserves (US\$ mn)	984.1	621.5	810.1	835.3	858.9	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

deficit has reduced external financing pressures and kept a stable level of foreign exchange reserves at US\$ 858.9 million in 2017 (**Table 2.13**).

Real GDP growth is expected to moderate to 2.7 percent in 2018, but will gradually recover to reach 4.5 percent by 2019 amidst favorable commodity prices and increasing FDI, linked to the new off-shore gas discovery and the expansion of gold mines. The extractive industries have been the engine of Mauritania's economic development. Inflation is expected to rise to 3.7 percent in 2018 and 5 percent in 2019, reflecting the upward trend in global food and fuel prices. A poor harvest in the Sahel region in 2018 is expected to intensify inflationary pressures.

According to the World Bank, as the country mostly depends on 'extract and export' policy, weak management of extractive rents is acting as a binding constraint to inclusive growth in the country. Similarly, the failure to harness Mauritania's other natural resources in livestock and fisheries constrains diversification potential and employment opportunities. This requires enhanced government policies, so that the country will be able to withstand

internal commodity price related uncertainties. The country needs to adopt the right mix between economic growth supporting policies and ensuring macroeconomic stability through fiscal consolidation and a more responsive monetary and exchange rate policies⁹. The 2016–2030 National Strategic Framework for Accelerated Growth and Shared Prosperity has emphasized the need for diversifying the economy through increased private sector participation in non-extractives sectors.

Merchandise Trade

Mauritania's exports is estimated to have increased by 15.5 percent to US\$ 2 billion in 2017 from US\$ 1.7 billion in the previous year. Imports increased sharply by 54.3 percent to stand at an estimated US\$ 3.5 billion in 2017 from US\$ 2.3 billion in 2016. As a result, Mauritania's trade deficit widened to an estimated US\$ 1.5 billion in 2017, compared to US\$ 559.4 million in 2016.

Ores, slag and ash were the main exports of Mauritania in 2017, accounting for 40.9 percent of total exports of the country. The other major export items in 2017 included fish, crustaceans and molluscs

⁹World Bank Public Document on Mauritania

(33.7 percent), pearls, precious or semi-precious stones and metals (15.7 percent), residues and animal fodder (7 percent), and animal or vegetable fats and oils (1.7 percent). The major destinations of Mauritania's exports in 2017 were China (35.1 percent of total exports), Switzerland (15.4 percent), Spain (11.6 percent), Japan (7.2 percent), and Italy (5.1 percent).

Ships, boats and floating structures formed the principal import of Mauritania in 2017, accounting for 35.4 percent of total imports of the country. Other major import items in the same year included mineral fuels, oils and distillation products (18.3 percent), machinery and mechanical appliances (8.7 percent), vehicles other than railway and tramway (4.3 percent), and cereals (3.8 percent). The main origins of Mauritania's imports in 2017 were South Korea (18.1 percent of total imports), UAE (8.9 percent), Norway (7.8 percent), Belgium (6.5 percent), and Netherlands (6.1 percent).

Niger

Niger is a landlocked country in West Africa, which borders Nigeria and Benin to the south, Burkina Faso and Mali to the west, Algeria and Libya to the north and Chad to the east. Niger is the largest country by geographical size in the West African region with a total land area of 1,267,000 sq. km and estimated population of 18.8 million in 2017. The country is prone to recurrent natural crises (droughts, floods, and locust infestations), and is heavily reliant on uranium exports.

Niger depends heavily on subsistence agriculture and livestock breeding. Primary sector (agriculture, livestock, forestry and fisheries) accounts for around 41.5 percent of GDP, even though less than 13 percent of the country is arable. Together, the agriculture and livestock sectors engage more than 80 percent of the workforce. Tertiary sector contributes around 40.4 percent of GDP, with commerce and transport and the public sector representing the most important activities.

The industrial sector, though accounting for 18.1 percent of GDP, concentrated on a few sub-sectors (food products, textiles, construction and public works) and mining. Manufacturing, construction and public works and production of electricity, gas and water are relatively small and underdeveloped. Niger is quintessentially a mining country, and has significant reserves of uranium, coal, iron, phosphates and gold. It also has sizable reserves of oil. Uranium production and exports play an important role in the economy. Niger is world's fourth-largest producer of uranium.

Real GDP has grown by 5.2 percent in 2017 compared to 5 percent in 2016, supported by agriculture, hydrocarbons and services (trade and ICT). The secondary sector, particularly oil has witnessed a higher growth as the oil production has increased with the Zinder (SORAZ) Corporation's refining facilities reaching full operating capacity. Though, inflation stood below WAEMU target of 3 percent, it has increased to 2.4 percent in 2017 from 0.2 percent in 2016. The current account deficit narrowed from 15.5 percent of GDP in 2016 to 13.2 percent in 2017, supported by rebound in oil exports due to volume and price effects and decline in capital imports (**Table 2.14**). The current account deficit was financed by capital grants, project loans and FDI in 2017.

Niger's economic outlook remains positive, with growth expected to be 5.1 percent in 2018 and 5.4 percent in 2019, supported by reforms and investment in agriculture, energy, telecom and oil and good performance of oil and agricultural sectors. Agricultural performance is expected to improve as a result of good rainfall, and the 3N initiative, Nigeriens Nourishing Nigeriens, promoting irrigation and livestock farming. Border security threats and low commodity prices pose serious macroeconomic risks to the country. Inflation is expected to gradually pick up to 3.9 percent in 2018, mainly reflecting tax hikes and shortages of local food supplies. The current account deficit is expected to reach 16.7 percent of GDP in 2018 because of high imports related to donor projects offsetting an expected increase in export earnings and the construction of an oil pipeline.

Table 2.14: Macroeconomic Indicators of Niger

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	7.7	8.2	7.2	7.5	8.3	9.9	10.7
Real GDP Growth (%)	5.3	7.5	4.0	5.0	5.2	5.1	5.4
GDP per capita, Current Prices (US\$)	462.0	481.6	409.2	414.0	440.0	510.3	537.5
Average Consumer Price Inflation (%)	2.3	-0.9	1.0	0.2	2.4	3.9	2.0
Population (mn)	16.6	17.1	17.6	18.2	18.8	19.3	19.9
Merchandise Exports (US\$ mn)	1,337.2	1,049.7	789.8	927.2	510.5	-	-
Merchandise Imports (US\$ mn)	1,714.1	2,151.1	2,458.3	1,860.7	958.8	-	-
Current Account Balance (US\$ bn)	-1.3	-1.3	-1.5	-1.2	-1.1	-1.6	-1.8
Current Account Balance (% of GDP)	-16.8	-15.4	-20.5	-15.5	-13.2	-16.1	-16.7
Foreign Exchange Reserves (US\$ mn)	1188.0	1353.0	1116.0	1186.0	1251.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

Merchandise Trade

Niger has a narrow export base, with uranium and oil accounting for more than half of total export earnings. In 2017, total exports of Niger stood at US\$ 510.5 million, with inorganic chemicals (almost entirely uranium) accounting for 63.3 percent of total exports. Other principal exports during 2017 were oil seeds and oleaginous fruits, accounting for 19.4 percent of total exports of the country, pearls, precious stones, metals and coins (6.1 percent), mineral fuels, oils and products of distillation (4.3 percent), and electrical machinery and equipment (1.1 percent).

Niger's imports stood at US\$ 958.8 million in 2017, with major imports being pharmaceutical products (10.8 percent of total imports), electrical machinery and equipment (9.1 percent), cereals (8.8 percent), machinery and mechanical appliances (7.6 percent), salt, sulphur, plastering materials, and cement (5.1 percent), and vehicles other than railway or tramway (5 percent).

In 2017, France accounted for 51.6 percent of total exports of Niger, followed by China (19.5 percent), South Korea (12.6 percent), Switzerland

(5.6 percent), and India (3.9 percent). As regards imports, the major suppliers in 2017 included France (17.5 percent of total imports), India (12.2 percent), China (10.2 percent), Nigeria (9 percent), and Belgium (6.7 percent).

Nigeria

Nigeria is located on the west coast of Africa, with a land area of 923,773 sq. km and sharing land borders with Benin in the west, Chad and Cameroon in the east, and Niger in the north. It is the largest economy in Sub-Saharan Africa. The country is rich in natural resources like natural gas, petroleum, tin, iron ore, coal, limestone, lead, zinc and arable land. Nigeria is Africa's leading oil exporter, and also has the largest natural gas reserves in Africa. Nigeria is the sixth-largest natural gas flaring country in 2017 and the second largest in Africa after Algeria. It relies heavily on oil as its main source of foreign exchange earnings. Nigeria has an estimated population of 188.7 million in 2017, and has one of the largest population of youth in the world.

Services sector dominated the economy in 2017, contributing 60.1 percent of GDP. Agriculture and allied activities constituted 21.6 percent of total GDP

in 2017. Industry sector also plays an important role in the economy with 18.3 percent share in GDP value addition. Major industries in the country include crude oil, coal, tin, rubber products, wood, hides and skins, textiles, cement and other construction materials, food products, footwear, chemicals, fertilizer, printing, ceramics, and steel.

Nigeria entered into a recession in 2016 due to lower oil prices and production, which was aggravated by attacks on oil and gas infrastructure in the Niger Delta region, and unfavourable economic policies, including foreign exchange restrictions. Nigeria's real GDP growth turned positive in 2017 to 0.8 percent, driven by recovering oil production, recovery in non-oil industries, and growth in agriculture. Investment and other private sector activities were positively affected by the improved availability of foreign exchange to support imports. Though agriculture and non-oil industry grew by 3.4 percent and 0.6 percent, respectively in 2017, services sector continued to contract (-0.9 percent).

Inflation rose to 16.5 percent in 2017 from 15.7 percent in 2016. The current account surplus increased to 2.5 percent of GDP in 2017 from 0.7 percent in 2016, as oil exports strengthened with increasing production and

price, while imports remained subdued due to lack of growth in private demand (**Table 2.15**). The Central Bank of Nigeria (CBN) continued its restrictions on foreign exchange for 40 groups of imports to promote import substitution during the year.

With the government started to implement the structural reforms outlined in its Economic Recovery and Growth Plan 2017–2020, growth is expected to strengthen further to 2.1 percent in 2018. The economic recovery in the medium term is expected to be slow given ongoing policy deficiencies, infrastructure gaps and political instability, and would be largely oil driven. Inflation is expected to come down to 14 percent in 2018, with currency stability and a high base of comparison in 2017. The country has not made much progress in terms of diversifying the country's hydrocarbons-dominated export base. Imports are expected to increase in 2018 on the back of a period of naira stability and recovering local demand, coupled with higher commodity prices.

Merchandise Trade

Nigeria is the largest country in the West African region in terms of total trade. Total trade of Nigeria has been dominated by exports, which increased by 35.2 percent to US\$ 44.5 billion in 2017 from

Table 2.15: Macroeconomic Indicators of Nigeria

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	515.0	568.5	493.8	405.4	376.3	408.6	475.6
Real GDP Growth (%)	5.4	6.3	2.7	-1.6	0.8	2.1	1.9
GDP per capita, Current Prices (US\$)	3,042.0	3,268.4	2,763.2	2,207.9	1,994.2	2,107.6	2,387.3
Average Consumer Price Inflation (%)	8.5	8.0	9.0	15.7	16.5	14.0	14.8
Population (mn)	169.3	173.9	178.7	183.6	188.7	193.9	1,99.2
Merchandise Exports (US\$ mn)	89,482.1	99,241.7	48,433.4	32,883.0	44,466.4	-	-
Merchandise Imports (US\$ mn)	44,029.0	44,639.5	33,830.9	35,194.3	30,686.0	-	-
Current Account Balance (US\$ bn)	19.0	0.9	-15.8	2.7	9.3	2.1	2.1
Current Account Balance (% of GDP)	3.7	0.2	-3.2	0.7	2.5	0.5	0.4
Foreign Exchange Reserves (US\$ mn)	42,847.0	34,469.0	29,070.0	25,844.0	38,766.0	48,718.0	47,779.0

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

US\$ 32.9 billion in 2016. Mineral fuels, oils and products of their distillation were the principal exported commodity during 2017, accounting for 96 percent of Nigeria's total exports. Other exports during 2017 were ships, boats and floating structures, cocoa and cocoa preparations, oil seeds and oleaginous fruits, fertilizers and tobacco and manufactured tobacco substitutes. India accounted for 17.9 percent of Nigeria's total exports in 2017. Other major export destinations in 2017 include USA (12.8 percent), Spain (9.9 percent), Netherlands (8.5 percent), France (7.7 percent), and South Africa (4.5 percent).

Nigeria's imports, on the other hand, decreased by 12.8 percent to US\$ 30.7 billion in 2017 from US\$ 35.2 billion in 2016, as a result Nigeria enjoyed a favourable trade balance of US\$ 13.8 billion in 2017. The major imports of Nigeria in 2017 include mineral fuels (28.5 percent of total imports), machinery and mechanical appliances (13.9 percent), electrical machinery and equipment (6.2 percent), vehicles other than railway or tramway (5.3 percent), cereals (5.1 percent), and plastics and articles (4.7 percent). The major suppliers for Nigeria in 2017 included China (19.1 percent of total imports), Belgium (13.1 percent), Netherlands (9.4 percent), USA (8.1 percent), and India (5 percent).

Senegal

Senegal covers a total of 197,161 sq. km of land area, with an estimated population of 15.9 million in 2017. The country is positioned on the Atlantic Ocean at the westernmost point of the Sahel, and borders Guinea, Mali, and Mauritania. Senegal also surrounds its smaller neighboring country, the Gambia. Senegal is considered among the stable countries in Africa. With its well-developed physical and social infrastructure and relatively well-diversified industrial base, Senegal is one of most visited country and a key economic hub in the West African region.

In 2014, the Government of Senegal adopted the Plan Senegal Emergent (PSE) for the period from 2014 to 2035, a development plan designed to bring Senegal

out of a cycle of low-growth and weak poverty reduction. The plan aims at positioning Senegal to an emerging market economy by 2035 by making it a hub for West Africa, through inclusive growth. The PSE replaced the national strategy for economic and social development (Stratégie Nationale de Développement Économique et Social: SNDES 2013-17). The plan envisages structural reforms to attract more foreign investment and increase level of private investment in priority sectors.

Senegal's economy is driven by mining, construction, tourism, fisheries and agriculture, which are the primary sources of employment in rural areas. Service sector is the main contributor to GDP, accounting for 58.8 percent of GDP in 2017, while industrial sector accounts for 24.3 percent of GDP. Major industries in the country include agriculture and fish processing, phosphate mining, fertilizer production, petroleum refining, zircon and gold mining, construction materials, ship construction and repair. Agriculture sector, accounting for 16.9 percent of GDP is primarily dominated by groundnut production, and supports three-quarters of the working population.

Senegal's GDP growth picked up in 2017, with a growth rate of 7.2 percent, supported by government reforms, investments and good weather resulting in rising industrial and agricultural output. The GDP of Senegal is estimated at US\$ 16.5 billion in 2017. Average consumer price inflation rose to 1.4 percent in 2017 from 0.9 percent in 2016, mainly reflecting increased global oil and non-food commodity prices.

Senegal's external position is characterized by a current account deficit, which deteriorated from 5.5 percent of GDP in 2016 to 9.4 percent in 2017 due to higher energy and capital goods imports, supported by strong investments and rising oil prices. Exports increased less rapidly than imports, despite the good performance of phosphoric acid, horticulture and groundnuts, and cement. The deficit was mostly financed by public borrowing. Foreign exchange reserves of Senegal stood at US\$ 1.8 billion in 2017 (**Table 2.16**). Though the public debt reached 62 percent of GDP in 2017, the debt ratio remains below

Table 2.16: Macroeconomic Indicators of Senegal

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	14.9	15.3	13.7	14.7	16.5	19.7	21.7
Real GDP Growth (%)	3.6	4.1	6.5	6.7	7.2	7.0	7.0
GDP per capita, Current Prices (US\$)	1,053.4	1,054.0	912.8	954.8	1,038.1	1,208.5	1,293.6
Average Consumer Price Inflation (%)	0.7	-1.1	0.1	0.9	1.4	1.5	1.5
Population (mn)	14.1	14.5	15.0	15.4	15.9	16.3	16.8
Merchandise Exports (US\$ mn)	2,661.0	2,750.2	2,611.7	2,640.3	2,989.0	-	-
Merchandise Imports (US\$ mn)	6,552.2	6,502.7	5,595.4	5,477.9	6,728.7	-	-
Current Account Balance (US\$ bn)	-1.6	-1.4	-1.0	-0.8	-1.5	-1.6	-1.6
Current Account Balance (% of GDP)	-10.5	-9.0	-7.0	-5.5	-9.4	-7.9	-7.5
Foreign Exchange Reserves (US\$ mn)	2,099.0	2,042.0	1,988.0	1,554.0	1,827.0	2,557.0	2,685.0

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

the WAEMU ceiling of 70 percent. The increase in debt ratio is attributable to implementation of large infrastructure projects having high long term impacts in recent years in agriculture, transportation, and special economic zones.

Economic growth is expected to slow down but remain robust at 7 percent in 2018, supported by secondary sector and tertiary sector growth. Higher private investment, particularly in oil, energy, transport infrastructure, agriculture, tourism, textiles and information technology are expected to underpin this growth. Services sector growth will be led by banking and telecommunications, along with the expanded air and sea logistics capacity of Dakar. Inflationary pressures are expected to remain modest in 2018.

Merchandise Trade

Senegal is experiencing a structural trade deficit, attributable to the relatively high import dependency of the country. In 2017, trade deficit stood at US\$ 3.7 billion, increasing from US\$ 2.8 billion in 2016. Exports witnessed a 13.2 percent increase to US\$ 3 billion in 2017 from US\$ 2.6 billion in 2016. Senegal's imports rose by 22.8 percent to US\$ 6.7 billion in 2017 from US\$ 5.5 billion recorded in 2016.

Mineral fuels, oil and products accounted for 14.8 percent of Senegal's exports in 2017, followed by fish and other marine products (13.2 percent), pearls, precious stones and metals (12.6 percent), salt, sulphur, lime and cement (8.5 percent), inorganic chemicals and precious metal compounds (5.7 percent), ores, slag and ash (4.8 percent), and miscellaneous edible preparations (4.5 percent). The main items of imports of Senegal comprise mineral fuels (21.9 percent), machinery (9.7 percent), cereals (9.5 percent), electrical machinery and equipment (7.8 percent), vehicles other than railway or tramway (7 percent), iron and steel (3.5 percent), and pharmaceutical products (3.2 percent).

Mali was Senegal's largest export destination in 2017, accounting for 19.8 percent of Senegal's total exports. The other main export destinations of Senegal included Switzerland (10.1 percent), India (5 percent), Côte d'Ivoire (4.7 percent), UAE (4.5 percent), and China (4.4 percent).

In 2017, France was Senegal's largest import source, supplying 14.7 percent of Senegal's import needs. Other major import sources in the same year were China (9.7 percent), Nigeria (7.9 percent), India (7.3 percent), Netherlands (5.6 percent), and Germany (4.2 percent).

Sierra Leone

Sierra Leone is endowed with abundant natural resources like mineral wealth, agricultural and fishery resources. The country has a total land area of 71,740 sq. km and is bordered by Guinea to the northeast, and Liberia to the southeast. Sierra Leone has an estimated population of 7.4 million in 2017.

Sierra Leone's primary mineral resources include diamonds, rutile, bauxite, gold and small amounts of iron ore and limonite. The discoveries of oil, iron ore, bauxite and gold have attracted the interest of investors across the world to the country. Agriculture accounts for 60.7 percent of the country's GDP and two-thirds of the working-age population engage in subsistence agriculture. The service sector was the second dominant sector, contributing around 33 percent of GDP, supported by continuing growth in tourism and telecommunications. Major industries in the country include diamond, iron ore, rutile and bauxite mining and small-scale manufacturing (beverages, textiles, footwear).

With the discovery of iron ore in 2011, mining became the main growth driver of Sierra Leone. Economic growth in the country slowed to 3.5 percent in 2017 from 6.3 percent in 2016, mainly due

to a weak recovery of mineral production especially iron ore. The main iron ore company in the country, Shandong Iron and Steel Group, stopped production in November 2017 due to high operating costs and cash constraints. The construction sector growth too decelerated following the slowdown in public infrastructure investment. The service sector was benefitted from increased tourist arrivals and a recovery in commerce.

Average consumer price inflation increased to 18 percent in 2017 from 11.5 percent in 2016, on the back of rapid currency depreciation, increased tariffs on imported goods, and an average rise in world oil prices. The current account deficit widened to 21.9 percent of GDP in 2017 from 19.4 percent in 2016, largely due to weak export growth and increased importation of food items, machinery and petroleum products during the year. Foreign exchange reserves declined to US\$ 478 million in 2017 (**Table 2.17**). The deficit would be financed mainly by concessionary loans from donors and foreign direct investment flows into the mining sector.

The economy is expected to continue to grow by 3.5 percent in 2018. Inflation is expected to remain high at 13.9 percent in 2018, owing to higher food

Table 2.17: Macroeconomic Indicators of Sierra Leone

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	4.9	5.0	4.3	3.8	3.6	3.8	4.0
Real GDP Growth (%)	20.7	4.6	-20.5	6.3	3.5	3.5	5.6
GDP per capita, Current Prices (US\$)	731.1	721.6	599.5	522.2	491.5	505.1	513.9
Average Consumer Price Inflation (%)	9.8	8.3	9.0	11.5	18.0	13.9	11.2
Population (mn)	6.7	6.9	7.1	7.2	7.4	7.6	7.7
Merchandise Exports (US\$ mn)	1,934.0	2,79.3	93.3	465.6	885.5	-	-
Merchandise Imports (US\$ mn)	1,387.1	2,056.8	1,759.4	957.9	1,044.1	-	-
Current Account Balance (US\$ bn)	-0.9	-0.9	-0.7	-0.7	-0.8	-0.7	-0.9
Current Account Balance (% of GDP)	-17.5	-18.2	-17.4	-19.4	-21.9	-18.9	-21.6
Foreign Exchange Reserves (US\$ mn)	532.5	600.8	579.0	497.2	478.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

prices, further currency depreciation and pressure on fuel prices. Given the country's dependence on imports and its narrow export base, the trade deficit is expected to remain high.

Merchandise Trade

Sierra Leone's exports almost doubled to US\$ 885.5 million in 2017 from US\$ 465.6 million in 2016, supported by firmer diamond output. Sierra Leone's imports rose to US\$ 1 billion in 2017 from US\$ 957.9 million recorded in 2016, as a result of which trade deficit decreased to US\$ 158.7 million from US\$ 492.3 million in 2016.

Ores, slag and ash accounted for 58.3 percent of Sierra Leone's exports in 2017, followed by pearls, precious stones and metals (14.3 percent), cocoa and cocoa preparations (8.8 percent), wood and articles of wood (4.9 percent), and fish and other marine products (1.6 percent). The main items of imports of Sierra Leone comprise cereals (12.7 percent), machinery (10.5 percent), electrical machinery and equipment (7.2 percent), vehicles other than railway or tramway (6.9 percent), pharmaceutical products (4.1 percent), and articles of iron and steel (3.9 percent).

China was Sierra Leone's largest export destination in 2017, accounting for 39.4 percent of Sierra Leone's total exports. The other main export destinations of Sierra Leone included Belgium (14.8 percent), Netherlands (9.6 percent), Romania (6.5 percent), USA (5.4 percent), and Mexico (3.3 percent).

In 2017, China was Sierra Leone's largest import source, supplying 23.4 percent of Sierra Leone's import needs. Other major import sources in the same year were India (9.5 percent), USA (7.6 percent), Netherlands (5.5 percent), Turkey (4.8 percent), and South Africa (4.6 percent).

Togo

Togo is a narrow strip of land on Africa's West Coast, lying between Ghana and Benin, with a 56 km coastline on the Gulf of Guinea, and a short northern border with Burkina Faso. Togo has a land area of

56,785 sq. km and an estimated population of 7.8 million in 2017.

Services sector is the largest sector in the economy contributing 50.3 percent of GDP, followed by agriculture sector, which contributes 28.1 percent of GDP. Cotton, coffee and cocoa are the main cash crops of the country driving agricultural sector. The main traditional products of the country are cotton and phosphate. In fact, Togo is among the leading producers of phosphates in Sub-Saharan Africa. Secondary sector includes phosphates, cement, manufacturing, construction, textiles, and energy.

Togo recently completed an ambitious large-scale infrastructure improvement program, including new principal roads, a new airport terminal, and a new seaport. In August 2018, government of Togo adopted a new five-year roadmap, 2018-2022 National Development Plan (PND 2018-2022), with objective of making Togo an economic reference in West Africa, and to make the country a top-class logistics and business hub. The new strategy will initially focus on improving infrastructure and processes at the Port of Lomé, which is currently the only deep-water port in West Africa, as well as boost road infrastructures and aviation and digital industry. Secondly, the plan will focus on creating poles for agricultural processing, manufacturing and mining in various parts of Togo. Thirdly, it will focus on improving educational system, professional training, the provision of basic social services (health, water and power), youth employment, financial inclusion, gender equity, and social and environmental protection. In January 2017, the IMF signed an ECF arrangement with Togo consisting of a three-year US\$ 238 million loan package.

PTA-Togo is the Agro-Food Processing Project of Togo which is the pilot project implemented as a part of Togo's 2017-2030 strategic plan to develop agropoles. It aims to promote an inclusive agricultural growth by leveraging on incentives that will boost private investment in processing, and supply of agricultural input and services. The project targets various

production sectors including rice, maize, broiler, soybeans, sesame, cashew, fish and vegetables.

Togo's real GDP growth decelerated from 5.1 percent in 2016 to 4.4 percent in 2017, partially owing to socio-political tensions and fiscal consolidation resulting in public investment cuts. Economic growth was supported largely by the good performance of the agricultural sector due to favorable rainfall, the use of new farming techniques and the distribution of improved seeds to poor farmers. Services and industrial sectors have also supported economic activity. Lower food and transportation prices led to a deflation of 0.7 percent in 2017 compared to 0.9 percent inflation in 2016. The current account deficit narrowed to 8.2 percent of GDP in 2017, from 9.6 percent of GDP in 2016, due to strong export volumes and lower capital goods imports due to slow down in public investment projects. The deficit was financed through a combination of concessional borrowing and FDI.

Fiscal consolidation program initiated by the government of Togo resulted in a reduction in the public debt to GDP ratio from 81.6 percent in 2016 to 78.6 percent in 2017. Fiscal deficit of Togo narrowed from 9.6 percent in 2016 to 0.5 percent of GDP in

2017. The political crisis has adversely impacted growth and tax collection resulting in cut back in expenditures. The earlier practices of pre-financing projects was abandoned, along with reduction in other capital spending to compensate for revenue losses.

Economic growth is expected to increase to 4.9 percent in 2018, driven mainly by agriculture and services. Agricultural productivity is expected to be benefitted from improvements to farming technologies and the development of infrastructure for storing and processing agricultural products. Inflation is expected to rise to 0.4 percent in 2018, reflecting relatively strong economic growth and increase in global oil prices and food prices. The current account deficit is expected to narrow to 7.8 percent of GDP in 2018, reflecting a decline in capital goods imports and an increase in exports (**Table 2.18**). Exports are expected to be supported by higher production of cotton, phosphates and clinker.

Merchandise Trade

Togo's exports increased to US\$ 749.3 million in 2017 from US\$ 714.9 million in 2016. On the other hand, Togo's imports fell to US\$ 1.6 billion in 2017 from US\$ 1.7 billion recorded in 2016, as a result of which

Table 2.18: Macroeconomic Indicators of Togo

Items	2013	2014	2015	2016	2017 ^e	2018 ^f	2019 ^f
Nominal GDP (US\$ bn)	4.3	4.6	4.2	4.5	4.8	5.6	6.1
Real GDP Growth (%)	6.1	5.9	5.7	5.1	4.4	4.9	5.2
GDP per capita, Current Prices (US\$)	613.6	633.1	563.8	586.3	611.1	698.7	740.9
Average Consumer Price Inflation (%)	1.8	0.2	1.8	0.9	-0.7	0.4	1.2
Population (mn)	7.0	7.2	7.4	7.6	7.8	8.0	8.2
Merchandise Exports (US\$ mn)	1,146.5	803.8	710.0	714.9	749.3	-	-
Merchandise Imports (US\$ mn)	1,967.3	1,753.3	1,730.9	1,715.6	1,614.9	-	-
Current Account Balance (US\$ bn)	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4
Current Account Balance (% of GDP)	-13.2	-10.0	-11.0	-9.6	-8.2	-7.8	-6.4
Foreign Exchange Reserves (US\$ mn)	97.0	90.0	74.0	48.0	78.0	-	-

Note: ^e-estimate; ^f-forecasts; '-' nil, negligible or not available

Source: IMF, World Economic Outlook, April 2018, EIU, Trademap, and Exim Bank Analysis

trade deficit decreased to US\$ 865.7 million from US\$ 1 billion in 2016.

Salt, sulphur, plastering materials and cement accounted for 22.2 percent of Togo's exports in 2017, followed by plastics and articles (10.9 percent), cotton (9.9 percent), essential oils, perfumery and cosmetics (7.2 percent), beverages, spirits and vinegar (6.9 percent), and vehicles other than railway or tramway (5.7 percent). The main items of imports of Togo comprise mineral fuels (15.5 percent), vehicles other than railway or tramway (9.7 percent), plastics and articles (8 percent), pharmaceutical products (6.8 percent), machinery (5.2 percent), electrical

machinery and equipment (4.8 percent), and iron and steel (4.6 percent) in 2017.

Burkina Faso was Togo's largest export destination in 2017, accounting for 17.9 percent of Togo's total exports. The other main export destinations of Togo included Benin (14.3 percent), Ghana (7.6 percent), Niger (6.4 percent), India (6.1 percent), and Mali (5.7 percent). In 2017, China was Togo's largest import source, supplying 19.6 percent of Togo's import requirements. Other major import sources in the same year were France (10.8 percent), Japan (5.1 percent), Netherlands (5 percent), Ghana (4.1 percent), and India (3.6 percent).

3. FOREIGN DIRECT INVESTMENT IN THE WEST AFRICAN REGION

The role of Foreign Direct Investment (FDI) in the development process of a country through enhancing export competitiveness, providing access to advanced technologies and know-how and catalyzing the domestic manufacturing sector is widely recognized across the world. It creates a bridge between the gap in domestic savings and investment and enable countries to create more employment opportunities, develop productive capacity, and integrate the domestic economy with the global economy.

In contrast to other macroeconomic variables, such as GDP and trade growth, which witnessed substantial improvements, global FDI flows witnessed a decline in 2017. A decrease in the value of cross-border mergers and acquisitions (M&As) was the principal factor behind the global decline. While FDI flows to developed countries, particularly Europe and North America witnessed a decline, flows to developing economies remained stable. FDI rose marginally in developing Asia and Latin America and the Caribbean, and remained stable in Africa. According to the UNCTAD's World Investment Report 2018, global investment is expected to witness a modest recovery, by up to 10 percent in 2018.

FDI remains one of the most important and crucial external source of finance for Africa given the limited fiscal revenues generated by its governments in most of the low-income economies. FDI flows to Africa decreased by 21.5 percent to US\$ 41.8 billion in 2017 from US\$ 53.2 billion in 2016, due to weak oil prices and lingering effects from the commodity bust, especially in the larger commodity-exporting economies. FDI inflows to diversified exporters were relatively more resilient. FDI to Africa is expected to increase in 2018, backed by expected rise in commodity prices and further progress in regional and interregional cooperation, through the signing

of economic partnership agreements with EU by regional economic communities and the negotiations towards the Tripartite Free Trade Agreement.

BUSINESS ENVIRONMENT IN WEST AFRICA

Although natural resources and primary commodities continue to remain as sectors of interest for foreign investment, consumption demand is increasingly playing a role in attracting foreign investment in Africa. For any business to thrive, the economic and political environment needs to be conducive. Two parameters "Doing Business" and "Global Competitiveness Index" have been used to analyze the business environment of the West African countries for 2017 and 2018.

In Doing Business survey conducted by the World Bank, 190 economies across the world are ranked on their ease of doing business, from 1 to 190. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic.

The World Economic Forum's Global Competitiveness Index measures the ability of a country to provide high levels of prosperity to its citizens based on the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity.

Countries like Benin, Cabo Verde, Côte d'Ivoire, Guinea, Liberia, Mauritania, Niger, Guinea-Bissau, and Senegal had shown improvement in terms of the ease of doing business ranking of 2018. In terms of competitiveness, Benin, Ghana, Liberia, Mauritania, Guinea-Bissau, Senegal, Sierra Leone and the Gambia improved their ranks in 2017, as per Global Competitiveness Index 2017-18 (**Table 3.1**).

Table 3.1: Business Environment and Regulations in the West African Countries

Country	Doing Business Rankings		Global Competitiveness Index Rankings	
	2017	2018	2016	2017
Benin	155	151	124	120
Burkina Faso	146	148	-	-
Cabo Verde	129	127	110	110
Côte d'Ivoire	142	139	-	-
The Gambia	145	146	123	117
Ghana	108	120	114	111
Guinea	163	153	-	119
Guinea-Bissau	172	176	-	-
Liberia	174	172	131	134
Mali	141	143	125	123
Mauritania	160	150	137	133
Niger	150	144	-	-
Guinea-Bissau	169	145	127	125
Senegal	147	140	112	106
Sierra Leone	148	160	132	130
Togo	154	156	-	-

Note: - not available

Source: Doing Business, World Bank and Global Competitiveness Report 2017-18, World Economic Forum

Africa Investment Index

Quantum Global Research Lab's Africa Investment Index (All) is a unique index developed with the aim of "providing investors in Africa a guide to which countries and markets are most attractive for investment in the short to medium term", covering 54 African countries. This index ranked African nations based on their level of attractiveness to foreign investments. The index considered six different factors to determine its ranking system – Growth, Risk, Demography, Liquidity, Business environment and Social Capital. According to All 2018, Morocco emerged as the most attractive investment destination in Africa, followed by Egypt, Algeria and Morocco.

Change in the rankings of West African Countries in the last 4 years are given in **Table 3.2**. Senegal and

Côte d'Ivoire are among the top 10 countries in Africa according to All 2018 rankings for 2017. Ghana, Guinea-Bissau, Liberia, Mauritania, Niger, Guinea-Bissau, Senegal, Sierra Leone and Togo witnessed an improvement in their rankings.

Table 3.2: Africa Investment Index Rankings of West African Countries

Country	2014	2015	2016	2017
Benin	22	26	22	23
Burkina Faso	10	12	10	11
Cabo Verde	19	22	28	31
Côte d'Ivoire	3	2	6	5
The Gambia	49	43	46	49
Ghana	11	11	18	16
Guinea	42	48	40	47
Guinea-Bissau	35	35	42	38
Liberia	51	49	49	53
Mali	12	13	29	15
Mauritania	34	37	44	39
Niger	32	34	33	32
Guinea-Bissau	13	29	19	14
Senegal	7	4	11	10
Sierra Leone	43	47	50	48
Togo	23	2	32	28

Source: Africa Investment Index 2018, Quantum Global Research Lab

FDI IN WEST AFRICA

West Africa faces various constraints on competitiveness and the growth of the region to some extent has been undermined by weak infrastructure, political instabilities and poor governance. Increased FDI flows could act as a strong external growth driver for the region.

According to the UNCTAD's World Investment Report 2018, FDI into West Africa fell by 10.9 percent to US\$ 11.3 billion in 2017 compared to US\$ 12.7 billion in 2016, mainly due to decline in FDI to Nigeria and Ghana (two largest economies in the region). West Africa received 27.1 percent of total FDI inflows into Africa in 2017, after East Africa.

FDI flows to Nigeria witnessed a steep 21.3 percent decline to US\$ 3.5 billion 2017 from US\$ 4.4 billion in 2016, as investment in consumer-facing businesses has declined due to sluggish domestic demand. Ghana also witnessed a fall in FDI inflows by 6.6 percent to US\$ 3.3 billion in 2017 from US\$ 3.5 billion in 2016, mainly owing to low public spending. In contrast, a few countries in the region witnessed an increase in FDI inflows in 2017, which was higher in case of Côte d'Ivoire and Senegal. FDI inflows to Côte d'Ivoire were higher by 17 percent to US\$ 674.7 million in 2017 from US\$ 577.4 million in 2016, reflecting a dynamic economy, strong public investment and sustained efforts to diversify the economy. In Senegal, FDI inflows rose by 12.8 percent in 2017 to US\$ 532.3 million from US\$ 472 million in 2016.

Overall, FDI prospects are expected to be relatively favourable for the region in 2018, even though this will vary from one country to another. The majority of West Africa is expected to benefit from stronger commodity prices (particularly of oil and industrial raw materials) and gradually improving infrastructure following high public investment. FDI inflows in 2018 are expected to remain strong, particularly in the natural resources, construction and services sectors. FDI inflows to Nigeria are expected to increase in 2018, mainly because of improved global oil prices. FDI inflows to Senegal is expected to remain robust, because of exploration of underwater oil and gas fields, and ambitious infrastructure projects.

This section focuses on FDI received by the West African countries in the last 10 years during 2008 to 2017. **Table 3.3** shows the trends in foreign capital expenditure, number of foreign direct investment projects and jobs created by them in West Africa. According to the data collated by the Financial Times through its online database tracking cross-border greenfield investment, viz. fDi Markets,¹⁰ during January 2008 to December 2017, a total of 1,393 FDI

projects were recorded in West Africa. These projects represent a total capital investment of US\$ 170.2 billion and total creation of 269,836 jobs. The share of West Africa in total investment received by Africa during 2008 to 2017 is 20.5 percent.

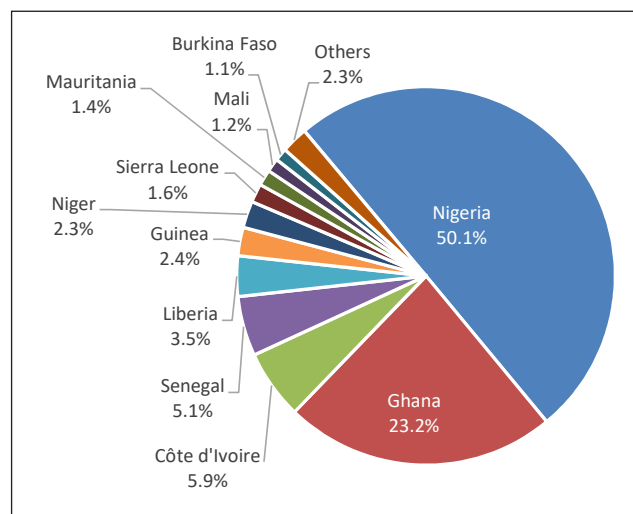
Table 3.3: Trends in Foreign Direct Investment in West Africa

Year	Capex (US\$ billion)	FDI Projects	No. of Jobs Created
2008	36.3	95	32,070
2009	15.8	112	21,171
2010	16.3	110	24,638
2011	12.2	143	28,495
2012	9.7	159	25,150
2013	17.3	207	31,321
2014	18.3	152	27,621
2015	18.9	154	31,851
2016	9.1	142	19,813
2017	16.2	119	27,706
Total	170.2	1,393	269,836
Share in Africa's FDI Inflow	20.5%	17.3%	17.4%

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

FDI has been unevenly distributed among the West African countries. In the West African region, Nigeria, Ghana and Côte d'Ivoire have been the major drivers of foreign investment inflows during the period under consideration 2008 to 2017. Out of the total US\$ 170.2 billion of capital investment, Nigeria received the highest FDI (US\$ 85.3 billion), followed by Ghana (US\$ 39.5 billion), Côte d'Ivoire (US\$ 10.1 billion), Senegal (US\$ 8.7 billion), Liberia (US\$ 5.9 billion), Guinea (US\$ 4.1 billion), and Niger (US\$ 3.9 billion). The respective share and amount of investment received by individual countries in the total inflow of investment to the West African region is shown in **Chart 3.1** and **Table 3.4**.

¹⁰fDi Markets tracks cross-border investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. It provides real-time monitoring of investment projects and capital investment to track and profile companies investing overseas. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency.

Chart 3.1: Share in Total Investment Received by the West African Region during 2008 to 2017

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Motives for Investment in West Africa

The West African region offers market access to a population of over 366.4 million and combined GDP of US\$ 556.1 billion. Many countries in the region have incorporated a number of reforms in terms of business regulation. According to fDi Markets analysis on motive and location determinants of investment, majority of the companies (50.5 percent) investing in the West African economies were attracted by their potential growth prospects, followed by 32.4 percent of companies who chose to invest in these countries for their proximity to market and 28.1 percent of companies found the regulations and business climate of these economies to be conducive for their business growth (Table 3.5).

Table 3.4: Annual Inward FDI Flows to West African Countries, 2008-2017

(US\$ million)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Nigeria	25,122.8	6,827.0	7,801.3	3,771.4	4,413.9	7,765.9	10,484.5	8,319.3	6,258.5	4,506.8	85,271.2
Ghana	4,809.7	6,788.5	2,428.9	5,570.9	1,254.7	2,677.7	4,926.7	1,436.4	526.0	9,103.0	39,522.5
Côte d'Ivoire	569.1	124.0	165.7	789.4	886.4	2,186.4	456.6	3,576.7	749.0	571.5	10,074.9
Senegal	1,324.1	532.0	801.4	106.0	1,136.1	1,490.6	416.1	1,970.7	238.5	655.2	8,670.7
Liberia	-	824.0	2,535.1	280.7	53.3	558.0	21.8	1,169.5	6.8	445.1	5,894.3
Guinea	-	66.6	1,416.6	555.7	29.0	482.0	6.4	1,004.5	22.0	556.4	4,139.2
Niger	3,141.2	-	100.0	276.9	-	350.0	18.5	-	-	11.0	3,897.6
Sierra Leone	78.1	260.0	230.0	218.2	109.8	610.5	-	463.4	715.3	-	2,685.3
Mauritania	270.0	-	45.7	274.3	349.5	22.2	1,311.5	-	23.5	17.8	2,314.5
Mali	399.8	58.4	14.9	45.1	792.0	34.4	85.5	327.2	-	219.1	1,976.3
Burkina Faso	281.0	270.0	459.9	157.3	0.9	537.3	72.0	-	44.7	11.9	1,835.0
Togo	146.0	15.3	-	-	409.8	370.3	22.0	29.4	71.6	2.7	1,067.1
Cabo Verde	136.6	-	102.4	136.3	58.4	6.4	140.8	277.4	135.1	-	993.4
The Gambia	32.8	32.8	206.1	15.3	200.0	9.4	-	-	231.7	22.0	750.1
Benin	11.0	-	11.9	46.2	17.8	159.8	11.0	332.6	-	72.0	662.3
Guinea-Bissau	-	22.0	-	-	-	-	320.8	4.5	61.0	-	408.3
Total West Africa	36,322.2	15,820.5	16,320.0	12,243.7	9,711.6	17,260.9	18,294.1	18,911.5	9,083.8	16,194.4	170,162.8
Africa	139,587.0	85,267.4	73,129.6	69,624.1	49,008.1	68,924.3	96,173.7	67,053.1	94,039.5	85,570.4	828,377.1
% Share in Africa	26.0	18.6	22.3	17.6	19.8	25.0	19.0	28.2	9.7	18.9	20.5

Note: '-' denotes nil, negligible or not available

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

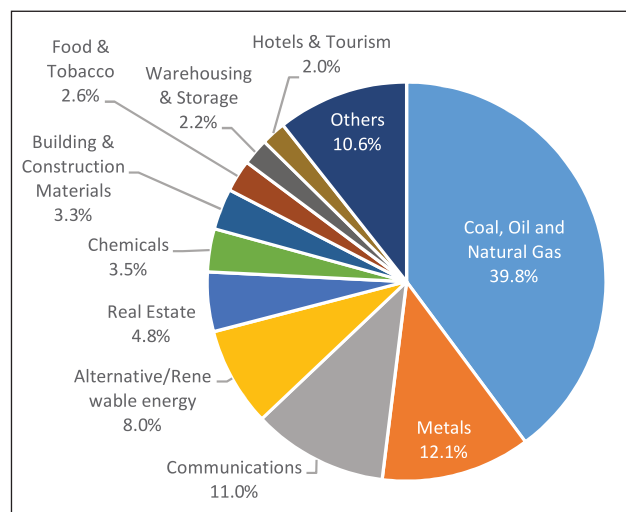
Table 3.5: Motive for Investment in West African Countries

Motive	Percentage of Companies
Domestic Market Growth Potential	50.5
Proximity to markets or customers	32.4
Regulations or business climate	28.1
Natural Resources	7.4
Skilled workforce availability	2.1
IPA or Govt support	2.1
ICT Infrastructure	2.1
Industry Cluster / Critical Mass	2.1
Attractiveness / Quality of Life	2.1
Infrastructure and logistics	1.0
Lower Costs	0.5
Language Skills	0.5

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Major Sectors Attracting Investment in West Africa

During 2008 to 2017, coal, oil and natural gas sector was the largest recipient of capital investment in West Africa, followed by metals, communications and alternative/renewable energy, amounting to US\$ 67.8 billion, US\$ 20.6 billion, US\$ 18.7 billion, and US\$ 13.7 billion, respectively. **Chart 3.2** shows respective shares of the sectors attracting FDI in West Africa. In terms of number of projects, maximum

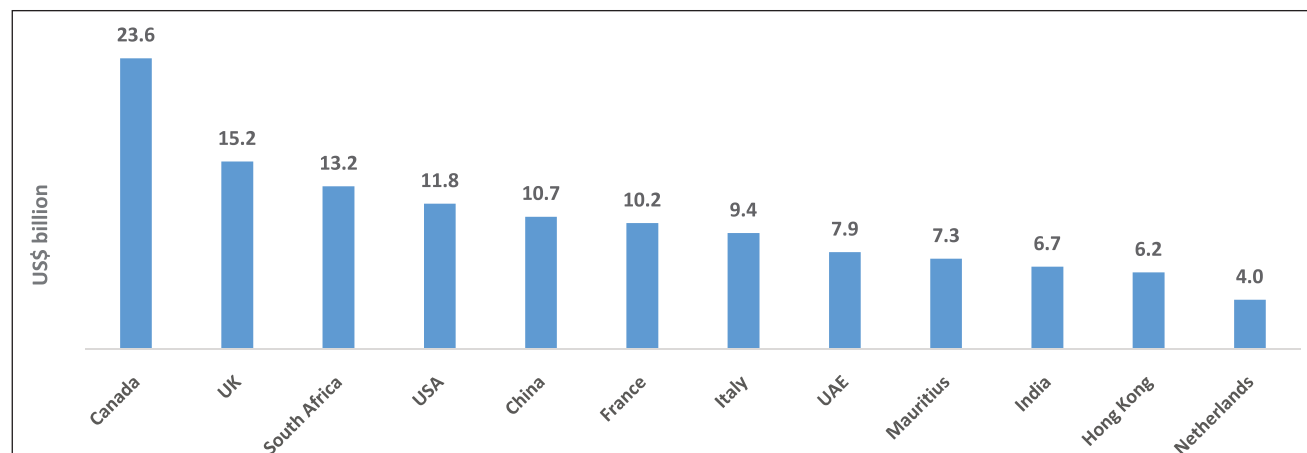
Chart 3.2: Major Sectors Attracting Investment in West Africa during 2008 to 2017

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

investment went to financial services, followed by communications, business services, and food and tobacco sectors.

Major Sources of Investment in West Africa

Major investors in terms of FDI received in West Africa during 2008 to 2017 are shown in **Chart 3.3**. Canada is the largest investor in West Africa during the period 2008-2017, accounting for 13.9 percent of the total. The other major investors during the last ten years are UK (accounting for 8.9 percent of total inward FDI

Chart 3.3: Major Investors in West Africa during 2008 to 2017

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

received by West Africa), followed by South Africa (7.8 percent), USA (6.9 percent), China (6.3 percent), and France (6 percent). The top investors in 2017 include Italy, China, Russia, UAE, France and Luxembourg. Italy-based Eni, an international energy major has invested US\$ 7.9 billion at a new integrated oil and gas development facility in the Tano Basin area of Ghana in 2017.

Countrywise FDI into West Africa

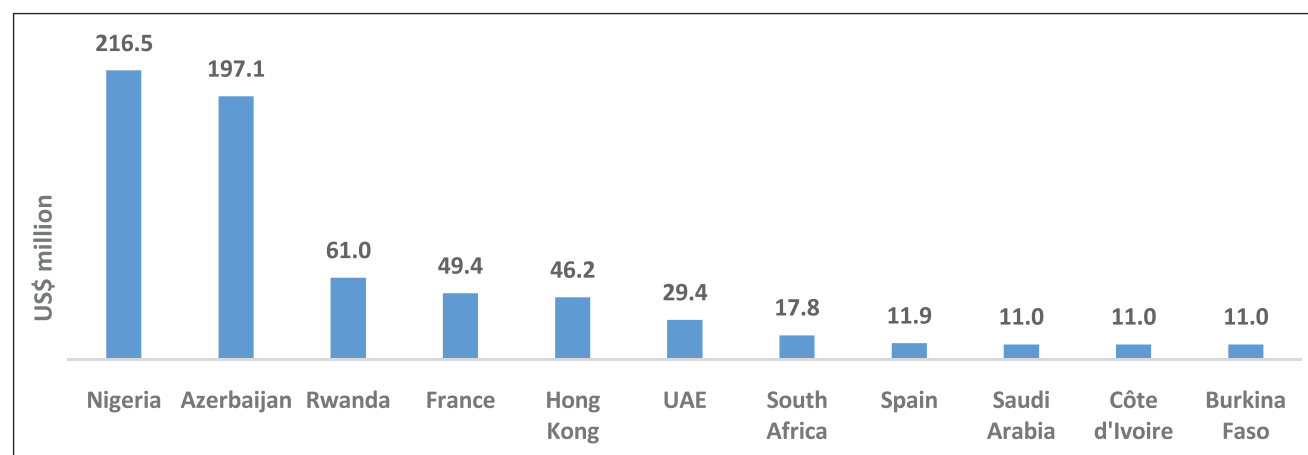
Benin

Benin has received a total of US\$ 662.3 million of capital investment during 2008 to 2017 in 15 new

FDI projects, supporting 1,440 jobs. The major source countries investing in Benin are shown in **Chart 3.4**. Nigeria was the highest investor in terms of capital invested, accounting for 32.7 percent of total investment. The other source countries were Azerbaijan, Rwanda, France, and Hong Kong respectively.

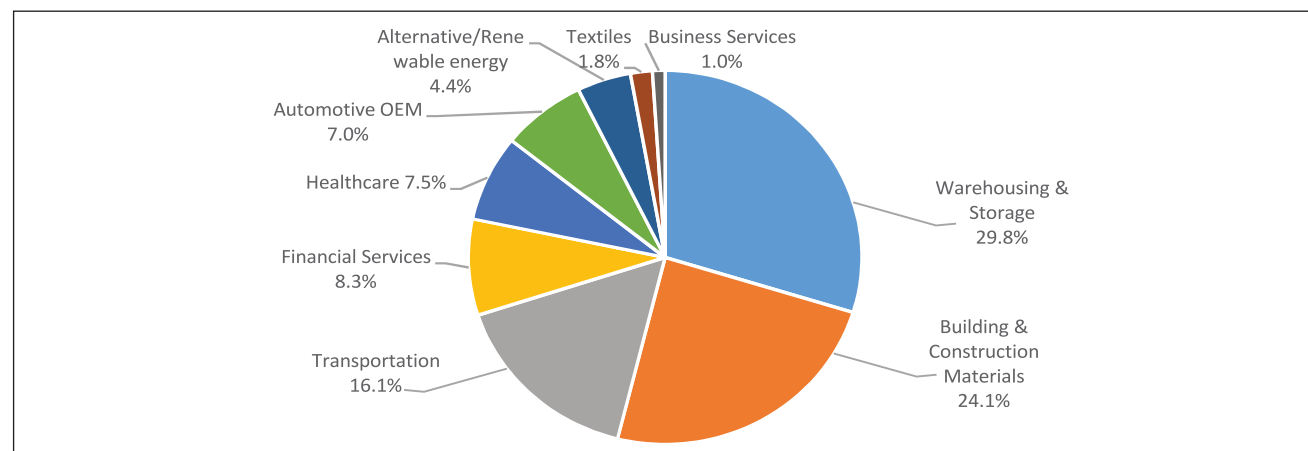
The major industry sectors attracting investment during 2008 to 2017 in Benin were warehousing and storage (US\$ 197.1 million), followed by building and construction materials (US\$ 159.8 million), transportation (US\$ 106.7 million), financial services (US\$ 55 million), and healthcare (US\$ 49.4 million) as represented by **Chart 3.5**.

Chart 3.4: Major Investors in Benin during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.5: Investment in Major Sectors in Benin during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

In terms of business activities in the country, logistics, distribution and transportation has received the highest FDI (43.5 percent share), followed by manufacturing (31.1 percent), business services (9.2 percent), construction (7.4 percent), and electricity (4.4 percent).

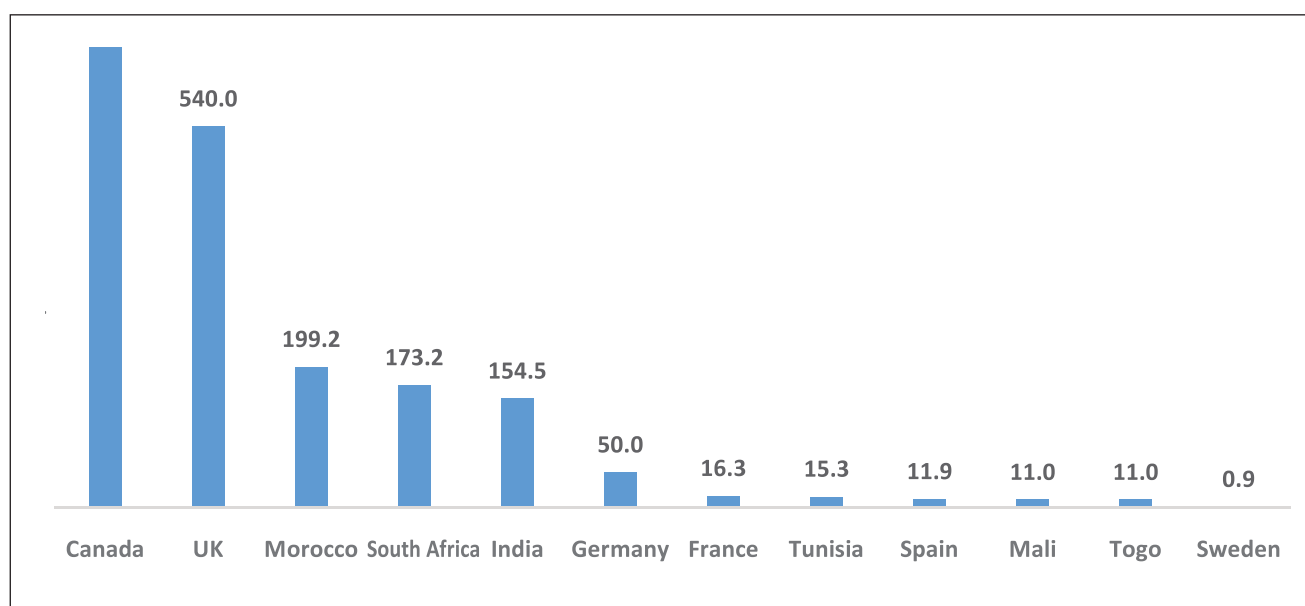
Burkina Faso

In the last ten years, Burkina Faso has received FDI of amount US\$ 1.8 billion in 24 FDI projects, supporting

6,084 jobs. Canada and UK together accounted for 65 percent of total investment into Burkina Faso (Chart 3.6).

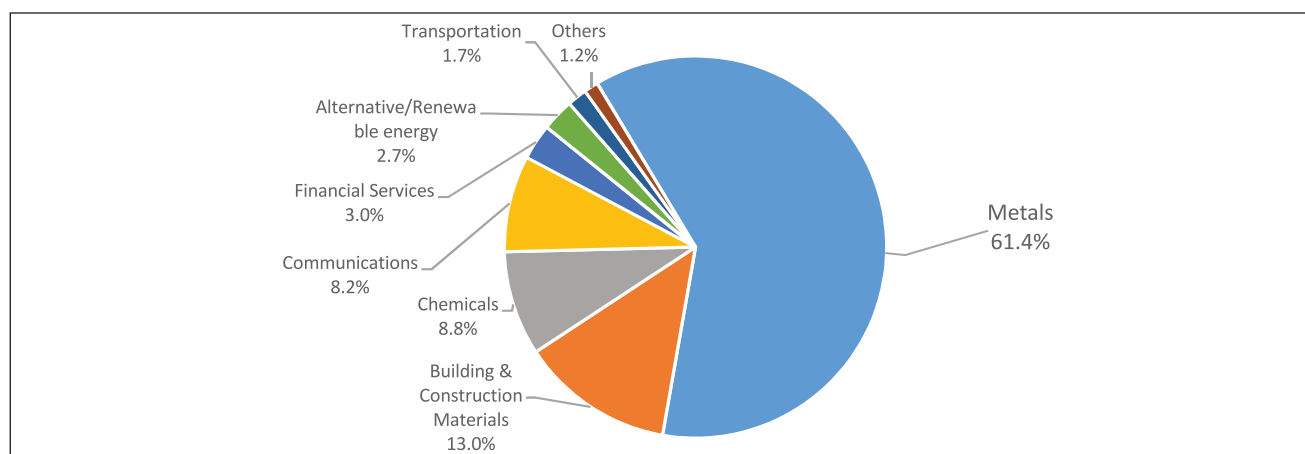
During 2008 to 2017, Burkina Faso received investment mainly in industry sectors like metals (US\$ 1.1 billion), building and construction materials (US\$ 238 million), chemicals (US\$ 162.2 million), communications (US\$ 150 million), and financial services (US\$ 55 million) (Chart 3.7).

Chart 3.6: Major Investors in Burkina Faso during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.7: Investment in Major Sectors in Burkina Faso during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

In terms of business activities, extraction sector received the highest capital investment, with a share of 44.1 percent in total investment in Burkina Faso during 2008 to 2017, followed by manufacturing (39.3 percent), ICT and Internet Infrastructure (8.2 percent), electricity (2.7 percent), and business services (2.4 percent).

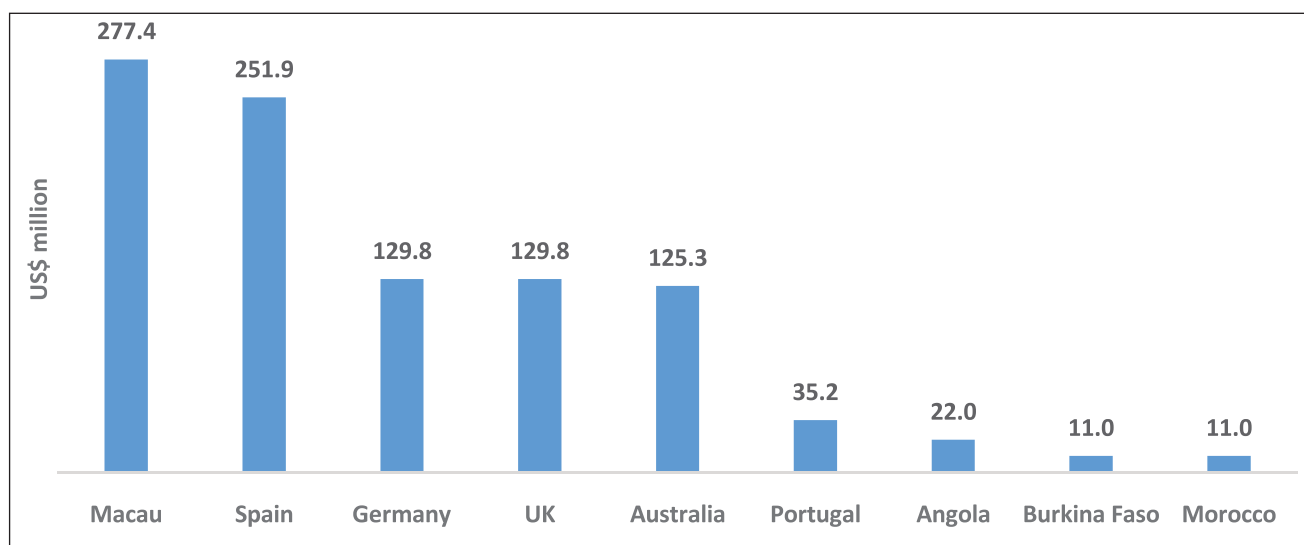
Cabo Verde

Cabo Verde received US\$ 993.4 million capital investment during the period 2008 to 2017 in 17

FDI projects, supporting 3,277 jobs. Macau was the highest investor in Cabo Verde, followed by Spain, Germany, UK and Australia (**Chart 3.8**).

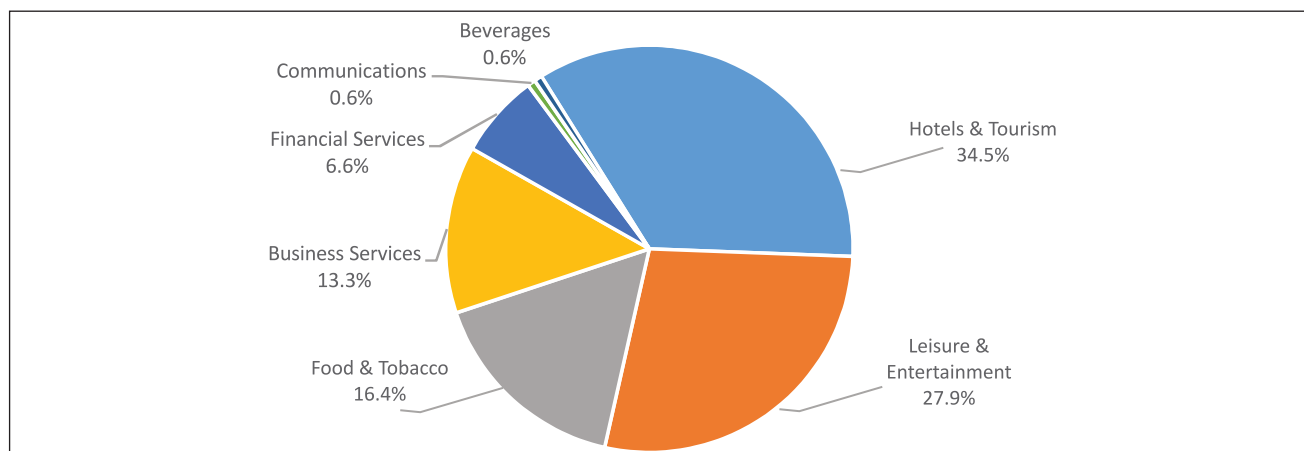
Chart 3.9 shows the major sectors receiving FDI in Cabo Verde during 2008 to 2017. The major sectors receiving investment in Cabo Verde are hotel and tourism (US\$ 342.6 million), leisure and entertainment (US\$ 277.4 million), food and tobacco (US\$ 162.7 million), business services (US\$ 132.1 million), and financial services (US\$ 66 million).

Chart 3.8: Major Investors in Cabo Verde during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.9: Investment in Major Sectors in Cabo Verde during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

The major business sectors receiving investment in Cabo Verde are construction (62.4 percent of total investment), manufacturing (16.9 percent), recycling (12.6 percent), business services (7.3 percent), and retail (0.6 percent).

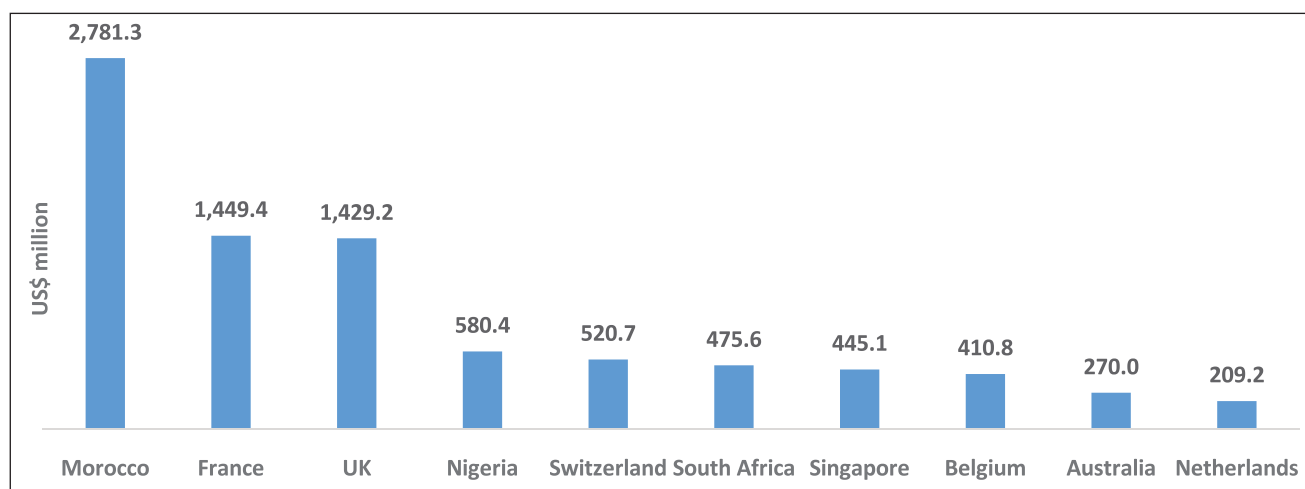
Côte d'Ivoire

Côte d'Ivoire is the third largest investment destination in West Africa, after Nigeria and Ghana. Côte d'Ivoire received capital investment of US\$ 10.1 billion during 2008 to 2017 in 163 FDI

projects, supporting 23,440 jobs. The major investors are shown in **Chart 3.10**. Morocco, with a share of 27.6 percent has been the largest investor in Côte d'Ivoire during 2008 to 2017, followed by France, UK, Nigeria, Switzerland, and South Africa.

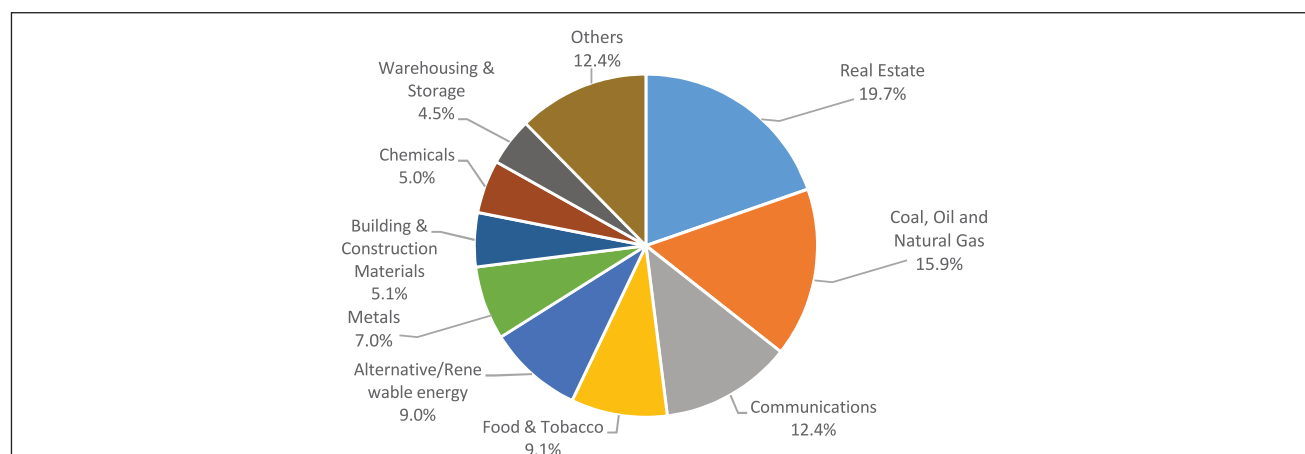
Côte d'Ivoire has attracted investment majorly in sectors like real estate (US\$ 2 billion), coal, oil and natural gas (US\$ 1.6 billion), communications (US\$ 1.2 billion), food and tobacco (US\$ 913.2 million) and alternative/renewable energy (US\$ 904.5 million) during 2008 to 2017 (**Chart 3.11**).

Chart 3.10: Major Investors in Côte d'Ivoire during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.11: Investment in Major Sectors in Côte d'Ivoire during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Electricity (US\$ 2.3 billion) was the major business activity receiving capital investment during 2008 to 2017 in Côte d'Ivoire, followed by manufacturing (US\$ 2.1 billion), construction (US\$ 2 billion), ICT and Internet Infrastructure (US\$ 1.1 billion), extraction (US\$ 701.8 million), and logistics, distribution and transportation (US\$ 641.3 million).

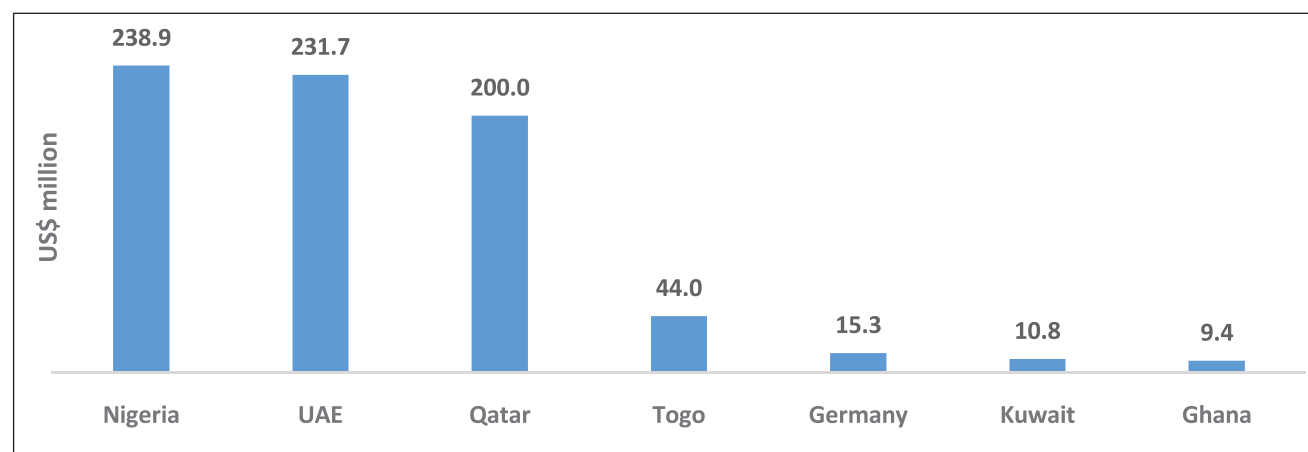
The Gambia

During 2008 to 2017, the Gambia received US\$ 750.1 million in 15 FDI projects, supporting 1,497

jobs. Nigeria, UAE and Qatar together accounted for over 89 percent of investment to the Gambia during 2008-2017 (**Chart 3.12**).

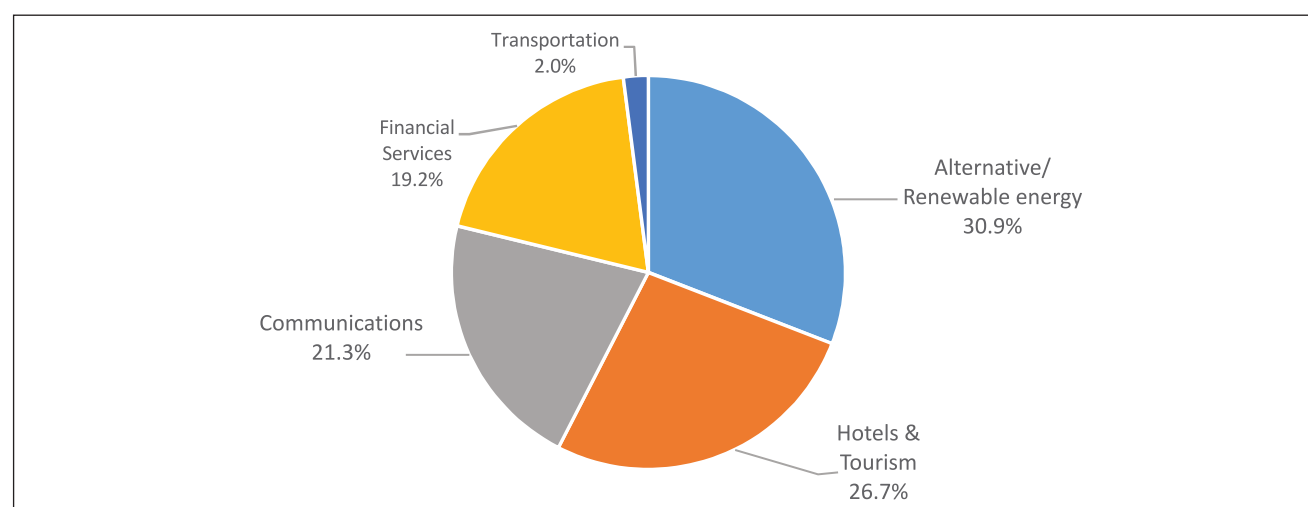
Chart 3.13 shows the share of investment received by major industry sectors in the Gambia. The major sectors receiving investment in the Gambia during 2008 to 2017 are alternative/renewable energy (US\$ 231.7 million), hotels and tourism (US\$ 200 million), communications (US\$ 159.4 million), financial services (US\$ 143.7 million), and transportation (US\$ 15.3 million).

Chart 3.12: Major Investors in the Gambia during 2008-2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.13: Investment in Major Sectors in the Gambia during 2008-2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

The major business activities receiving investment during 2008 to 2017 in the Gambia are electricity (30.9 percent share in total investment of the Gambia), followed by construction (26.7 percent), ICT and internet infrastructure (20 percent), business services (10.3 percent), headquarters (6 percent), sales, marketing and support (4.9 percent), and manufacturing (1.3 percent).

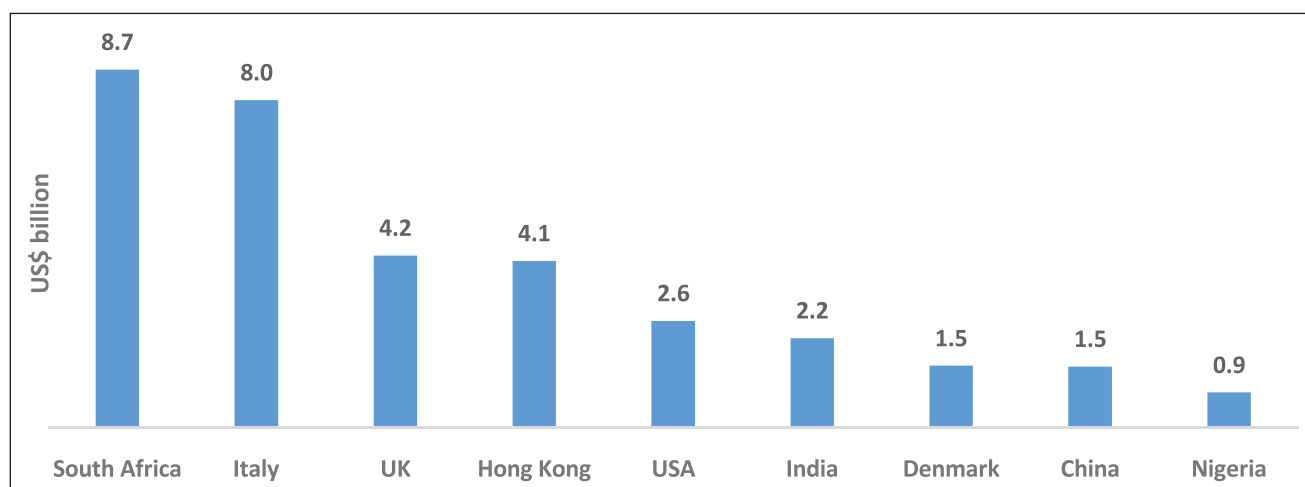
Ghana

Ghana is the second largest destination of FDI in the West African region. In the last ten years, Ghana has received FDI of amount US\$ 39.5 billion in 381 FDI projects, supporting 63,062 jobs. South Africa has been the largest investor in Ghana, followed by Italy, UK, Hong Kong, USA, India, Denmark, and China

(Chart 3.14). India accounted for 5.5 percent of total investment to the country during the period. A major happening in 2017 is a US\$ 7.9 billion investment by Italy-based Eni, which has commenced production at a new integrated oil and gas development facility in the Tano Basin area of Ghana, resulting in Italy becoming the largest investor in Ghana in 2017.

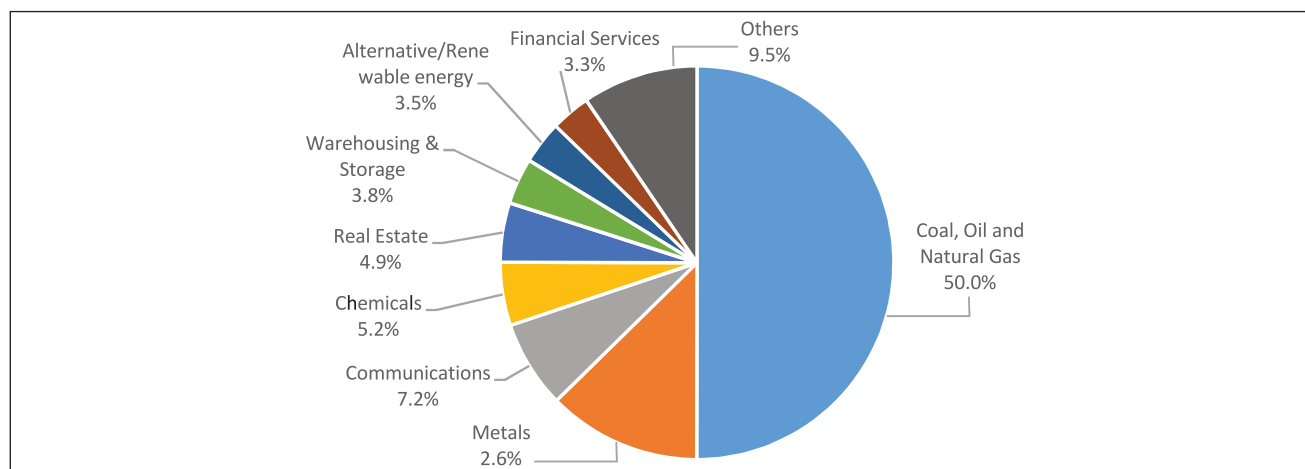
Coal, oil and natural gas sector received half of the total investment to Ghana during 2008 to 2017. Other major sectors in Ghana which received investment during 2008-2017 include metals (12.6 percent), communications (7.2 percent), chemicals (5.2 percent), and real estate (4.9 percent) (Chart 3.15).

Chart 3.14: Major Investors in Ghana during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.15: Investment in Major Sectors in Ghana during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

In terms of business activities, manufacturing (38.8 percent share) received the highest capital investment during 2008 to 2017, followed by extraction (30.9 percent), ICT and Internet Infrastructure (7 percent), electricity (6.2 percent), construction (4.8 percent), and logistics, distribution and transportation (4.2 percent).

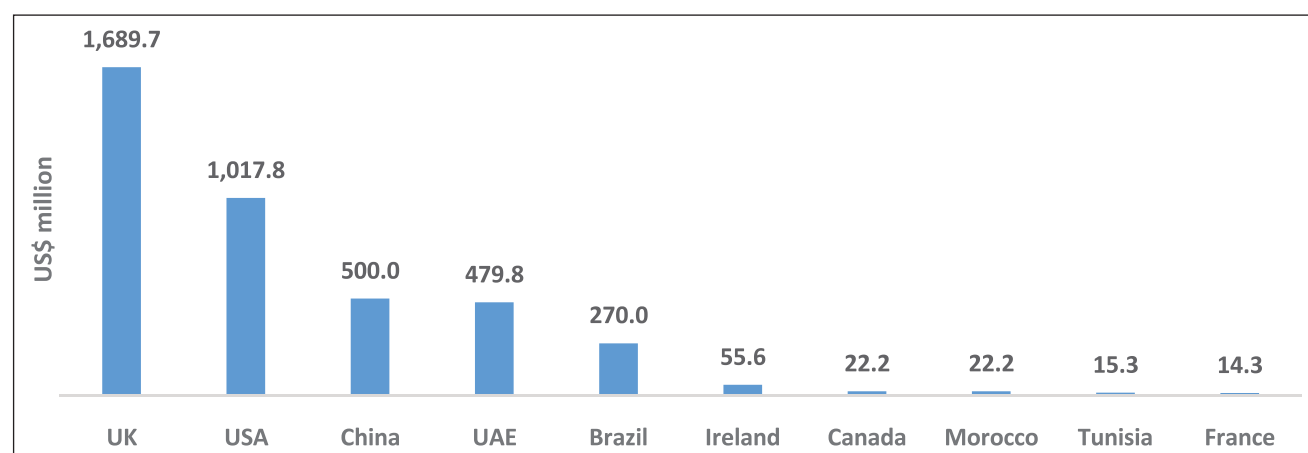
Guinea

Between January 2008 and December 2017, a total of 27 FDI projects were recorded in Guinea representing a total capital investment of US\$ 4.1 billion, and

creating a total of 8,901 jobs. UK and USA together accounted for over 65 percent of total investment into Guinea. Other major investors include China (12.1 percent), UAE (11.6 percent), and Brazil (6.5 percent) (**Chart 3.16**).

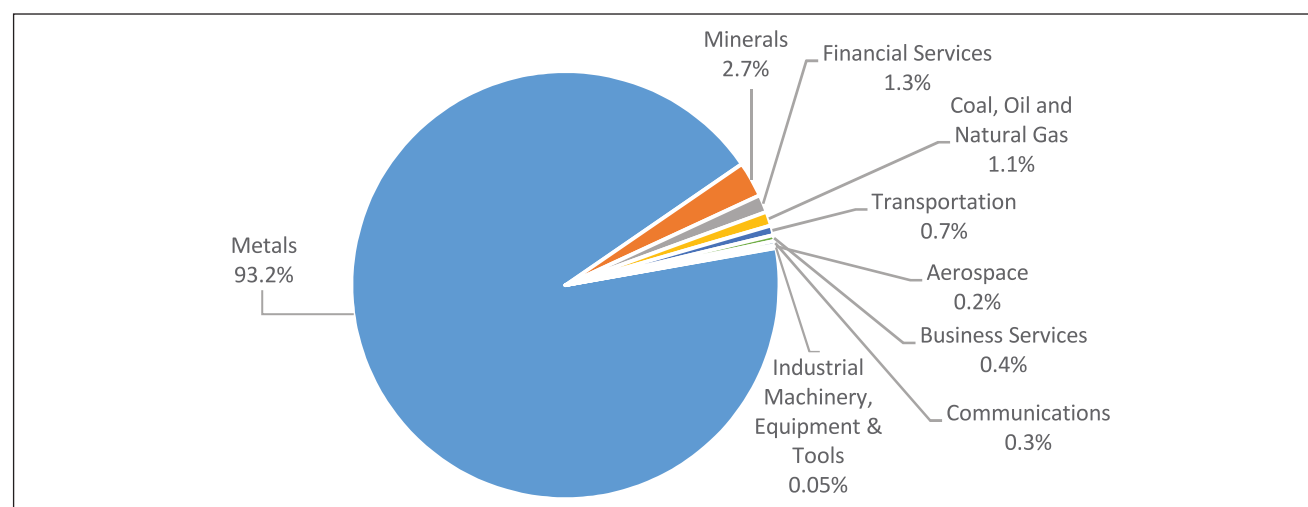
As seen from **Chart 3.17**, metals sector alone accounted for 93.2 percent of total investment to Guinea during 2008 to 2017. It received a total investment of US\$ 3.9 billion during this period, with majority of investment in the sector coming from UK, USA, UAE and China, for iron ore and bauxite mining projects in Guinea.

Chart 3.16: Major Investors in Guinea during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.17: Investment in Major Sectors in Guinea during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

As regards major business activities, extraction sector received 91.1 percent of total investment during 2008 to 2017. Other business activities which received investment during this period include manufacturing (4.4 percent), sales, marketing and support (2.1 percent), business services (1.7 percent), logistics, distribution and transportation (0.4 percent), retail (0.3 percent), and customer contact centre (0.1 percent).

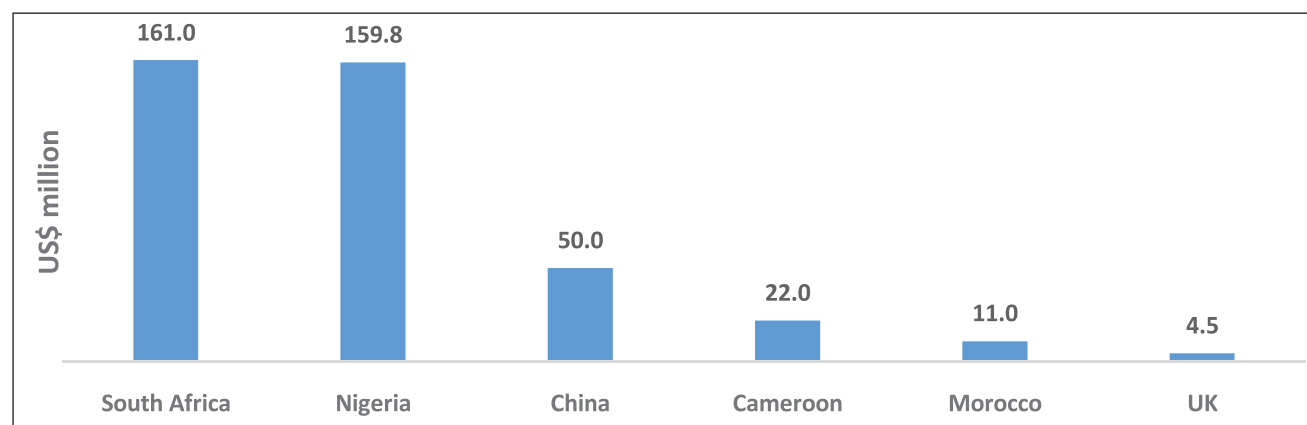
Guinea-Bissau

Guinea-Bissau received a total capital investment of US\$ 408.3 million out of 8 FDI projects during 2008 to 2017, creating 3,838 jobs. The country received maximum investment in 2014, with South Africa and Nigeria investing in 3 projects. South Africa and Nigeria together accounted for 79 percent of total

investment to Guinea-Bissau during 2008 to 2017 (**Chart 3.18**). Dangote Cement, a subsidiary of Nigeria-based Dangote Group, invested US\$ 159.8 million to establish a new cement production facility in Guinea-Bissau in May 2014. Similarly, MTN Guinea-Bissau, a subsidiary of MTN Group South Africa invested US\$ 150 million in Guinea-Bissau in the communications sector in an ICT and internet infrastructure project in March 2014.

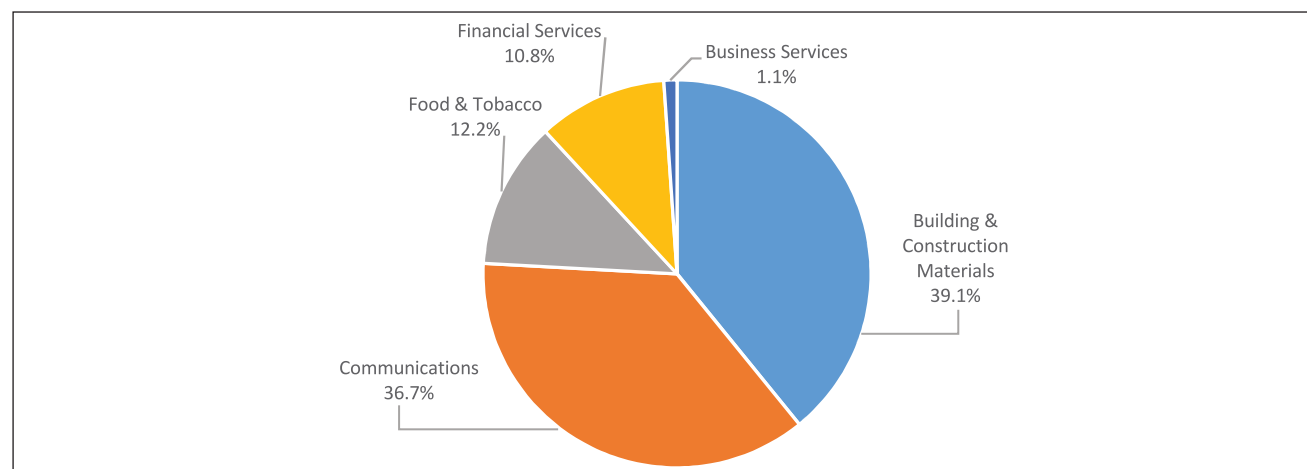
Guinea-Bissau has attracted investments majorly in sectors like building and constructing materials (US\$ 159.8 million), communications (US\$ 150 million), food and tobacco (US\$ 50 million), financial services (US\$ 44 million), and business services (US\$ 4.5 million) during 2008 to 2017 (**Chart 3.19**).

Chart 3.18: Major Investors in Guinea-Bissau during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.19: Investment in Major Sectors in Guinea-Bissau during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Manufacturing sector was the major business activity receiving capital investment in Guinea-Bissau, accounting for 51.2 percent of total investment during 2008 to 2017, followed by ICT and internet infrastructure (36.8 percent), business services (10.8 percent), and customer contact centre (1 percent).

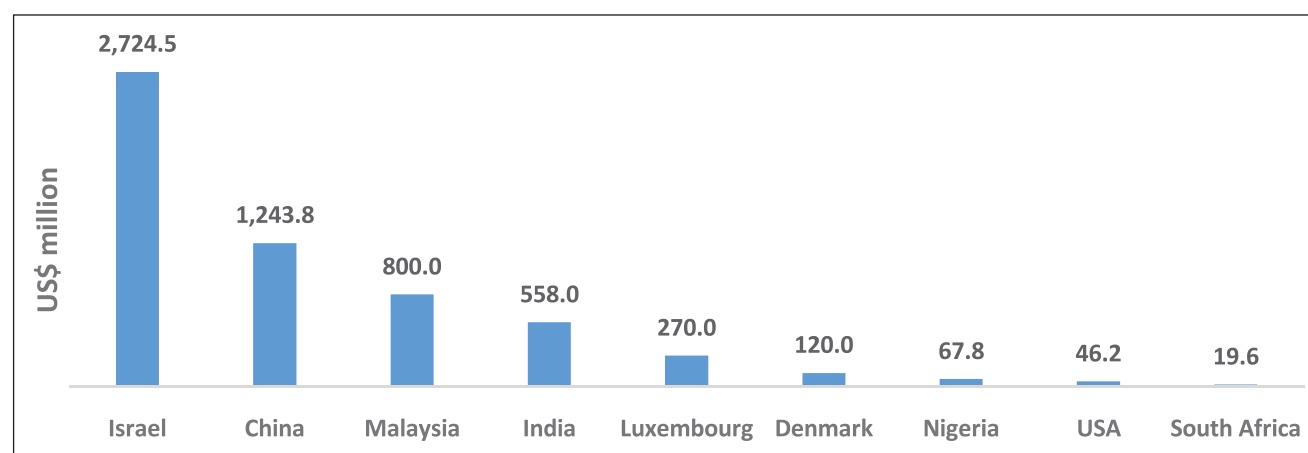
Liberia

Liberia has received a total of US\$ 5.9 billion capital investment during 2008 to 2017 in 29 FDI projects, creating 11,285 jobs in the country. The major source countries investing in Liberia are shown in **Chart 3.20**. Israel was the highest investor in terms of capital invested, accounting for 46.2 percent of total investment to Liberia from 2008 to 2017. The other major source countries were China, Malaysia, India,

and Luxembourg, respectively. India was the fourth largest investor in Liberia with a 9.5 percent share in total capital investment in Liberia during 2008 to 2017.

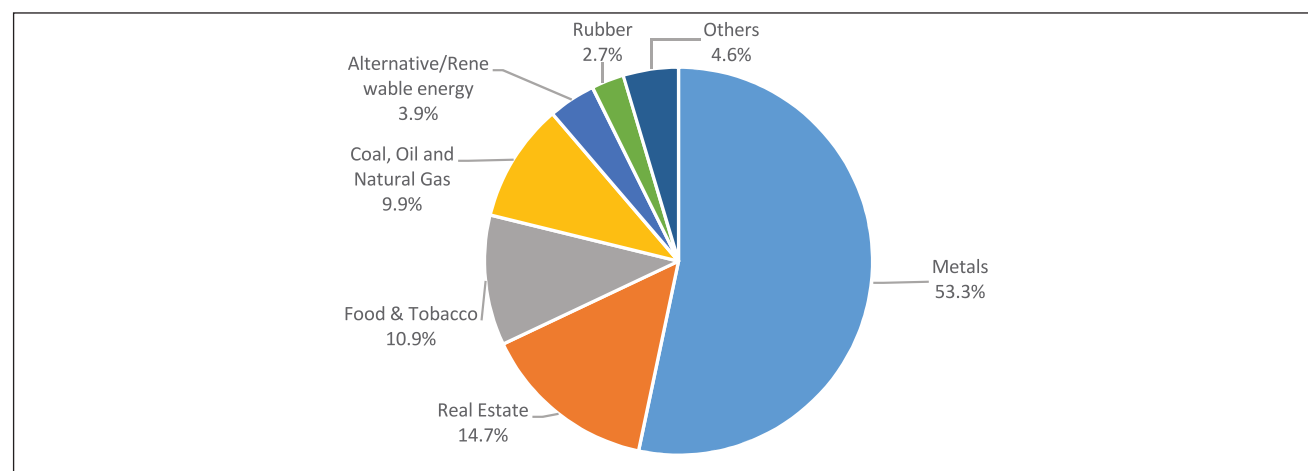
The major industry sectors attracting investment during 2008 to 2017 in Liberia were metals (US\$ 3.1 billion- 53.3 percent share), followed by real estate (US\$ 864.9 million), food and tobacco (US\$ 640 million), coal, oil and natural gas (US\$ 584.5 million), and alternate and renewable energy (US\$ 231.7 million) as represented in **Chart 3.21**. The high share of metals in total investment is due to a US\$ 2.5 billion investment for iron ore mining in Liberia by Elenito Minerals and Mining Limited, a subsidiary of EngellInvest Israel.

Chart 3.20: Major Investors in Liberia during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.21: Investment in Major Sectors in Liberia during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

In terms of business activities in the country, extraction has received the highest FDI of US\$ 2.8 billion, accounting for 46.9 percent of total investment in Liberia, followed by manufacturing (20.7 percent), construction (14.7 percent), electricity (13.4 percent), and logistics, distribution and transportation (2 percent).

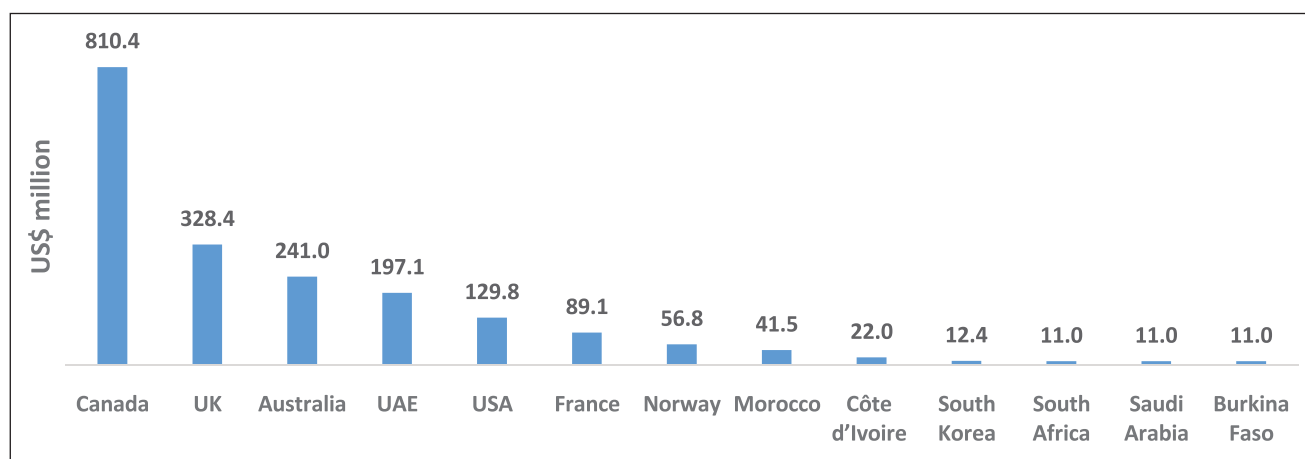
Mali

Between 2008 and 2017, total capital investment of US\$ 2 billion out of a total of 26 FDI projects were recorded in Mali, creating 5,770 jobs in the country. Canada, UK, Australia, UAE and USA were the top

five investors in Mali, together accounting for over 86 percent of total investment during 2008 to 2017. Canada alone accounted for 41 percent of total investment to Mali during this period (**Chart 3.22**).

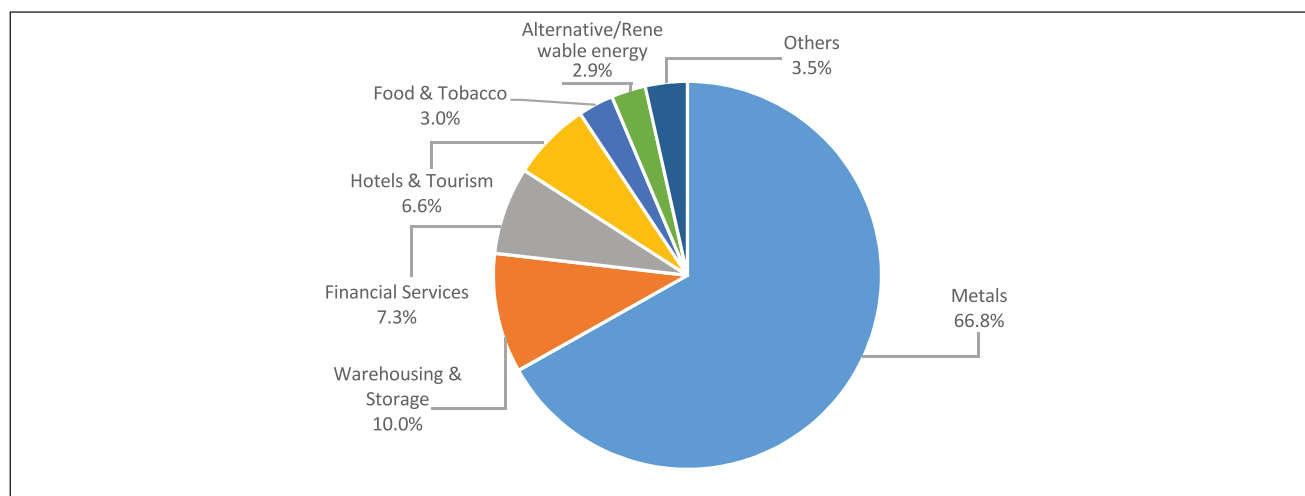
Metal sector received maximum investment of US\$ 1.3 billion during 2008 to 2017, accounting for 66.8 percent of total investment in Mali. Other major industry sectors receiving investment during the same period include warehousing and storage (US\$ 197.1 million), financial services (US\$ 144.1 million), hotel and tourism (US\$ 129.8 billion), food and tobacco (US\$ 58.4 million), and alternative/renewable energy (US\$ 56.8 million) (**Chart 3.23**).

Chart 3.22: Major Investors in Mali during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.23: Investment in Major Sectors in Mali during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

As regards business activities, extraction activities received 66.9 percent of total investment to Mali during 2008 to 2017, followed by logistics, distribution and transportation (10 percent), construction (6.5 percent), manufacturing (5.7 percent), and business services (5 percent).

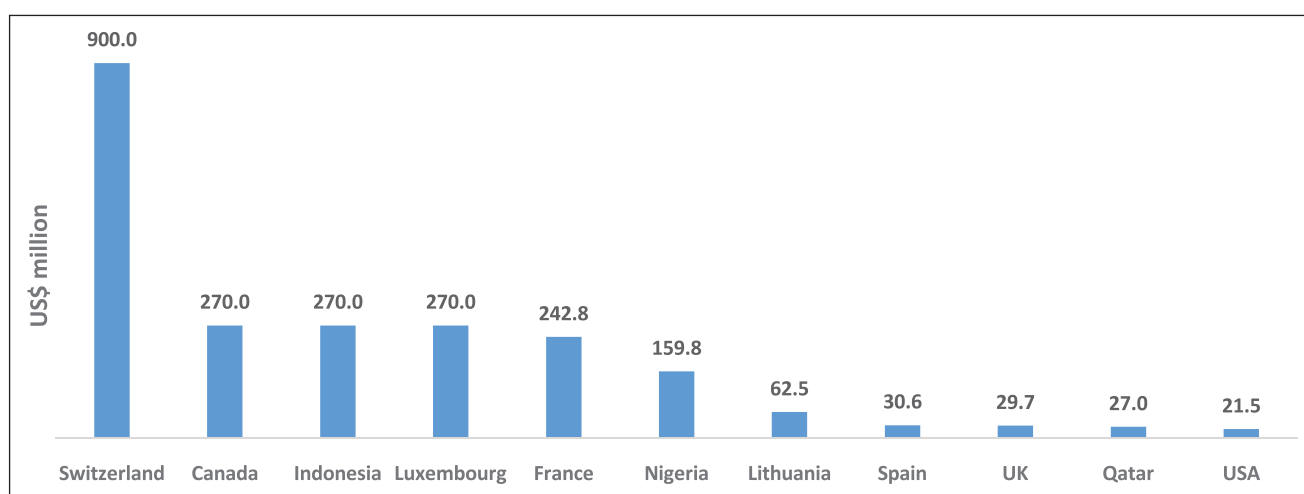
Mauritania

Mauritania received capital investment of US\$ 2.3 billion during 2008 to 2017 in 21 FDI projects, supporting 5,661 jobs. The major investors are shown in **Chart 3.24**. Switzerland has been the largest investor in Mauritania, with a 38.9 percent share in total investment during 2008 to 2017,

followed by Canada, Indonesia and Luxemburg (11.7 percent each).

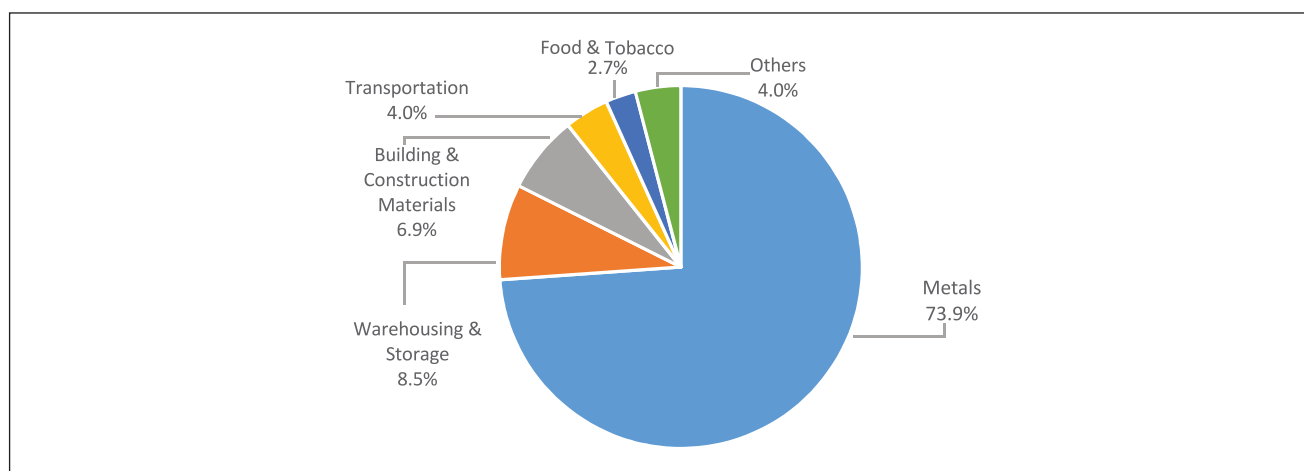
Mauritania has attracted investments majorly in sectors like metals (US\$ 1.7 billion), warehousing and storage (US\$ 197.1 million), building and construction materials (US\$ 159.8 million), transportation (US\$ 91.6 million), and food and tobacco (US\$ 62.5 million) during 2008 to 2017 (**Chart 3.25**). One of the largest investment in metal sector in Mauritania include a US\$ 900 million investment in Tiris Zemmour region to establish a new iron ore mine by Sphere Minerals, a subsidiary of Glencore Switzerland in 2014.

Chart 3.24: Major Investors in Mauritania during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.25: Investment in Major Sectors in Mauritania during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Extraction activities (73.9 percent share) was the major business activity receiving capital investment during 2008 to 2017 in Mauritania, followed by logistics, distribution and transportation (10.5 percent), manufacturing (9.6 percent), sales, marketing and support (3.5 percent), business services (1.8 percent), and construction (0.7 percent).

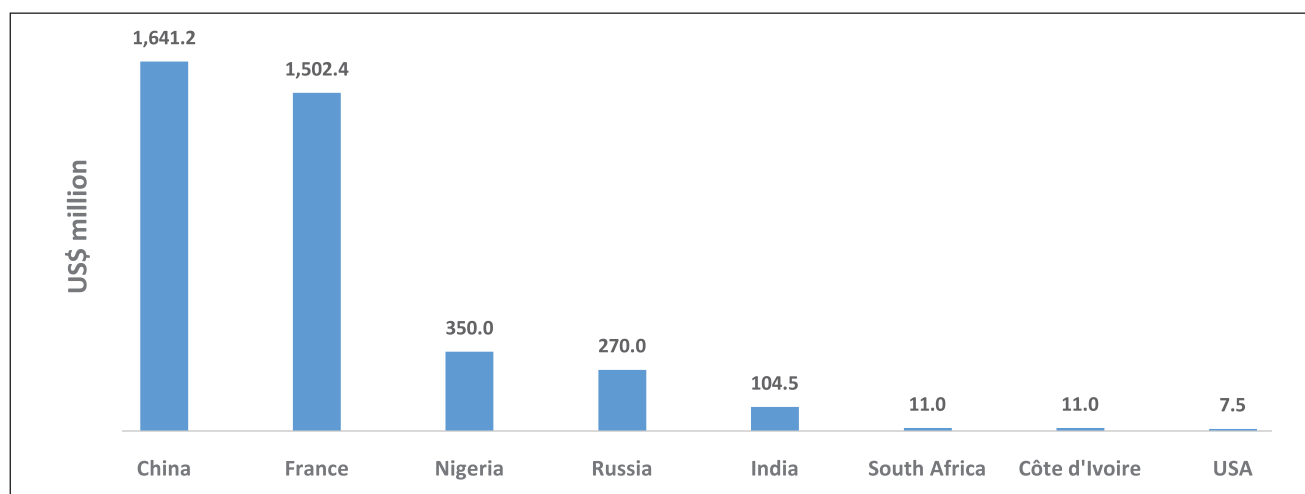
Niger

Between 2008 and 2017, a total of 10 FDI projects representing a total capital investment of US\$ 3.9 billion was recorded in Niger, which created 3,688 jobs in the country. China and France together accounted for over 80 percent of total investments

to Niger during 2008 to 2017. India was the fifth largest investor, with a share of 2.7 percent in Niger's investment during the same period (**Chart 3.26**). While France has invested mostly in uranium mining, Chinese investment was for developing oil reserves. Indian investment was in communications sector of Niger.

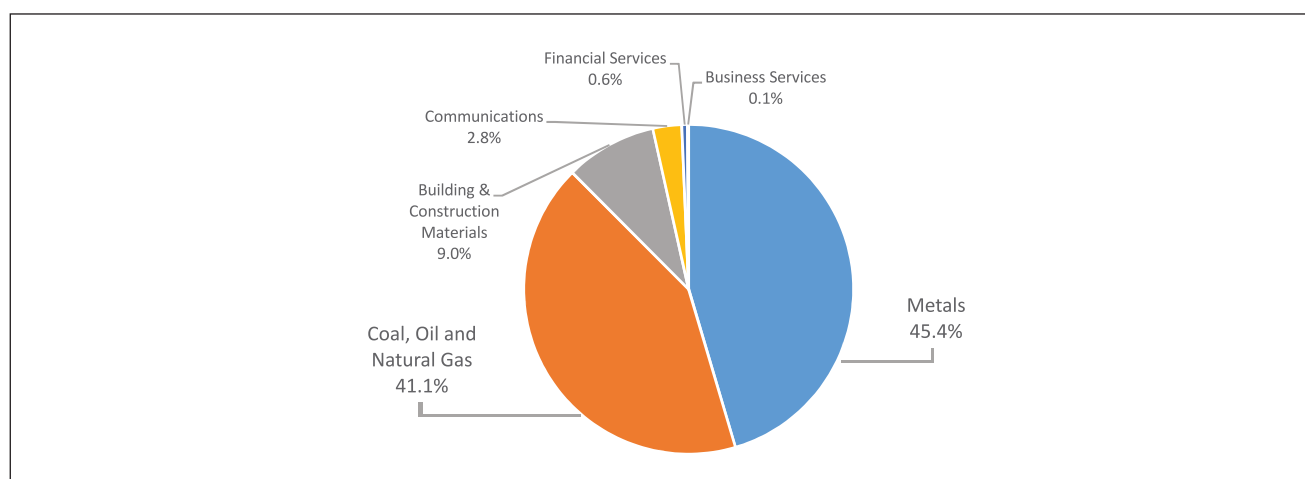
Niger has attracted investments majorly in sectors like metals (US\$ 1.8 billion), coal, oil and natural gas (US\$ 1.6 billion), building and construction materials (US\$ 350 million), communications (US\$ 109.9 million), financial services (US\$ 22 million), and business services (US\$ 4.5 million) during 2008 to 2017 (**Chart 3.27**).

Chart 3.26: Major Investors in Niger during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.27: Investment in Major Sectors in Niger during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Manufacturing, accounting for 51.1 percent of total investment was the major business activity receiving capital investment during 2008 to 2017 in Niger, followed by extraction (45.4 percent), ICT and internet infrastructure (2.6 percent), business services (0.6 percent), sales, marketing and support (0.2 percent), and customer contact centre and recycling (0.1 percent each).

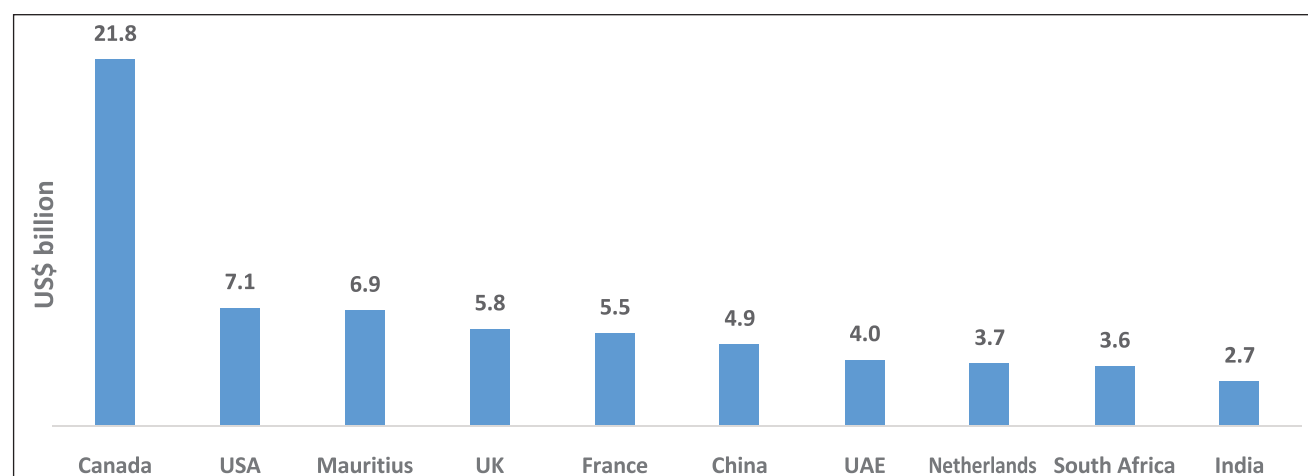
Nigeria

Nigeria is the largest destination of FDI in the West African region. In the last ten years, Nigeria has received FDI of US\$ 85.3 billion in 514 FDI projects, supporting 103,707 jobs. Canada has been the largest investor in Nigeria, accounting for 25.6 percent of total investment to the country during 2008 to 2017. Other major investors during the same period include

USA (8.3 percent), Mauritius (8.1 percent), UK (6.8 percent), France (6.5 percent), China (5.7 percent), and UAE (4.7 percent) (**Chart 3.28**). India was the 10th largest investor in Nigeria during 2008 to 2017, with a share of 3.2 percent in Nigeria's total investment.

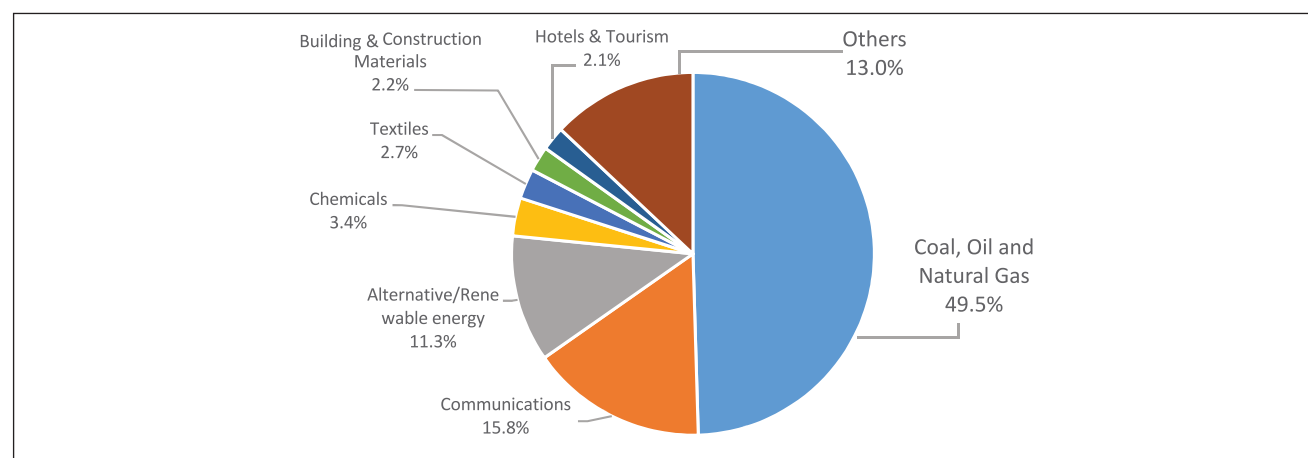
Chart 3.29 shows the share of investment received by major industrial sectors in Nigeria during 2008 to 2017. During 2008 to 2017, coal, oil and natural gas sector (US\$ 42.2 billion) received almost half of the total investment in Nigeria, followed by other industrial sectors including communications (US\$ 13.4 billion), alternative or renewable energy (US\$ 9.6 billion), chemicals (US\$ 2.9 billion), textiles (US\$ 1.0 billion), and building and construction materials (US\$ 1.9 billion).

Chart 3.28: Major Investors in Nigeria during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.29: Investment in Major Sectors in Nigeria during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

In terms of business activities, electricity (33.5 percent) received the highest capital investment during 2008 to 2017, followed by manufacturing (24.1 percent), extraction (18.6 percent), ICT and internet infrastructure (15.6 percent), and construction (3.1 percent).

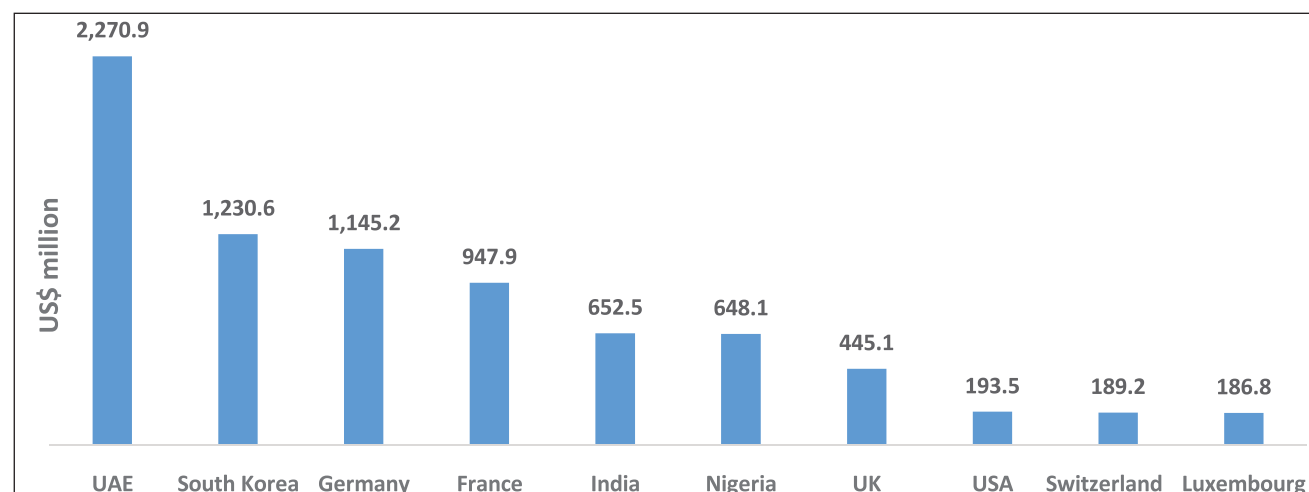
Senegal

During 2008 to 2017 a total of 96 FDI projects with a total capital investment of US\$ 8.7 billion were recorded in Senegal, which has created 18,306 jobs in the country. UAE was the largest investor in Senegal, accounting for 26.2 percent of total investment during 2008 to 2017. Other major investors include

South Korea (14.2 percent), Germany (13.2 percent), France (10.9 percent), and India and Nigeria (7.5 percent each) (**Chart 3.30**). Indian investments to Senegal were in coal, oil and natural gas sector and automotive OEM sectors.

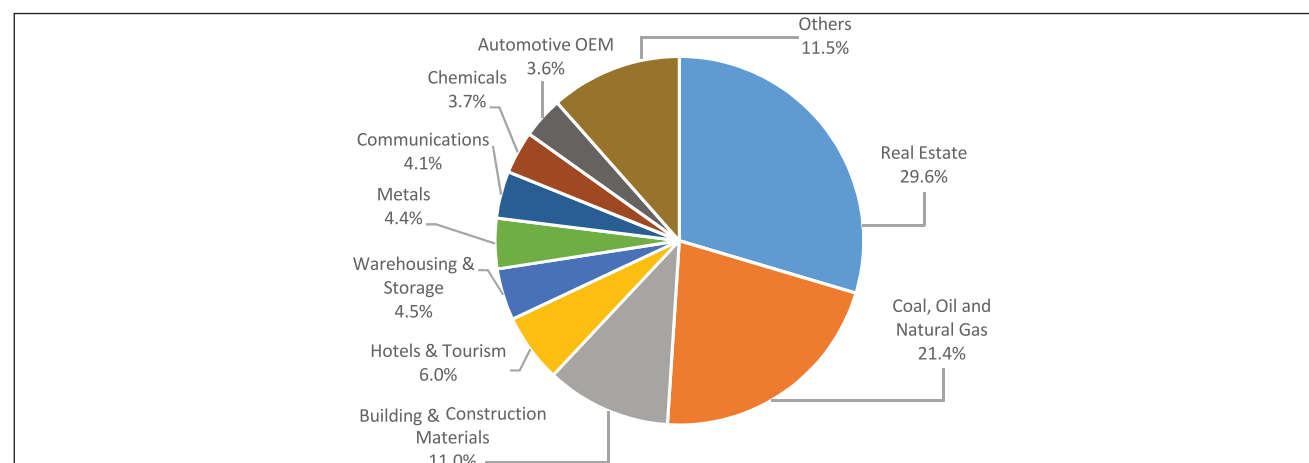
During 2008 to 2017, major industrial sectors which received investment in Senegal include real estate (US\$ 2.6 billion), coal, oil and natural gas (US\$ 1.9 billion), building and construction materials (US\$ 950.9 million), hotels and tourism (US\$ 520.1 million), warehousing and storage (US\$ 394.2 million), metals (US\$ 382.8 million), communications (US\$ 359 million), and chemicals (US\$ 324.4 million) (**Chart 3.31**).

Chart 3.30: Major Investors in Senegal during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.31: Investment in Major Sectors in Senegal during 2008 to 2017



Note: OEM - Original Equipment Manufacturer

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Major business activities in Nigeria during 2008 to 2017 include construction (35.2 percent share in Nigeria's total investment), electricity (24.4 percent), manufacturing (19.6 percent), logistics, distribution and transportation (5.1 percent), and extraction (4.4 percent).

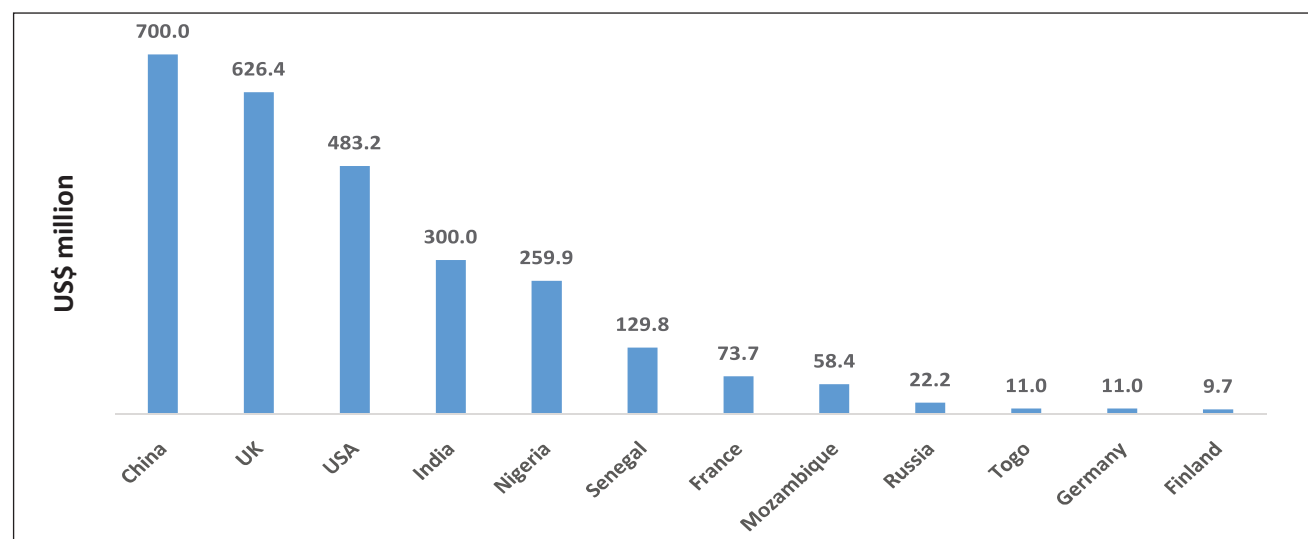
Sierra Leone

In the last ten years, Sierra Leone has received FDI of US\$ 2.7 billion in 28 FDI projects, creating 2,685 jobs in the country. During the period 2008-2017, China has been the largest source of FDI inflows to Sierra Leone with a share of 26.1 percent of the total capital investments in the country, followed by UK and USA accounting for a combined share of

41.3 percent of the total capital investments into Sierra Leone during the period. India was the fourth largest investor, accounting for 11.2 percent of Sierra Leone's investment during the period (**Chart 3.32**). Indian investments were mainly in communications sector and bauxite mining.

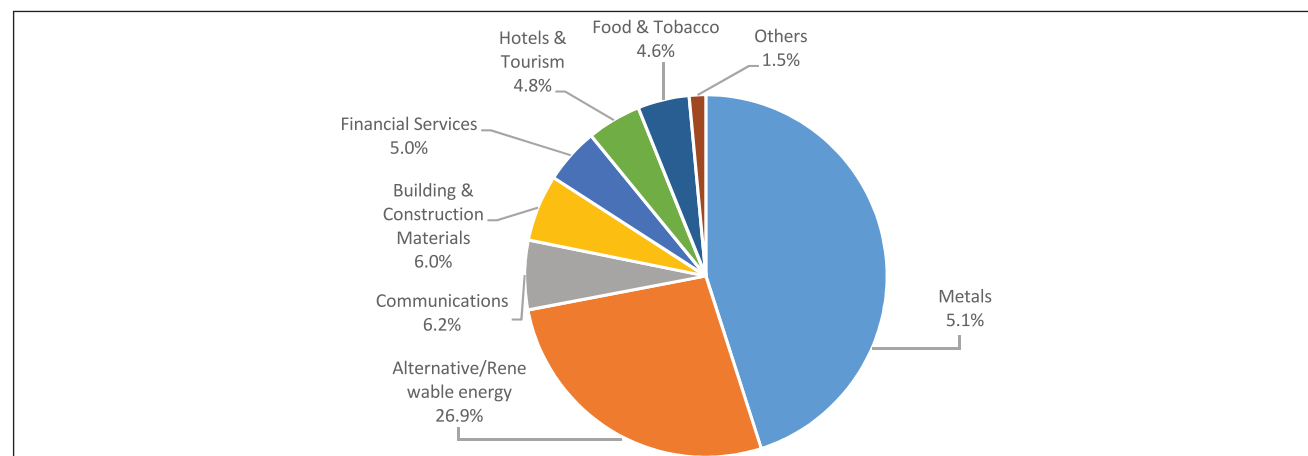
Top industrial sectors attracting investment inflows into Sierra Leone during the period 2008-2017 include metals (received US\$ 1.2 billion investment), alternative/renewable energy (US\$ 723.4 million), communications (US\$ 166.1 million), building and construction materials (US\$ 159.8 million), and financial services (US\$ 133.1 million), among others (**Chart 3.33**).

Chart 3.32: Major Investors in Sierra Leone during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.33: Investment in Major Sectors in Sierra Leone during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Major business activities of Sierra Leone which received investment during 2008-2017 include manufacturing (36.4 percent of total investment to Sierra Leone), electricity (26.9 percent), extraction (19 percent), ICT and internet infrastructure (5.6 percent), construction (4.8 percent), and business services (3.3 percent).

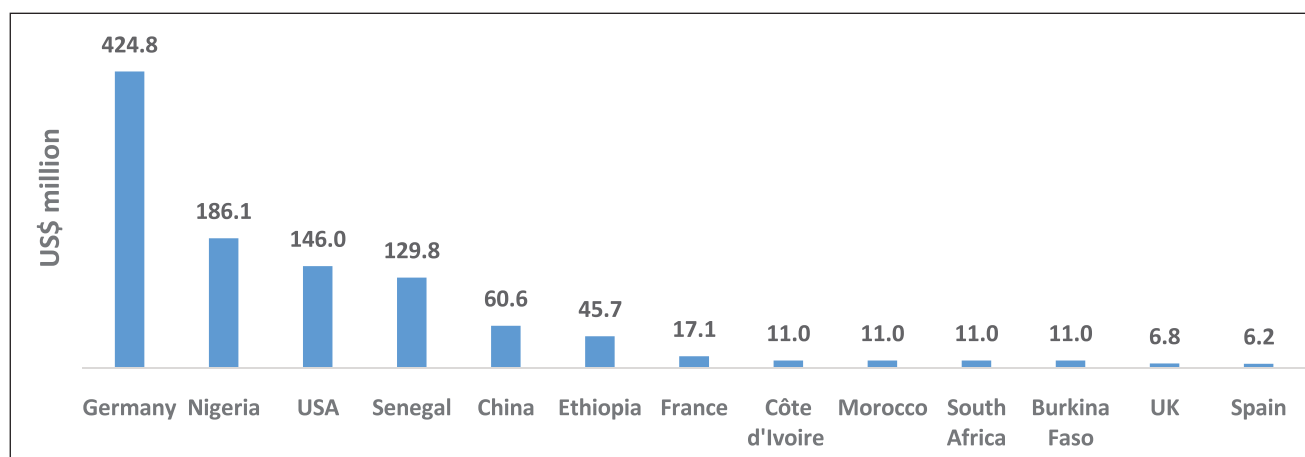
Togo

Between 2008 and 2017, total capital investment of US\$ 1.1 billion out of a total of 19 FDI projects were recorded in Togo, creating 2,051 jobs in the country. Germany alone accounted for 39.8 percent of total capital investment into Togo during 2008-2017.

Other major investors during the same period include Nigeria (17.4 percent), USA (13.7 percent), Senegal (12.2 percent), China (5.7 percent), and Ethiopia (4.3 percent) (**Chart 3.34**).

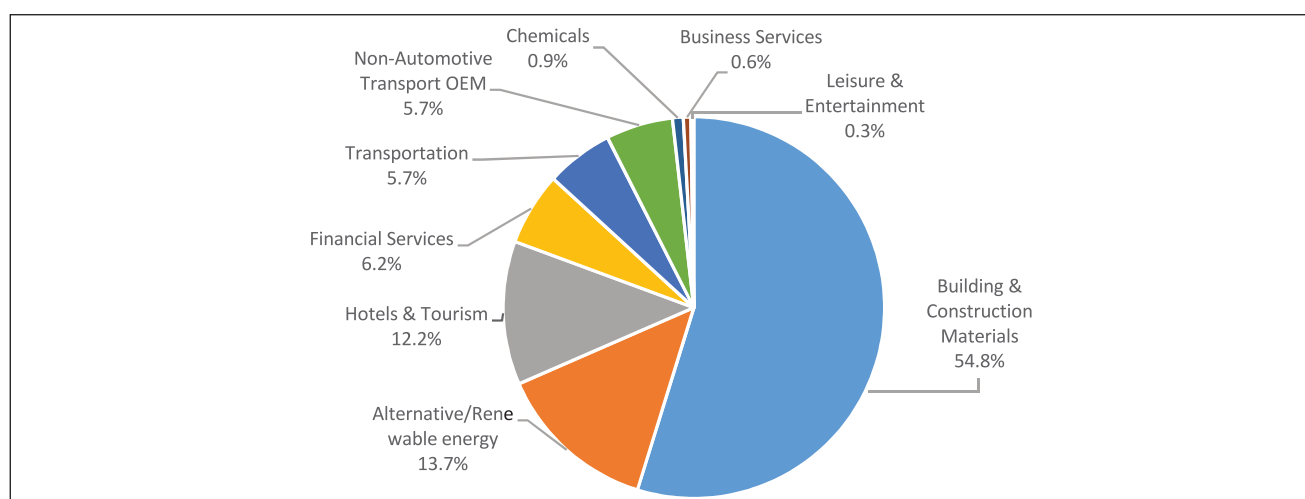
Building and construction materials sector received maximum investment of US\$ 584.6 million during 2008 to 2017, accounting for 54.8 percent of total investment in Togo. Other major industry sectors receiving investment during the same period include alternative/renewable energy (US\$ 146 million), hotel and tourism (US\$ 129.8 billion), financial services (US\$ 66 million), transportation (61 million), and non-automotive transport OEM (US\$ 60.6 million) (**Chart 3.35**).

Chart 3.34: Major Investors in Togo during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 3.35: Investment in Major Sectors in Togo during 2008 to 2017



Note: OEM - Original Equipment Manufacturer

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

As regards business activities, manufacturing activities received 60.8 percent of total investment to Togo during 2008 to 2017, followed by electricity (13.7 percent), construction (12.2 percent), business services (6.8 percent), logistics, distribution and transportation (4.3 percent), and sales, marketing and support (2 percent).

Today, West Africa is emerging as a hub of economic dynamism, enterprise, and innovation. West African countries are depicting a strong enthusiasm towards liberalising their business climate. The

governments of these countries aim to diversify their economies away from resource-dependency towards manufacturing, industrialization and to be a greater part of global value chain. Given the demographic dividend and the rise of an aspirational middle class, the region represents a high potential growing market for increased trade and greater foreign investment. Meanwhile, there also exists challenges and structural constraints like infrastructure deficit, persistent energy crisis and limited cross-border connectivity which are to be addressed to enhance these potentials.

4. INDIAN INVESTMENT IN THE WEST AFRICAN REGION

With the increasing diversification of India's global trade towards other developing countries, the West African region has emerged as important partner for India, both as export market as also import source. This is reflected in the synergy in bilateral trade relations wherein India's total trade with West African countries has risen from US\$ 13.5 billion to US\$ 21.6 billion during the decade 2008-09 to 2017-18, with India's exports to the region amounting to US\$ 6.4 billion, and India's imports from the region aggregating US\$ 15.3 billion during 2017-18. Despite concerted efforts to boost bilateral relations between India and African countries over the years, West Africa's participation as an investment partner to India has remained relatively limited.

INDIAN INVESTMENT IN WEST AFRICA

According to RBI, during April 1996 to March 2018, the Indian direct investments in 16 West African countries in joint ventures (JVs) and wholly owned subsidiaries (WOS), in terms of equity, loan and guarantees issued amounted to US\$ 516.5 million, accounting for 0.8 percent of India's overseas investments in Africa during the period (Table 4.1). During 2017-18, FDI outflows to these countries stood at US\$ 13.8 million. Out of the total FDI outflows from India to the region during 2017-18, outflows to Liberia were the highest, accounting for 37.2 percent of the total FDI outflows to the region, followed by Nigeria (24.9 percent), Ghana (17.6 percent) and the Gambia (5.9 percent).

Table 4.1: India's Approved Overseas Direct Investment in West African Countries

(US\$ million)

Country	April 1996 to March 2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	April 1996 to March 2018
Benin	0.1	-	-	-	-	1.0	0.1	0.01	1.2
Burkina Faso	0.1	-	-	-	0.002	-	0.3	0.8	1.2
Côte d'Ivoire	15.6	-	-	0.1	-	-	9.2	0.1	25.0
The Gambia	30.6	-	-	-	-	-	0.2	-	30.7
Ghana	27.5	17.4	8.9	24.4	2.2	2.0	2.1	6.5	91.0
Guinea	-	0.1	0.2	0.2	0.3	0.6	3.0	0.2	4.7
Liberia	191.0	0.4	0.4	0.3	0.2	-	-	0.02	192.3
Mali	0.3	1.2	1.4	4.1	1.4	0.1	0.2	0.3	8.9
Mauritania	1.7	1.4	2.9	0.2	-	-	-	0.4	6.5
Niger	0.7	0.2	0.01	-	-	-	-	-	0.9
Nigeria	75.3	16.3	7.7	6.6	12.7	0.6	5.0	4.3	128.4
Senegal	23.3	-	1.1	-	0.01	-	0.03	-	24.4
Sierra Leone	0.02	-	-	0.02	-	-	-	-	0.04
Togo	-	-	-	-	-	-	0.1	1.2	1.3
India's FDI Outflows to West Africa	366.2	37.0	22.6	35.9	16.8	4.3	20.2	13.8	516.5
FDI Outflow to Africa	25,562.6	7,510.0	4,717.5	7,492.5	4,790.2	3,970.5	5,520.9	1,651.6	61,215.9
West Africa's Share in India's FDI Outflow to Africa (%)	1.43%	0.49%	0.48%	0.48%	0.35%	0.11%	0.37%	0.84%	0.84%

Note: '-' denotes not available/ negligible

Source: RBI and Exim Bank Analysis

The RBI data on overseas direct investments only captures the approved overseas investments rather than actual flow of funds and the ultimate destination of fund flows. This could lead to distorted picture of the extent of the linkages between India and the rest of the world in terms of actual outward investments. To overcome this problem, and to have a more meaningful understanding on the trends in Indian investments, the analysis would require supplementing RBI data with other reliable sources tracking micro level data on cross-border investments. For this purpose, this study had used the data collated by the Financial Times through its online database tracking cross-border greenfield investment, viz. fDi Markets, which provides real-time monitoring of investment projects and capital investment to track and profile companies investing overseas.

Table 4.2: Trends in Indian Investment in West Africa

Year	Capex (US\$ million)	Projects	No. of Jobs Created
2008	266.9	7	2,221
2009	48.2	1	401
2010	3,011.9	13	6,243
2011	133.4	8	2,286
2012	1,144.8	10	1,847
2013	1,703.4	10	2,447
2014	94.0	4	478
2015	43.7	7	5,108
2016	41.8	6	168
2017	177.3	4	234
West Africa	6,665.4	70	21,433
Africa	36,639.1	385	102,269
Share in Africa (%)	18.2	18.2	21.0

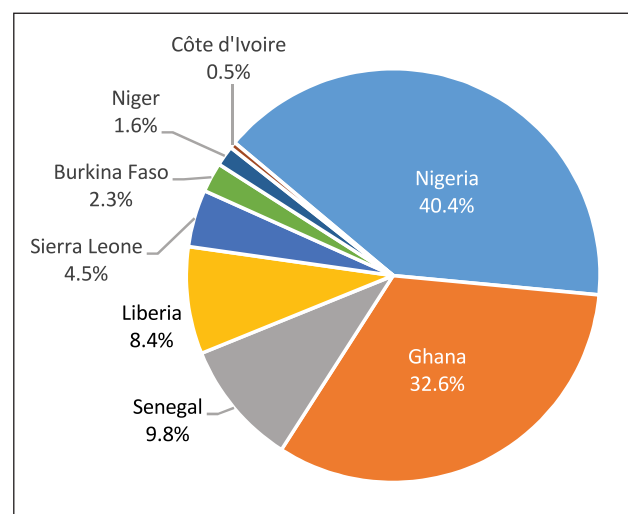
Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Table 4.2 shows the trend in Indian investment in West African region for the last ten years in terms of capital expenditure, number of new FDI projects and number of jobs created as a result of these greenfield

investments. During 2008 to 2017, India invested US\$ 6.7 billion in 70 FDI projects and created 21,433 jobs in West Africa. Indian investments in West Africa peaked in 2010 at US\$ 3 billion, with Nagarjuna Fertilizers and Chemicals investing US\$ 1.1 billion in Nigeria and Rashtriya Chemicals & Fertilizers investing US\$ 1.5 billion in Ghana in pesticide, fertilisers and other agricultural chemicals sector. The total amount of capital investment received by West Africa from India during 2008 to 2017 represents 18.2 percent of total Indian FDI in Africa.

Nigeria accounted for the largest share of Indian investment during 2008-2017 with a share of 40.4 percent among the West African countries, followed by Ghana, Senegal, Liberia, Sierra Leone, Burkina Faso, Niger and Côte d'Ivoire (**Chart 4.1** and **Table 4.3**). According to fDi Markets database, no Indian investments are recorded in case of the remaining eight countries in the region.

Chart 4.1: Countrywise Share in Indian Investment in West Africa during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

The major sectors that received Indian FDI in terms of capital invested are shown in **Table 4.4**. The chemicals sector received the highest investment, accounting for 40.8 percent of total investment to West Africa during 2008-2017, followed by communications,

Table 4.3: Indian Investment to West African Countries, Annual, 2008-2017

(US\$ million)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Nigeria	50.6	-	1,137.4	23.7	1139.0	37.5	83.0	36.9	17.6	165.1	2,690.8
Ghana	106.5	48.2	1,624.5	100.7	5.8	249.9	11.0	6.8	13.2	6.1	2,172.7
Senegal	94.5	-	-	-	-	558.0	-	-	-	-	652.5
Liberia	-	-	-	-	-	558.0	-	-	-	-	558.0
Sierra Leone	-	-	150.0	-	-	150.0	-	-	-	-	300.0
Burkina Faso	-	-	-	4.5	-	150.0	-	-	-	-	154.5
Niger	-	-	100.0	4.5	-	-	-	-	-	-	104.5
Côte d'Ivoire	15.3	-	-	-	-	-	-	-	11.0	6.1	32.4
Total	266.9	48.2	3,011.9	133.4	1,144.8	1,703.4	94.0	43.7	41.8	177.3	6,665.4

Note: '-' denotes not available/ negligible

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Table 4.4: Sectorwise Indian Investment in West Africa during 2008 to 2017

Sectors	FDI (US\$ mn)	Share in FDI (%)	Projects	Jobs Created	Companies
Chemicals	2,722.2	40.8	3	3,328	3
Communications	1,545.7	23.2	11	1,680	3
Coal, Oil and Natural Gas	1,116.0	16.7	2	232	1
Automotive OEM	511.7	7.7	10	4,519	6
Metals	298.9	4.5	4	1,670	4
Non-Automotive Transport OEM	121.2	1.8	2	696	2
Business Services	99.9	1.5	14	7,439	6
Software & IT services	61.6	0.9	5	537	3
Industrial Machinery, Equipment & Tools	51.1	0.8	2	418	2
Financial Services	44.0	0.7	4	72	3
Pharmaceuticals	36.9	0.6	2	410	1
Healthcare	16.0	0.2	6	190	2
Transportation	15.3	0.2	1	10	1
Electronic Components	11.8	0.2	1	157	1
Paper, Printing & Packaging	7.7	0.1	1	39	1
Consumer Products	4.4	0.1	1	18	1
Textiles	1.0	0.02	1	18	1
Total	6,665.4	100.0	70	21,433	40

Note: OEM - Original Equipment Manufacturer

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

coal, oil and natural gas, and automotive OEM. The maximum number of projects has taken place in business services, where maximum number of jobs were also created during 2008-2017.

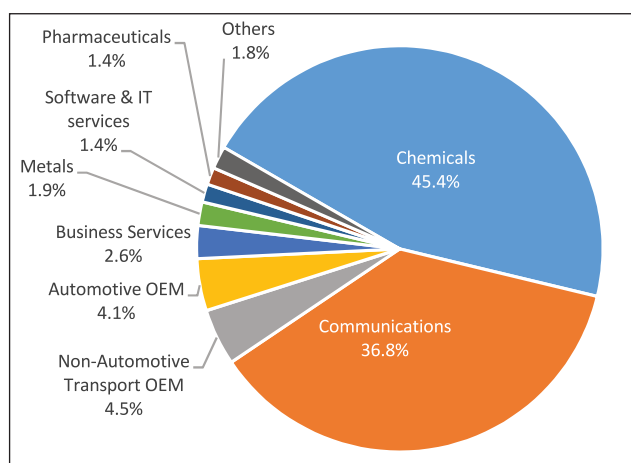
Nigeria

During 2008 to 2017, Nigeria has received Indian investment amounting to US\$ 2.7 billion in 38 FDI projects, supporting 12,672 jobs in the country.

Nigeria is the fifth largest destination of Indian Investment to Africa during 2008-2017, following Mozambique, South Africa, Zimbabwe, and Egypt and is the largest destination in West Africa. Nigeria accounted for 7.3 percent of total Indian Investment to Africa and 40.4 percent of Indian investments to West Africa during this period.

The major sectors receiving Indian investment in Nigeria during 2008-2017 are chemicals (US\$ 1.2 billion), communications (US\$ 990.7 million), non-automotive transport OEM (US\$ 121.2 million), automotive OEM (US\$ 111.4 million), business services (US\$ 70.5 million), and metals (US\$ 50.6 million) as shown in **Chart 4.2**.

Chart 4.2: Indian Investment in Major Sectors in Nigeria during 2008 to 2017

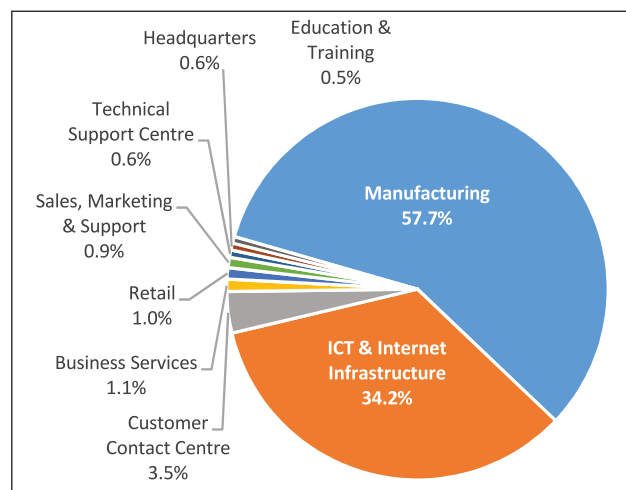


Note: OEM - Original Equipment Manufacturer

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Chart 4.3 shows the major business activities receiving Indian investment in Nigeria during 2008-2017. Manufacturing, with an investment of US\$ 1.6 billion was the major business activity, accounting for more than half of the total Indian investment to Nigeria. Other major business activities during 2008-2017 include ICT and internet infrastructure (US\$ 919.8 million), customer contact

Chart 4.3: Indian Investment in Major Business Activities in Nigeria during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

centre (US\$ 94.4 million), business services (US\$ 28.5 million), retail (US\$ 25.6 million), and sales, marketing & support (US\$ 23.2 million).

Over 100 companies are currently operating in Nigeria that are owned and/or operated by Indian or Persons of Indian origin. Some of the prominent companies include Bharti Airtel, Indorama, Olam International (now Singapore registered), Tata, Bajaj Auto, Birla Group, Kirloskar, Mahindra, Ashok Leyland, NIIT, Aptech, New India Assurance, Bhushan Steel, KEC, Dabur, Godrej, and Primus Super-specialty Hospital, besides 15 prominent companies in Nigerian Power Sector. Nigeria's pharmaceuticals, steel and power transmission sectors are dominated by Indian companies. Nigeria-based ethnic Indians are economically active in areas relating to consumer goods manufacturing and retailing, construction and air-services¹¹.

Ghana

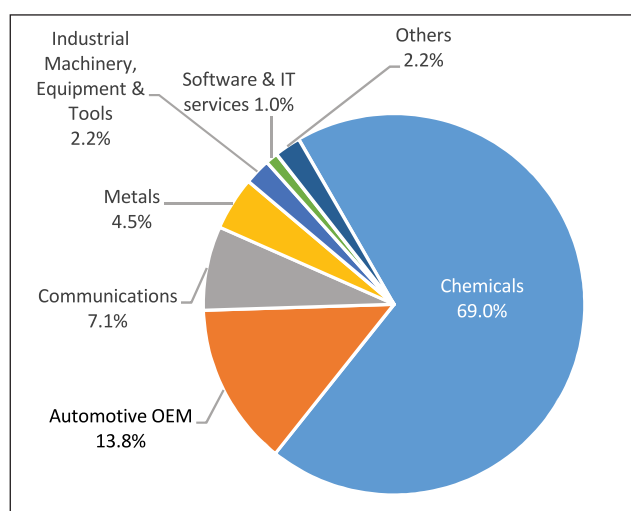
Ghana received a total of US\$ 2.2 billion of capital investment during 2008-2017 from India in 20 FDI projects and supporting 6,468 jobs. Ghana is the sixth largest destination of Indian Investment to Africa during 2008-2017, and is the second largest

¹¹Ministry of External Affairs, Brief on Foreign Relations, Nigeria, September 2017

destination in West Africa, after Nigeria. Ghana accounted for 5.9 percent of total Indian investment to Africa and 32.6 percent of Indian investments to West Africa during this period.

Chemicals sector alone accounted for over two-thirds of Indian investment in Ghana, with an investment value of US\$ 1.5 billion during 2008 to 2017. The other major sectors receiving Indian investment in Ghana during 2008-2017 include automotive OEM (US\$ 299.7 million), communications (US\$ 155 million), metals (US\$ 98.3 million), and industrial machinery, equipment and tools (US\$ 48.2 million) as shown in **Chart 4.4**.

Chart 4.4: Indian Investment in Major Sectors in Ghana during 2008 to 2017

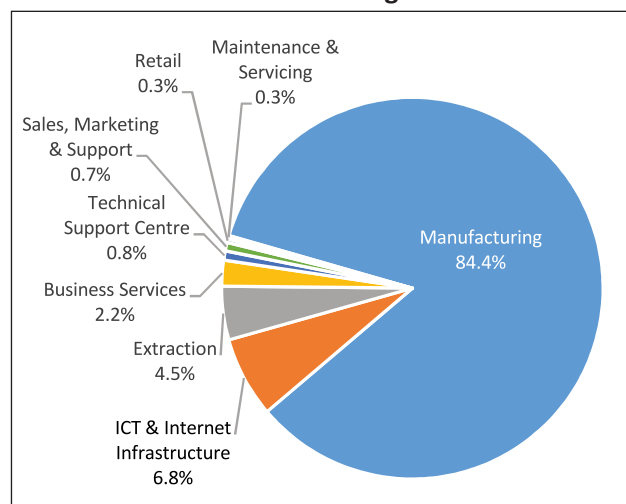


Note: OEM - Original Equipment Manufacturer

Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

As regards business activities, manufacturing alone accounted for over four-fifth of Indian investments in Ghana, with an investment value of US\$ 1.8 billion during 2008-2017. Other major business activities receiving Indian investment in Ghana are ICT and internet infrastructure (US\$ 148.6 million), followed by extraction (US\$ 98.3 million), business services (US\$ 47.7 million), and technical support centre (US\$ 17 million) as shown in **Chart 4.5**.

Chart 4.5: Indian Investment in Major Business Activities in Ghana during 2008 to 2017



Source: fDi Markets online database (accessed on 05.09.2018) and Exim Bank Analysis

Indian companies including Tata, Ashok Leyland, Mahindra & Mahindra, Escorts, Larson & Toubro, Bharti Airtel, NIIT, M/s Shapoorji Pallonji & Co., as well as several pharmaceutical companies have presence in Ghana. Svani Motors, dealers of Mahindra & Mahindra in Ghana has announced plans for constructing a modern automobile plaza to house the assembly plant and a service center. Bajaj Auto Ltd. has partnered with Somoco Ghana (a subsidiary of Mohinani Group of Ghana) to market Boxer motorcycles in the Ghanaian market¹¹.

Senegal

Senegal received US\$ 652.5 million investment from India in 2 FDI projects during 2008 to 2017, which has created 980 jobs in the country. The sectors which received Indian investments in Senegal during 2008-2017 are coal, oil and natural gas (US\$ 558 million - 85.6 percent of total Indian investment to the country), and automotive OEM (US\$ 150 million - 14.4 percent share). In 2013, Jindal Steel & Power has invested US\$ 558 million in the coal, oil and natural gas sector in an electricity project (setting up of two new power plants) in Senegal. In 2008, Tata Motors has invested in the Automotive OEM sector

¹¹Ministry of External Affairs, Brief on Foreign Relations, Ghana, September 2017

in a manufacturing project (assembly operations of semi knock down (SKD) pick-up trucks) in Senegal.

According to Ministry of External Affairs, Government of India, the largest investment from India in Senegal is in Industries Chimique du Senegal (ICS), which is the flagship company in Senegal in the business of manufacturing phosphoric acid from the rock phosphate. Several other companies including Tata Group (Tata Motors, Tata Unitech and Tata Africa-Senegal), Jindal steel, Ashok Leyland, Kirloskar Bros, Expotech, CSL Ltd, NIIT, Ranbaxy, Ajanta Pharma, Coppice Technologies Ltd., Lucky Group, Inma International, and Mohan Energy, among others are also active in Senegal.¹³

Liberia

According to fDi Markets analysis, during 2008-2017 Liberia has received Indian investment of amount US\$ 558 million in the coal, oil and natural gas industry by Jindal Steel & Power for power generation. India and Liberia has entered into an agreement for exchange of information and assistance in collection with respect to taxes with foreign countries in 2012.

Sierra Leone

During 2008 to 2017, Sierra Leone received US\$ 300 million investment from India in 2 FDI projects, which created 300 jobs in the country. The sectors which received Indian investments in Sierra Leone during 2008-2017 are communications and metals (US\$ 150 million each). These include US\$ 150 million investment by Indian ship building company ABG Shipyard in the metals sector in an extraction project (mining of bauxite) and US\$ 150 million investment by Indian telecommunications company Bharti Airtel in the communications sector in an ICT and internet infrastructure project (setting up a Wi-Fi network) in Sierra Leone.

There are about 20 Indian NRI/PIO trading companies, based in Sierra Leone. Bharti Airtel,

which had acquired Zain Africa, has recently sold off its operations to Orange Telecom of France.¹⁴

Burkina Faso

According to fDi Markets analysis, during 2008-2017 Burkina Faso has received investment of US\$ 154 million from India in 2 FDI projects, which created 424 jobs in the country. The sectors which received Indian investments in Burkina Faso during 2008-2017 are communications (US\$ 150 million) and business services (US\$ 4 million). In 2013, telecommunications company Bharti Airtel invested US\$ 150 million in an ICT and internet infrastructure project for setting up a Wi-Fi network in Burkina Faso. Indian business process outsourcing firm Spanco India has invested US\$ 4 million in the Business Services sector in a Customer Contact Centre project to manage Indian mobile provider Bharti Airtel's contact centres in the country. Bharti Airtel has recently sold off its operations to Orange Telecom of France.

Niger

Niger received US\$ 104.5 million investment from India in 2 FDI projects during 2008 to 2017, which has created 404 jobs in the country. The investment has taken place in communications (US\$ 100 million) and business services (US\$ 4 million). Bharti Airtel has invested US\$ 100 million in an ICT and internet infrastructure project for expanding and improving its reach and quality of its network in the country. Spanco expanded its operations to Niger in a Customer Contact Centre project to manage Bharti Airtel's contact centres in the region.

Major Indian companies and brands are present or operating in Niger include Airtel Cellular Services (mobile service), Euroworld International (hotel), Contec Global (issue of Passport), Diamond India, (cement manufacturing), Satguru Travels (travel services), Shivam General Trading Company (distributors of TVS and Bajaj bikes, Mahindra Gensets and vehicles, and of Godrej Locks), Belvie

¹³Ministry of External Affairs, Brief on Foreign Relations, Senegal, August 2017

¹⁴Ministry of External Affairs, Brief on Foreign Relations, Sierra Leone, June 2017

Healthcare (mineral water plant), and Afriplast (PVC products, and manufacturing RPVC pipes for potable water, irrigation and boreholes)¹⁵.

Côte d'Ivoire

According to fDi Markets database, during 2008 to 2017 a total of 3 FDI projects from India were recorded in Côte d'Ivoire, representing a total capital investment of US\$ 32.4 million and creating 69 jobs in the country. Major sectors of Indian investment in Côte d'Ivoire during this period include transportation (US\$ 15.3 million), financial services (US\$ 11 million), and automotive OEM (US\$ 6.1 million).

In 2008, Ecu Worldwide, subsidiary of Avvashya Group India has invested US\$ 15.3 million in Abidjan in a sales, marketing and support project in water transportation. Ecu-Line has opened an office in Abidjan, one of the major ports in West Africa for offering a weekly service based on the services of OTAL.

A number of Indian enterprises have acquired presence in the country including an Indian company operating in mining and exporting of manganese, 2-3 large Indian companies in the exploration activities in iron and manganese mining, and a large number of small and medium sized Indian companies are involved in trading of cashew, timber and

commodities, manufacturing, and agro-processing. Similarly, many Indian pharmaceutical companies have their operations in Côte d'Ivoire, and several of these companies have opened / expanded their offices in Abidjan to extend their reach to the entire West African francophone countries from Abidjan¹⁶.

Indian investments in Africa have seen an upward trend in recent years across countries and sectors. But the share of West Africa in Indian investments remain small, with many countries in the region receiving marginal or nil investments from India. Except for Nigeria and Ghana, not much investments have taken place after 2013 in the other countries in the region.

With heavy energy potential, availability of a variety of mineral resources and human capital, West Africa is among the top resource rich regions in Africa. As many of the West African countries are implementing a number of business reforms, investor friendly investor codes and one stop shops for investments, it is time for Indian investors to look into West Africa as a major destination for long term investment. The problem of nonrealization of Indian investments in these countries needed to be resolved, so that a win-win situation for India and West African region could be reached.

¹⁵Ministry of External Affairs, Brief on Foreign Relations, Niger, July 2018

¹⁶Ministry of External Affairs, Brief on Foreign Relations, Côte d'Ivoire, October 2017

5. SELECT FOCUS SECTORS IN THE WEST AFRICAN REGION

West African countries have enormous potential to strengthen competitiveness and growth, which can drive growth, reduce poverty, and generate more jobs in the region. FDI inflows are one of crucial modes of finance for the realization of the economic potential of the West African region. Traditionally Nigeria, Ghana, Côte d'Ivoire and Senegal have been the major recipients of FDI in the region.

INVESTMENT INITIATIVES IN WEST AFRICA

Despite West Africa's enormous investment potential, its integration into the global economy is low. Cross-border constraints are the main hurdle behind limited investment flows in the region. In order to promote investments and competition policies in the region, ECOWAS is working in three areas - creation of the ECOWAS Common Investment Market, investment climate promotion and financial market integration.

In 2009, ECOWAS launched a vision on Common Investment Market for its 15 member countries, with the aim of providing a single economic market for business and labour to enhance productive efficiency, increased employment, higher levels of domestic and foreign investment, and growth of intra-regional and extra-regional exports. This would require a common invest code and policy, which is in draft state. A major direction in this step is the launch of the *ECOWAS Investment Climate Scorecard*, an innovative instrument that enables both the ECOWAS Commission and national policymakers to identify investment barriers and track the progress of national and regional reforms. The ECOWAS Investment Climate Scorecard is expected to deepen regional investment integration.

The necessity to improve business climate in the region has been identified by various multilateral development agencies. The World Bank has

Table 5.1: Investment Promotion Agencies in West African Countries

Country	Investment Promotion Agencies
Benin	Agence de Promotion des Investissements et des Exportations (APIEx)
Burkina Faso	Agence de Promotion des Investissements du Burkina Faso (API-BF)
Cabo Verde	Cabo Verde TradeInvest
Côte d'Ivoire	Centre de Promotion des Investissements en Côte d'Ivoire (CEPICI)
The Gambia	Gambia Investment and Export Promotion Agency (GIEPA)
Ghana	Ghana Investment Promotion Centre (GIPC)
Guinea	Agence de Promotion des Investissements Privés (APIP-Guinee)
Guinea-Bissau	National Investments Agency, Guinea-Bissau
Liberia	National Investment Commission (LNIC)
Mali	Agence Pour La Promotion des Investissements Au Mali (API-MALI)
Mauritania	Direction de La Promotion de l'investissement Privé Mauritania and Le Guichet Unique
Niger	Centre de Promotion des Investissements, Niger
Nigeria	Nigerian Investment Promotion Commission (NIPC)
Senegal	Invest in Senegal (APIX)
Sierra Leone	Sierra Leone Investment and Export Promotion Agency (SLIEPA)
Togo	Chambre de Commerce et d'Industrie du Togo (CCIT) and Togo Invest

Source: World Association of Investment Promotion Agencies (WAIPA) and Country Websites

launched a € 7.7 million four-year initiative in 2014, 'Improved Business and Investment Climate in West Africa Project', funded by the European Union. The initiative seeks to support the ECOWAS Commission and the ECOWAS Member States to remove national investment constraints/barriers and to promote the regional expansion of cross-border investments. It strives to take pragmatic steps to facilitate the emergence of a conducive and predictable investment climate in advancement of the ECOWAS Common Investment Market vision. The ECOWAS Investment Climate Scorecard is a part of this initiative.

Supporting the ECOWAS Common Investment Market vision, many West African countries have launched their national action plans, such as Benin's 'Revealing Benin' programme, Guinea-Bissau's Terra Ranka, Nigeria's Economic Recovery and Growth Plan, Senegal's Emerging Senegal Plan and Togo's National Development Plan. According to Africa Risk-Reward Index, June 2018 from Control Risks and Oxford Economics, improved political stability, recovery in commodity prices and effective economic reforms have resulted in an improvement in the risk-reward score in several West African economies. Ghana and Nigeria are among the top five countries in Africa with the largest improvement in their risk-reward score.

Investment environment and requirements vary across West African countries. For the region, the potential for investment is huge in areas of agriculture and agro-processing, mining, manufacturing, power, energy, including hydrocarbons and renewables, and transport and construction, among others. The services sector is emerging as the dominant sector in most West African countries, offering huge opportunities in areas of financial services, management consultancy, education, skill development, health, and tourism.

This section of the study focuses on select potential sectors in the West African countries which Indian investors may explore for investment.

Investment Promotion Agencies and Recent Reforms in West African Countries

To attract more investment, many of the West African countries have introduced various investment incentives in the form of protection against expropriation, repatriation of profits, and nondiscrimination between foreign and domestic investors. The West African countries have also set up one-stop-shops for entire investment process and dedicated investment promotion agencies to promote FDI into these countries. The names of these agencies are given in **Table 5.1**.

According to Doing Business 2018, West African countries have started a number of reforms in the recent years by making starting a business easier and less costly. For instance¹⁷,

- **Benin** has created a one-stop shop for investment, eliminated the need to notarize company bylaws to activate a bank account after incorporation, reduced the fees for filing company documents at the one-stop-shop, reduced the minimum capital requirement and the fees to be paid at the one-stop-shop, and reduced the time required to obtain a construction permit by speeding up the processing of applications recently.
- **Burkina Faso** made starting a business less costly by reducing the paid-in minimum capital required to register a company, reduced the minimum capital requirement, replaced the requirement for a copy of the founders' criminal records with one for a sworn declaration at the time of the company's registration, made construction permits less costly by reducing the fees to obtain a fire safety study, and cut the cost of the soil survey in half and the time to process a building permit application by a third.
- **Cabo Verde** made starting a business easier by reducing the minimum capital requirement.

¹⁷Doing Business 2018, Regional Profile of Sub-Saharan Africa (SSA), World Bank

- **Côte d'Ivoire** made starting a business easier by reducing the minimum capital requirement, lowering registration fees, enabling the one-stop-shop to publish notices of incorporation, and reducing the notary fees.
- **The Gambia** made starting a business easier by eliminating the requirement to pay stamp duty.
- **Guinea** made starting a business easier by reducing the minimum capital requirement, enabling the one-stop-shop to publish incorporation notices and by reducing the notary fees.
- **Liberia** made starting a business easier by eliminating the business trade license fees.
- **Mali** made starting a business less expensive by reducing the paid-in minimum capital requirement.
- **Mauritania** made starting a business easier by combining multiple registration procedures, eliminated the minimum capital requirement, created a one-stop-shop and eliminated the publication requirement and the fee to obtain a tax identification number.
- **Niger** made starting a business easier by reducing the minimum capital requirement for business incorporation, reducing the time needed to register a company, publishing the notice of company incorporation online free of charge, reducing the time and cost needed to register a company, eliminating the requirement to notarize a company's bylaws, and reducing the minimum capital requirement.
- **Nigeria** made starting a business faster by allowing electronic stamping of registration documents, and improved online government portals.
- **Senegal** made starting a business more affordable by reducing the notary fees for company incorporation, and reducing the minimum capital requirement.
- **Sierra Leone** made starting a business easier by combining multiple registration procedures, and reducing registration fees.

- **Togo** made starting a business less costly by reducing the fees to register with the tax authority, made starting a business easier by enabling the one-stop shop to publish notices of incorporation, eliminated the requirement to obtain an economic operator card, reduced the time required to register at the one-stop shop and reduced registration costs.

SELECT FOCUS SECTORS IN WEST AFRICA

Benin

Due to its strategic geographical position, its resources in different sectors and the new government's investment facilities and programs, Benin offers huge investment opportunities in various sectors of the economy. The Investment and Export Promotion Agency (APIEx) of Benin in collaboration with the government of Netherlands and the UNCTAD, has developed a new and innovative tool (iGuide) to facilitate and promote investment in Benin, which was officially launched in 2017. The iGuide is an electronic, reliable and credible tool for directing and informing Beninese and foreign investors online. It simplifies and streamlines administrative procedures for operating in Benin. With this system, Benin became one among the 31 countries with an electronic company registration window as listed in the UNCTAD's Global Registration Index.

The 'Revealing Benin' programme, a roadmap for government action from 2016 to 2021 is based on 45 flagship projects, along with 95 sector-specific projects, which aim to transform the social and economic conditions in Benin through public-private partnership investments. The programme identifies few strategic areas where Benin has competitive edge. Two such important sectors are agriculture and agro-processing and tourism.¹⁸

¹⁸APIEx and Revealing Benin Programme Documents

Agriculture, Agro-Processing, Animal Husbandry and Fisheries

Benin is predominantly an agrarian economy which accounts for 26 percent of the country's GDP and generate around 80 percent of its export earnings. The agricultural sector is the largest source of employment for the labor force with 70 percent of jobs being provided by the sector. It also attracts maximum FDI into the country. Agriculture sector in the country is dominated by cotton. Benin also produces export crops including cashew, coffee, cocoa beans and palm oil. Though cotton accounts for almost half of Benin's exports, less than 5 percent of cotton production is processed locally. Similarly, high quality cashew nuts production has been booming in recent years, but there are very few industrial processing companies.

Beninese agriculture has enormous potential to support national economic growth. The country has 11 million hectares of available agricultural land, of which 17 percent is cultivated annually, 60,000 hectares of available lowlands of which only 11.7 percent are exploited, 1,500 hectares of partially managed areas, and 322,000 hectares of flood plains and valleys that can be developed. The country also has abundant water resources with an estimated 13 billion m³ of surface water reserve and 1.8 billion m³ of groundwater, and good soil diversity that favors agricultural diversification. With a relatively abundant labor force for the farm and a favorable climate for many crops, the country has significant natural resources to meet the food and nutritional needs of its population and to develop as a major exporter of agricultural products.

Investment opportunities exist particularly in the still embryonic agro-food processing industry that has great potential for development in several sectors namely: fruit crops (pineapple, mangoes, oranges, and avocados), oilseeds (cashew, oil palm, coconut, peanut, shea, and cottonseed), tubers and root crops (yams, cassava, sweet potatoes, potatoes, etc) and cereals (maize, sorghum, millet, rice etc).

The niche markets with high export potential as identified by the government include:

- Cotton (investment opportunities in the processing industry in ecru fabrics, textile industry);
- Cashew nut (investment opportunities in the packaging processing and production industry);
- Pineapple (investment opportunities in the juice processing industry, dried pineapple and packing plant);
- Shea (investment opportunities in the shea butter processing industry, in cosmetics and packaging);
- Corn (investment opportunities in the processing and canning industry);
- Cassava (investment opportunities in the processing industry of gari and other derivatives, starch extraction and alcohol production); and
- Opportunities also exist in the rice and palm oil sectors.

The 'Revealing Benin' programme has selected agriculture and agro-processing as a key strategic sector for Benin's development. The government of Benin is planning to establish seven regional hubs of agricultural development, and promote the development of high added-value sectors: pineapples, cashew nuts, cotton, maize, tapioca and rice which would make agriculture the main driver of economic growth, wealth and job creation in the country.

To support large-scale agricultural investment, the government has decided to set up research facilities specific to each sector, and vocational agricultural schools for each hub of agricultural development. Special emphasis will also be placed on instruments and measures which promote private investment in the agricultural and rural sector. Also, 6,000 ha of arable land is to be created in the Ouémé Valley to encourage 2,500 young people to go into the farming business.

In Benin, livestock is the second most important agricultural activity after plant production. Despite this, Benin still remains a country heavily importing livestock products including animals, and frozen meat from Europe and America. The main species reared in Benin are cattle, goats, sheep, pigs, horses, arsons and poultry. The livestock, dominated by cattle, constitutes the bulk of the financial capital of the Family Farms. Transhumant livestock contributes 75 percent of the value of national beef production. Livestock farming activity is growing in Benin and offers very promising economic prospects due to increased demand. Investment opportunities exist in this sector, particularly in the creation of farms, in meat production and the manufacture of dairy products in the country.

The fishing sector is largely under-exploited in Benin. The bulk of fish production (fish, shrimp and crustaceans) comes from sea fishing (industrial and artisanal) and inland fisheries. The domestic fish supply, however, does not meet the consumption needs of locals, resulting in importing nearly 11,000 tonnes of fish per year. Industrial fishing accounts for barely 60 percent of catches. There exist investment opportunities in the sub-sectors of marine fisheries and especially fish farming. Developing local Freshwater Aquaculture is another important area which is necessary to reduce imports of fish products. Another important niche for investors is the creation of cold chains for the conservation of fish products that is almost non-existent in the country.

Tourism and Culture

Tourism sector accounts for a marginal 2.6 percent of Benin's GDP. Despite this, Benin is considered as one of the countries with the most outstanding tourism potential in Africa. The government of Benin plans to transform the tourism industry into a growth sector that creates wealth and jobs, and puts Benin firmly on the international map. Beninese tourism, through its triple dimension (business tourism, ecological tourism and leisure tourism) is an important area with little exploited potential.

Benin has a natural comparative advantage and possesses important prerequisites for successful tourism development, including endogenous natural and cultural assets, including the best wildlife and nature reserves in West Africa, clustered around a compact coastal region and close to key potential source markets. According to the World Bank Country Director for Benin, Burkina Faso, Côte d'Ivoire, Guinea and Togo, Benin's tourism sector has the potential to create up to 30 percent of its GDP and could generate an estimated 30,000 additional jobs¹⁹.

The new Benin Cross Border Tourism and Competitiveness project (CBTCP) aim to increase cross-border tourism and private sector investment in the country's selected key touristic destinations (mainly Abomey-Calavi, Cotonou, and Ouidah) and value chains. The project supports the implementation of Benin's tourism policy for 2013-2025 which aims to increase and improve the tourist offer by upgrading sites, infrastructure, skills and quality of services; promote tourism through marketing, branding and ecotourism development; and reinforce the managerial and sectoral capacities by improving the institutional, legislative and regulatory frameworks, statistics and sectoral financing sources.

The government through Revealing Benin Programme aims to make tourism a sector of economic development through transforming the Pendjari into West Africa's leading wildlife park, revitalizing the lacustrine town of Ganvié as the largest lake village in Africa, building a thematic museum inspired by the activities of the Abomey Kings, building a museum of voodoo art, civilisation and culture in the area around Porto-Novo, and reconstructing the historical city of Ouidah in its original style, and redevelop its historical trails by using vestiges and relics of the slave trade.

Benin is ranked as the 5th most visited West African country, and it requires more promoters agencies and hotel infrastructure. Investment opportunities in

¹⁹ The World Bank Press Release dated March 25, 2016, 'the World Bank Group Supports Tourism Sector Development in Benin'.

the tourism sector include:

- Safari-tourism;
- Discovery tourism;
- Cultural tourism; and
- Tourist amenities.

Niche investment opportunities also exist in the following projects:

- Pendjari Park Development Project;
- Ganvié Lakes City Development Project;
- Abomey-Porto Novo tourism cluster development Project;
- Premium Tourism Development Project - Tata Somba;
- Valuation project of the historic city of Ouidah;
- Seaside resorts development Project;
- Construction project of luxury hotels in the Cotonou region; and
- Tourism Development Project of the Route des Pêches.

Burkina Faso

Burkina Faso, strategically in the heart of Africa, is among the top 10 improved economies in the region. The country is strategically positioned with regional integration allowing access to a broad and growing market. Burkina Faso is among the leading cotton and gold producers in the region. The government of Burkina Faso focus on attracting more FDI and has been implementing, over the years, a number of reforms to make Burkina Faso more attractive to international investors.

Energy Sector²⁰

Burkina Faso is facing an ever-increasing power demand, while energy supply is low and production cost remain very high. According to Power Africa, Burkina Faso has around 3 million households without power. The country lacks adequate electricity generation and faces power shortages which hinder the industrial prospects. The rate of access to electricity in the country remains one of the lowest in Sub-Saharan Africa. According to the World Development Indicators of the World Bank, only 19.2 percent of population in Burkina Faso had access to electricity in 2016. This lack of access to energy compel millions of people, women in particular, to resort to traditional biomass, resulting in major health problems.

Electricity demand in the country has risen by about 13 percent annually over the past decade, against an 8 percent increase in national supply, from 300 MW in 2011 to 321 MW in 2016. The national power supply is dominated by thermal power. In 2016, total energy generated on the electrical network stood at 1,603 GWh, made up of thermal (52.07 percent) and hydropower (8.63 percent) generation and energy imports (39.3 percent) from Côte d'Ivoire and Ghana.

To meet its energy gap, the government of Burkina Faso is adopting a number of programmes and policies. The country has adopted a strategy paper (the National Economic and Social Development Plan, PNDES) for the 2016-2020 period. It aims to create an environment conducive to investment in the energy sector and to revitalize other sectors of the economy by improving access to energy. Although the majority of its power currently comes from diesel and HFO plants, Burkina Faso hopes to become a regional powerhouse for solar power.

The government of Burkina Faso's new energy sector vision is reflected in the "industrial and artisanal transformation" sector policy adopted in December

²⁰Energy Sector Reform Support Programme(PARSE) Burkina Faso, AfDB, July 2018, various World Bank Documents on Burkina Faso and Burkina Faso Investment Promotion Agency

2017. The main objectives of the vision are to: diversify the energy mix by increasing the share of renewable energy in power generation, with special emphasis on solar energy; strengthen the conventional power generation park; promote energy efficiency; and strengthen regional cooperation by developing interconnections.

By 2027, the government intends to achieve a national electrification rate of 80 percent (45 percent in 2020); an urban electrification rate of 90 percent (75 percent in 2020); a rural electrification rate of 30 percent (19 percent in 2020) and to increase the share of renewable energy in total energy production from 14.3 percent in 2016 to 50 percent in 2027. There are also plans to increase in the short term (i.e. at end-2019), the supply capacity (local production and imports) from 325 MW to 1,000 MW; 30 percent of which would be from renewable energy, with the participation of private actors through public-private partnerships (PPPs).

To achieve these objectives, the government undertook to improve the weak regulatory framework through the adoption of Law No. 14-2017/AN of April 20, 2017, laying down general regulations governing the energy sector, and preparation of 15 draft instruments (decrees and orders) for the implementation of the said law.

Some of the potentials identified include the following:

- With a solar radiation higher than 5 kWh / m² / day and considering the current competitive costs of solar equipment, the valuation of solar energy is a real opportunity to seize for the diversification of sources of supply and the reduction of dependence of the country;
- Burkina Faso being a crossroads country, under the system of exchanges of West African electrical energy, will be crossed by lines of transport to serve the neighboring countries. Given its energy

dependence, Burkina Faso has to be active at the regional level to take advantage of regional energy projects but also to play a major role in the regional market; and

- A number of current and future pipeline construction projects (oil and gas pipeline) have been identified in the countries of West Africa: West Africa Gas Pipeline, Bolgatanga-Bingo Pipeline, Zinder-Niamey Pipeline and Pipeline Abidjan-Ferkessedougou.

There exists investment opportunities in:

- Funding, construction and operation of solar power plants with a high production capacity (especially in Koudougou region for the production of electricity for telecommunication plants);
- Setting up of gas-based power plants;
- Building of thermal power plants;
- Production and assembly of photovoltaic modules and solar equipment;
- Construction and operation of hydroelectric dams;
- Pre-electrification of villages with photovoltaic solar systems; and
- Construction of hydrocarbons storage terminals.

Information and Communication Technology (ICT)

Burkina Faso has the vision to build a modern, inclusive and dynamic Information Society. The National Office of Telecommunications (ONATEL) is the incumbent operator of Burkina Faso. The telecommunications sector was opened to competition in January 2006. Telecom sector reforms in the country have resulted in remarkable improvements in its ICT sector. Burkina Faso has created a relatively competitive environment for telecommunication services and has been one of the leading countries in the region in terms of adopting ECOWAS ICT policies and adhering to the supplementary acts.

Though, competition has resulted in a sharp drop in the cost of communications, which is less than 100 FCFA per minute, it has also resulted in an increase in traffic which has had some negative impact on the quality of service. Mobile operators have about six million subscribers.

ICT is part of the PNDES plan and is considered as a key enabler and high potential sector for the country's development. Commitments of government in ICT include connecting all public agencies, schools and health facilities, setting up a unique digital identification (ID) for each citizen and company, improving education, health and rural development by developing and deploying e-services, as well as developing a vibrant local digital industry, through a series of investment in incubation, innovation and research and development (R&D). The PNDES recognizes the implementation of e-Government project and open data as part of its priorities. In January 2013, the country also adopted a digital development strategy (Cyberstratégie Sectorielle e-Gov - Burkina Faso), focusing on key sectors such as education, health, and rural development.

The ICT sector of the country is characterized by a relatively well performing mobile telephony market but an under-performing internet sector. Overall, there are 9.4 percent of internet users in the country, compared to an average 12.8 percent for the ECOWAS region, most of them use mobile internet and are concentrated in the major cities Ouagadougou and Bobo-Dioulasso. High costs of access to internet remains an important barrier to most of the population. There are also regular reports of service interruptions.

Investment opportunities in this sector include²¹:

- Fiber Optic Links, Backbone National Network Deployment, Broadband Internet;
- The development of technologies - TNT, 4G, WIFI, WIMAX, V-SAT;

- The development of mobile solutions (electronic banking, web applications, mobile TV);
- The support of the e-Government project and the putting on line of the public services (data center, digital archiving, computer security, etc.);
- Creation of three techno-poles in the fields of pharmaceutical production, food processing and energy transition.
- Creation of seven university techno-poles;
- Creation of innovation parks on the growth poles of Burkina Faso;
- Creation of a techno-pole dedicated to ICT in Ouagadougou; and
- Development of e-health.

Cabo Verde

Cabo Verde is one of the most politically and economically stable countries in Africa. Foreign investment in Cabo Verde is concentrated in tourism, fishing, transportation and energy. The government of Cabo Verde recognized private investment as the engine for the country's economic growth and strongly seeks to attract investment that will stimulate business activities and modernize the country's economic structure. Keeping this in view, the government has implemented its privatization programme to attract more investors to the country and has created several tax benefits for foreign investors to encourage inward investment into the country. The greatest emphasis is placed on export oriented industries and tourism.

There are few regulatory barriers to foreign investment in Cabo Verde, and foreign investors receive the same treatment as the nationals regarding taxes, license approvals and registration, and access to foreign exchange. Foreign investment in Cabo Verde is concentrated in tourism and light manufacturing. The strategic areas identified for private investment by

²¹PNDES document

TradeInvest Cabo Verde include tourism, renewable energy, sea economy, transportation, agribusiness and ICT.

Tourism

Cabo Verde boasts an incredible year-round climate, resulting in the country being named as the “Caribbean without the hurricanes”. It has an array of fine beaches, a warm and sunny climate, and a population known for its hospitality. The waters of Cabo Verde host one of the world’s top ten coral reef biodiversity hotspots; globally important mating and calving sites for humpback whales; and important breeding and foraging grounds for five species of sea turtle²².

The country has a strategic geographical location and is just four hours direct flight from mainland Europe with flight connections from around the world. Four islands Sal, Boa Vista, Santiago and Sao Vicente have international airports. The country receives a steady flow of tourists annually. According to the World Travel & Tourism Council (WTTC), Cabo Verde has attracted 717,000 international tourist arrivals in 2017. Cabo Verde is targeting to increase this to 1 million international arrivals by 2020.

Tourism on the islands is constrained due to scarce physical infrastructure and utilities, limited product diversification, insufficiently trained human resources, and limited economic linkages through employment or procurement.

Currently, the island of Sal alone accounts for around 65 percent of tourism activities in the country. The government has recognized the importance of this sector and intends to further expand the industry over the coming years. The Ministry of Tourism, Investment and Business Development (MTIDE) is responsible for the sector, and the General Directorate of Tourism (DGT) is the central tourism authority. Cabo Verde has set ambitious targets for the expansion of its tourism industry. This results

in an increasing need for modern accommodation facilities on other islands as well. Several global hotel chains have invested into the archipelago including Hilton. Main business opportunities in the tourism sector include:

- Constructing and managing hotels and resorts (luxury hotels, resort hotels, executive hotels, fishing and diving hotels);
- Low cost air transport;
- Rural tourism and ecotourism;
- Cruise tourism;
- Water sports and tracking;
- Health tourism;
- Construction services for tourism projects; and
- Supplying goods or services for tourism undertakings.

Fisheries

The extensive exclusive maritime area of Cabo Verde of 782,000 sq.km is characterized by deep oceanic waters, a coastal line with 1.02 km and a total accumulated area of the continental shelf of 5,394 sq.km.²³ Fisheries in Cabo Verde are characterized by considerable biodiversity with more than 100 species, several taxonomic groups (fishes, mollusc, crustaceans and other invertebrates), many different ecosystems (coastal ecosystems, seamounts ecosystems and open ocean ecosystems), important genetic resources (endemic species) and a wide variety of the predator-prey and abundance-density relationships.²⁴ There is an average annual catch of 9.445 tons per year, 47 percent being caught by artisanal fishers’ fleet and 53 percent by semi industrial fleet, and mainly comprising coastal pelagic species, oceanic species and sharks. The fishing industry of the country is growing and contributes to a large portion of the country’s exports. The export of fresh and frozen products represents about 80 percent of the total produce exported from Cabo Verde.

²²Cabo Verde, project Document, UNDP and World Bank

²³Cabo Verde: Multi-sector Market Study Focused on Tourism Value Chain Development, Netherlands Enterprise Agency, 2017

²⁴UNDP

Thus, Cabo Verde's waters are rich in under-exploited marine resources, creating a great potential for investments in the fishing industry. In terms of food security, fish provides the population of Cabo Verde with their main source of animal protein. It is estimated that about 80 percent of the fish eaten on the tourist islands and 90 percent of fresh fruit and vegetables are imported. Effective local sourcing of fish, fruits and vegetables would save significant costs for the tourism sector, improve the quality of food for tourists and avoid long delays. Investment in fishing sector could pave way for modernization of fleets and an increased catch size. Substituting locally caught fish for fish imported by the tourism sector could generate more employment opportunities in the country.

Most industrial fishing vessels are based in the port of Mindelo, the only landing port in the country with adequate support infrastructure for the export market and a complementary canning industry associated market. The port of Praia, located near the largest center of domestic consumption is the second landing port of the industrial fleet.

Thus, there is a need to improve the capacity of local producers to supply the tourist sector and partly substitute imports. To operate in the semi and industrial category, heavy investment capitals are required for vessels, equipment, facilities, licensing and authorizations for capture and trade, capacity building and operational costs (including maintenance, fuel, etc.). The government aims to promote a strong and dynamic business community. Opportunities for investment in the sector include:

- Cold storage and freezing facilities and fish processing plants.
- Modernization of the fishing fleet;
- Development of infrastructure in fishing communities;
- Promotion of aquaculture projects in the processing industry; and

Côte d'Ivoire

Côte d'Ivoire is one of the fastest-growing economies in Africa, supported by a strong macroeconomic environment, a solid position in international markets and a large amount of significant natural resources. Côte d'Ivoire is among the largest producers and exporters of coffee, cocoa beans and palm oil. Some of the priority sectors for investment in the country include:

Real Estate

Côte d'Ivoire in the recent years has been introducing various reforms in property registration, development programmes, and efforts to improve the business environment in the country. This has resulted in creating strong investment opportunities in housing finance and housing development sectors. Supported by various reforms, a lot of FDI has come into the sector for developing urban infrastructure and housing in the recent years. There is still a need to innovate housing finance to bridge the gap between demand and supply of adequate and affordable houses.

Côte d'Ivoire has a deficit of 400,000-600,000 housing units, half of which is in Abidjan. The demand is estimated to be growing by 40,000-50,000 units every year.²⁵ The legal framework for housing facilities has changed in recent years. Providing decent, affordable housing has become a key legislative component of Côte d'Ivoire's government, especially the need to strengthen the financing options for home buyers and real estate developers. The government has prioritized housing development through supporting real estate projects, and providing insurance for mortgage loans issued by banks. The country has the lowest mortgage interest rates in the region²⁶.

²⁵New players in Cote d'Ivoire's real estate sector spur competition as government works to facilitate access to home loans, Oxford Business Group

²⁶Invest in Côte d'Ivoire: A business guide for Africa's fastest-growing economy, March 2017, Deloitte

Potential also exists in industrial, office space and retail sectors. In terms of space for industry and manufacturing, Côte d'Ivoire has an estimated 7,000 ha of industrial-zoned land, of which about 1,800 ha is in Abidjan. The demand is particularly high in San Pedro, where the development of the port and new cocoa-processing units entailed increased needs in high-end accommodation. Hence, there exists vast opportunities for investment in industrial area development projects.

There is also an increased demand for class-A office space driven by the country's economic growth and the arrival of foreign firms over the past five year. Hence, investment opportunities exist in construction of new office space as well as the rehabilitation of existing office space areas. Available office space in the country's economic capital often fails to satisfy the conditions of incoming foreign firms. With unmet demand in various real estate segments, public and private initiatives to expand real estate offerings are expected to continue in the near future.

Energy Infrastructure

As a part of the National Development Plan 2016-20, Côte d'Ivoire has set a goal of making the country an energy hub in Sub-Saharan Africa by providing quality, cheap and abundant energy to national and sub regional population. Côte d'Ivoire was one of the first countries in Sub-Saharan Africa to privatise its electricity sector and to introduce independent power producers (IPPs).

Investments in the energy sector are at the centre of the strategy for developing the country as an emerging market. A new energy policy was adopted in 2013 which aims to increase renewable energy share in national energy mix from 1 percent in 2015 to 16 percent in 2030; diversify energy production sources from 80 percent fossil fuel and 20 percent renewables in 2015 to 66 percent fossil fuel and 34 percent renewable in 2020; and further to 58 percent fossil fuel and 42 percent renewable energy in 2030.

The electricity system in the country has been stable with a very low rate of shortages. Côte d'Ivoire is a net exporter of electricity to neighbouring countries in the West African Power Pool (WAPP). The country has an extensive electricity network, moderate electricity prices and a reliable service. While the country's electricity grid is relatively expansive and access rates are high, the actual share of household connection is low, mainly due to the upfront cost of connection. The electricity production capacity of the country is estimated to have reached 2,020 MW in 2017, of which two-third is being produced by gas-fuelled thermal power plants. Electricity demand is expected to continue increase as investment grows in sectors including manufacturing and mining. More hydropower, biomass and solar power projects are critical to diversify the energy mix and meeting the future demand.

In 2016, the government of Côte d'Ivoire adopted following measures to support its energy plan: proper conditions for independent producers to be able to sell to the grid, replacement of the current regulatory authority, revision of current power prices, and development of guidelines on power marketing and distribution. In response to high economic growth, the country needs an average of 150 MW of additional production capacity per year in the system in order to meet the increasing demand. Côte d'Ivoire plans to increase its current capacity to 4,000 MW by 2020, using both gas and hydroelectric power. The country plans to invest US\$ 20 billion over the next 15 years.

Potential for investment in the sector exists in the following areas²⁷:

- Generate sufficient electricity and demand side management;
- Increase installed capacity by approximately 150 MW each year;
- Diversify the generation mix, which currently depends heavily on domestic natural gas;

²⁷Oxford Business Group

- Increase participation of independent power producers (IPPs); and
- Restore the financial viability of the energy sector – tariff adjustments and loss reduction.

Opportunities also exist for providing²⁸:

- New plant equipment and related systems;
- Process automation and systems control equipment;
- Gas-to-Power technologies;
- Renewable energy solutions;
- Energy efficiency and demand side management (DSM); and
- Supply of transmission and distribution equipment.

The Gambia

The Gambia has a small economy that relies primarily on agriculture, tourism, and remittances. Sustained improvement in basic infrastructure of the country has taken place in recent years, including the notable expansion of the road network, telecommunication system, seaport and airport and the electricity system. The government of the Gambia encourages investment in almost all the sectors of the Gambian economy. In the wake of new national policies aiming at deregulation, divestiture and opening up, the government has given highest priority to agriculture, especially in horticulture, floriculture, animal husbandry, fruit / vegetable processing and canning; fisheries and forestry exploitation; tourism and travel; light manufacturing and assembling; energy (electricity); mineral exploration and exploitation especially in the country's hydrocarbon potential; communication and services.

Energy Sector²⁹

The demand for energy has far outstripped the ability of the State owned utility to supply to the country in the wake of rapid growth in the population of the

Gambia. Firewood, electricity, petroleum imports, and liquefied petroleum gas (LPG) are the major energy sources in the country. Poor state of transmission and distribution system in the country result in high technical losses and un-metered consumption which is estimated at about 40 percent. The country also experiences extremely high cost of energy estimated at an average of US\$ 0.18. The provision of efficient, reliable and affordable energy that is sustainable and environmentally sound has become a priority for the government. The country receives 2,500 hours of sunshine yearly, providing greater opportunity for generating solar energy in large scale.

Electricity generation capacity of the Gambia with an effective installed capacity of 65 MW is substantially below demand. To meet the increasing demand and to attract the private sector investment, the government of the Gambia has initiated various incentives such as Feed-in-Tariffs for renewable energy and standard power purchase agreement (PPA) and established the Gambia Renewable Energy Center (GREC). According to the Gambia SE4ALL investment prospectus, the Gambia's electricity prices are estimated to be among the highest in the world, necessitating the use of alternative energy sources such as bio-diesel, steam, solar and the wind. Recognizing the high suppressed demand and a weakness in the transmission and distribution network, it is estimated that the country needs an additional capacity of 135 MW from 2014 to 2020. The financial requirement for the same would be US\$ 182 million for the period 2014 to 2020. The government has planned a new transmission line of 132 KV power between the two main power stations (Kotu and Brikama) in the Greater Banjul.

The government plans to collaborate with various entities for the development of renewable energy through Research and Development. The government also encourages the use of other energy sources. The utilization of solar PV equipment is increasing in the country for industrial, commercial and domestic uses. Similarly, use of biomass (agricultural waste such as

²⁸Cote d'Ivoire – Energy, export.gov

²⁹The Gambia SE4ALL investment prospectus, 2014

saw dust, groundnut shells, and straw) is also seen to be increasing. The government is encouraging use of windmills for powering water pumps, resulting in increased use of the same throughout the country.

Investment opportunities exist in the following areas:

- Increasing electricity generating capacity;
- Improving the state of transmission and distribution system;
- Improving efficiencies to reduce the extremely high cost of energy; and
- Encouraging green energy through use of solar energy and windmills.

Renewable energy is an area offering remarkable opportunity for enhancing the energy production in the Gambia. Investment opportunities in renewable energy resources include:

- Utility-scale power generation in urban and peri-urban set-ups;
- Mini-grid or off-grid solutions in remote and rural areas; and
- Non-electric applications such as solar drying and efficient and clean cooking.

The average annual solar insolation is 4.5 – 5.3 kWh/m²/day representing a high generating potential for PV Power Plants, Solar Home Systems (SHS), solar heater for the domestic and hotel industry and Hybrid Diesel-PV Systems. Harvesting waste resources from municipalities, industry, agriculture and livestock, and fuel wood (firewood and charcoal) at a sustainable level offers potential for bioenergy development in the country. Potential also exists in ensuring:

- Energy Efficiency in the traditional household energy sector;
- Energy efficiency in the electricity and heat sector;
- Efficient lighting: the use of efficient bulbs is one

of the cheapest and quickest means of reducing the electricity demand, especially for the peak hours;

- Efficient appliances such as televisions, refrigerators and air conditioners;
- Energy Efficiency in Industry: efficient machinery, equipment and natural light in large spaces. The use of Combined Heat and Power (CHP) in the power sector to re-use the heat; and
- Energy Efficiency in Buildings.

Tourism Sector³⁰

The Gambia is renowned as the 'Smiling Coast of Africa'. It is an attractive tourism destination given its unique geographical position and strategic location combined with proximity to Europe and English as the official language. The country is endowed with numerous investment opportunities in the tourism value chain. The unprecedented increase in tourist arrival numbers over the years coupled with the robust government strategy to boost tourist and increase arrivals to half a million by the year 2020 reinstate the potential of the sector. The government of the Gambia is committed to an orderly development and expansion of the sector, especially cultural and eco-tourism. The expansion of infrastructure in designated tourism development areas including natural forest parks, land marks and monuments of cultural significance are considered under the sector's development strategy. There exists investment opportunities in:

- Maritime infrastructure – notably marinas;
- Development of new 4 star and 5 star hotels;
- Upgrading of budget hotels to 3 star and 4 star hotels;
- Eco-tourism;
- Recreational parks;
- Integrated resorts;

³⁰The Gambia Tourism Board

- Community, culture and heritage tourism;
- River cruise excursions;
- Eco-village and community based tourism;
- Bike trails;
- Bird watching and recreational fishing; and
- Golfing.

With the untapped potential in the tourism industry, there is urgent need for further strengthening of the industry with investments in the value chain. The government of the Gambia, through the Gambia Investment & Export Promotion Agency, has introduced a number of incentives including tax breaks and allocation of land for investment under a lease scheme to encourage and facilitate investments in the tourism industry.

Ghana

Ghana is among the most favoured investment destinations in West Africa, behind Nigeria. Ghana has recently embarked on a reform programme to improve the investment climate for investors. According to the Ease of Doing Business Report 2018, Ghana, at 120th place, is ranked as the best place for doing business in West Africa. The Ghana Investment Promotion Centre (GIPC) was declared as the Best Investment Promotion Agency (IPA) in West and Central Africa for the second time at the 2017 Annual Investment Meeting (AIM) Awards in Dubai, UAE. The major sectors receiving investment in the country include agriculture and agro-processing, financial services and telecommunications sectors. Further opportunities exist in manufacturing, ICT, and tourism. With the availability of mineral deposits including gold and diamond and the discovery of oil, Ghana is attracting more investment in the mining sector in the recent years.

Ghana's location in the region provides a distinctive advantage for developing the country as a hub for

regional and international trade and commerce. Recognizing the indispensable role of private sector investment and public-private partnerships (PPPs) in addressing the financing gap and improving the quality of infrastructure services, Ghana is currently pursuing an accelerated development of its economic and social infrastructure. The country has identified the role of private sector participation in financing, managing and operating Ghana's infrastructure assets as the key to achieve its infrastructure goals.

ICT and Telecommunications³¹

Ghana's ICT Sector has made remarkable progress over the past two decades. Ghana was one of the first countries in the region to introduce widespread liberalization in basic telecommunications services. The Ministry of Communications and the National Communications Authority (NCA) oversee activities in the sector.

The country's ICT Industry comprises telecommunications operators, internet service providers, VSAT data operators, software manufacturers, broadcast institutions, ICT education providers, and internet cafés. The infrastructural base of the sector includes licensed gateway operators, undersea cable connectivity, private licensed VSAT systems, fixed wired line networks, wireless mobile operators, public telephones systems, telecentres, dedicated transmission networks, public distribution networks (cable, TV, DSL, etc), internet backbone connectivity throughout the country, public access point and broadcasting systems.

Ghana has established the necessary legal and regulatory framework to guarantee the safety of investments in the ICT industry. The ICT for Accelerated Development (ICT4AD) Policy is a long-term strategy of the government for developing the ICT Sector and expanding its role in the Ghanaian economy. The ICT4AD vision for Ghana is "to improve the quality of life of the people of Ghana

³¹Ghana Investment Promotion Centre

by significantly enriching their social, economic and cultural well-being through the rapid development and modernization of the economy and society using information and communication technologies as the main engine for accelerated and sustainable economic and social development.”

Ghana currently has 6 registered and functional mobile operators - MTN, Vodafone, Expresso, Tigo, Glo Mobile Ghana and Airtel. Vodafone and Airtel are the only two fixed-line operators. The mobile penetration rate in Ghana has surpassed 100 percent. However, this does not imply that every Ghanaian has a mobile phone. The high penetration rate can be attributed for multiple sim cards and ownership of multiple mobile phones. It is estimated that mobile phone ownership in the country is just around 16 million. There also exists opportunity for growing the voice market. The internet subscriptions per 100 population are lower than the annual internet penetration as the majority of Ghanaians make use of internet cafes.

Another favourable area for investment is the mobile money sub-sector. The sector is expected to witness high growth in the coming years on account of favourable regulatory environment and pro-financial inclusion policies. Interoperability of mobile payments is one of the key priorities of Ghana. The government aims to make Ghana a competitive destination for Business Process Outsourcing by identifying it as a focus area for development and as a major economic driver. This culminated in the establishment of the IT Enabled Services (ITES) Secretariat, an implementing arm of the Ministry of Communication, to promote and develop the sector to become a large source of income and employment generation in the country.

The booming oil and gas sector in Ghana demands for a better all-around service to support their growth. Telecom companies are on a construction and expansion spree to improve quality and stability of infrastructure. Installations are also expected to increase network capacity in order to cope with

upcoming traffic increases. The introduction of more competitive service bundles and specialized data products is equally important.

There exists considerable investment opportunities in the ICT sector. The ICT sector requires service providers in connecting international voice calls to the local public network. Internet service providers are required to offer internet access to the public especially in the rural areas at less cost, and broadcasting operators to establish Radio and Television broadcasting in the country.

There is also a lack of ICT facilities and infrastructure on a broad scale across the nation. Investments are needed in providing software, extending broadband network to reach the entire country and to provide computer access to rural students. Technological and other support related services such as the supply of quality telecommunications equipment, ICT equipment and office and network equipment are also required. There are also opportunities in the following areas:

- Education in the area of software development, networking, VSAT, telecommunication and IT engineering;
- Production of business solution (software and networking services);
- Business Processing Outsourcing;
- Supply of high-tech telecommunication equipment;
- Back office operations (especially for the financial institutions);
- Provision of broadband facilities and services;
- Internet service provision service;
- Transaction processing;
- Manufacturing, assembling and supply of computers and accessories;
- VSAT services;
- E-commerce and legal database services; and

- Logistics management services and medical transcription services.

Mineral Processing

Endowed with substantial mineral resources, a well-established and high growing mining sector, mineral industry represents an important pillar of the Ghanaian economy. Investment promotion remains a major objective of the industry with a comprehensive vision to facilitate greater exploitation of Ghana's industrial minerals. The Minerals and Mining Policy, developed by the Ministry of Mining aims to promote diversification in the sector to lesser known minerals, and to provide forward and backward linkages between the mining sector and other sectors of the economy. Meanwhile, the Ghana Geological Survey Authority Act, 2016 was passed by the Parliament to enhance and support new mineral discoveries in the country and diversify the country's mineral resource base from the traditional minerals.

Globally, Ghana is renowned for four important mineral resources, namely gold, diamonds, manganese and bauxite. As per the investment authorities, the country has the potential to build a vertically integrated aluminum industry which could utilize the full value chain of bauxite development; mining bauxite, refining bauxite into alumina and smelting alumina into aluminium for export and local consumption, and fabrication of aluminium products, among others.

Investment opportunities in the mining industry are mainly in the areas of exploitation, production and industrial processing of these minerals, including:

- Production of industrial minerals for both local and international consumption; and
- Applications/processing of industrial minerals in the areas of construction, ceramics, paints, electronics, filtration, plastics, glass, detergents and paper.

Opportunities in mineral production include:

- Companies to set up refinery facilities to serve the local industry for value-added products;
- Companies to exploit and produce solar salt. Potential exists for the utilization of part of the salt to produce caustic soda which is a raw material for the soap and detergent industry. The chlorine co-product can also be used as water treatment chemical and also serve as raw materials for the production of various health and sanitation chemicals;
- Companies to produce clinker for the mining industry. Demand for clinker is estimated at over one million metric tons per annum;
- Companies to exploit the extensive deposit of granite to produce high quality floor tiles;
- Companies to produce dimension stones for the building industry; and
- Suppliers to supply salt for the local market.

Opportunities in Engineering and Services include:

- Service companies to provide support services, including contract drilling, assay laboratories, contract mining and geological consultancies to mining companies in the country;
- Companies to set up manufacturing plants and machinery for the mining industry; and
- Companies to set up downstream production facilities to manufacture key inputs for the mining industry (mill balls, drill bits, cyanide and activated carbon).

Guinea

The government of Guinea has set up the Investment Promotion Agency of Guinea (APIP – Guinea) with the vision of making Guinea the trade and investment hub for Africa by 2025. APIP - Guinea is committed to being the core support system for the private sector and to provide a one-stop-shop for

investors. Guinea, being richly endowed with natural resources, possesses over 25 billion metric tons of bauxite. It is considered that bauxite reserves of the country accounts for around half of the world's reserves. Additionally, Guinea has over 4 billion tons of high-grade iron ore, significant gold and diamond reserves, and undetermined amounts of uranium and prospective oil reserves, the majority of which is yet to be extracted due to insufficient infrastructure. Since 2013, the government has adopted a new policy with the objective of providing maximum profit incentives to investors, extending the volume of tax revenues and promoting local added value.

Agriculture and Fisheries³²

Guinea's agricultural sector has great potential and could serve as the engine for eventual accelerated growth and sustainable employment creation. This potential can ensure food security in the country, increase revenues from exports, mainly from cash crops, and facilitate profitable investments with high added value. Identified as a key growth sector along with mining and energy, the agricultural sector has undergone diversification trends with the revival of cotton farming and the development of rubber and palm plantations. Since 2007, the government has adopted a National Agricultural Development Policy (PNDA), based on the National Agriculture Investment and Food Security Plan (PNIASA), which is aimed at developing a modern, sustainable, productive and competitive agriculture in the intra-regional and international markets. The private sector plays a leading role in achieving these objectives, particularly in the areas of procurement, production, marketing and agricultural services.

The agricultural sector presents an agro-ecological diversity favoring the development of diverse production systems. Opportunities for investment exist in the following areas.

- Industrial milling of rice;

- Pineapple and papaya plantation;
- Vegetable and fruit plantation;
- Crop protection products, fertilizers, coenzymes, seeds and plants;
- Producing and processing *néré*, shea butter, cashew nuts etc.;
- Producing and processing cereals;
- Producing and processing niche products (sesame, shea, fonio, Ziama coffee, chili peppers, ginger, peppers etc.);
- Promoting agricultural export crops (coffee, palm oil, rubber, pineapple, mango, etc.);
- Rice farming;
- Irrigation services;
- Processing and packaging agricultural produce; and
- Industrial Processing of fruits, potato, cassava and other tubers.

Guinea has significant commercial fishing and aquaculture potential composed of four large groups of species - pelagic fish, demersal fish, cephalopods, and shrimps. It has a coastline of more than 300 km and a continental shelf which is among the largest in West Africa, and extend beyond 80 nautical miles offshore. The fisheries sector has been identified as a potential source for the country's economic growth to reduce poverty in both urban and rural areas and to ensure food security by meeting the population's animal protein need. Opportunities in the sector include the following:

- Constructing cold storages and exporting fresh seafood;
- Constructing fish processing units that meet quality standards;
- Building fish packaging materials plant;
- Developing distribution and marketing channels in the domestic market for seafood;

³²Ministry in charge of Investments and Public Private Partnership, Guinea

- Promoting the export of smoked fish;
- Installing and repairing fishing equipment;
- Motorized small-scale fishing (engine power 15 - 40 hp and engine power 40 - 250 hp);
- Inland fishing and industrial fishing;
- Maritime security;
- Maritime care;
- Fisheries surveillance; and
- Create a central fisheries supply point.

Energy and Hydraulic Sector

The Guinean energy sector with a capacity of 6,000 MW is also a priority growth sector. Guinea's abundant rainfall, sunny weather, and natural geography is suitable for hydroelectric and renewable energy production. For decades, this potential has not been exploited adequately. Guinea has huge energy potential but the power generation capacity is still insufficient to meet national consumption needs and favor accelerated growth objectives. The government is seeking backing for even larger hydroelectricity projects and investing in distribution infrastructure to become an energy supplier in West Africa. The potential of hydropower generation, transmission, distribution, interconnection and maintenance of the energy sector is estimated at 6,000 MW for an annual energy supply of 19,300 GWh. In Guinea, the average rate of access to energy services is 18.1 percent; 47.8 percent in urban areas and 2 percent in rural areas. Energy consumption is concentrated in urban areas while it is almost unavailable in rural households.

Energy consumption per capita is less than a half ton of oil equivalent (TOE), of which 80 percent is from biomass. Firewood and charcoal are the main energy sources for Guinean households. The medium and long-term goal is to replace this through the development of renewable energy. Thus, marked by a chronic energy deficit despite huge natural potential,

the government is engaged in an emergency recovery policy with the deployment of substantial resources in a strategic perspective through 5 axes:

- Investment in infrastructure;
- Improvement in management;
- Professionally responding to demand in case of shortage in power supply;
- Restructuring and strengthening Electricité de Guinée (EDG) Private Management; and
- Restructuring and strengthening the capacity of the sector.

Opportunities exist in the following areas:

- Constructing and managing hydroelectric dams;
- Constructing and managing solar power stations;
- Constructing and managing thermal power plants;
- Equipping, renovating and maintaining water distribution systems;
- Service delivery;
- Drinking water production and distribution;
- Rehabilitation of the Donkéya Hydropower Plant;
- Strengthening electricity networks rehabilitation and extension of distribution lines in the commune of Matam; and
- Project for the rehabilitation and extension of distribution lines in the communes of Ratoma, Matoto, Dubréka and Coyah.

Guinea-Bissau

In recent years, Guinea-Bissau had been able to attract relatively substantial amounts of foreign investment. Its geographic situation makes Guinea-Bissau a convenient location for transporting goods to and from world markets. Guinea-Bissau has abundant natural resources which are severely under-exploited. The country has untapped potential with large mining resources (offshore oil and mines -

phosphates, bauxite), fertile soils, and the possibility of developing fishing and tourism. The country is also endowed with abundant supply of timber as well. The tourism sector is also being developed and receives growing investments notably in the Bijagos Islands. The priority of the government is to increase foreign investment in the agriculture and energy sectors, which are two key drivers of the economy.

Terra Ranka – Guinea-Bissau’s strategic plan for 2025, aims to transform the country into a prosperous and inclusive society that fosters rising living standards based on the sustainable development of country’s exceptional land and marine biodiversity by 2025. It identified four growth engines to transform the country into a diversified economy by 2025 - agriculture and agro industry, fishing, tourism and mining.³³

Agriculture and Agro Industry

According to the Terra Ranka document, mainstays of agriculture and agroindustry in the country would be the development of cashew and rice sectors. As a staple in Guinea-Bissau, rice accounts for most of its food imports. Guinea-Bissau aims to achieve a four-fold increase in the revenue generated by the cashew sector between 2015 and 2025. This would be through processing 30 percent of domestic production locally and by building technical and financial partnerships with the key international players and by setting up a “Cashew from Bissau” label.

Guinea-Bissau intends to achieve rice self-sufficiency by producing 450,000 tonnes by 2020, and become a net exporter by producing over 500,000 tonnes of rice by 2025. These require developing rice-growing in 54,000 hectares of rain-fed lowlands and mangroves in the country, and through the improvement of rice-growing methods and the reconstitution of the country’s seed stock. In addition, government is planning to reorganize the storage and distribution systems. A policy for supporting the rice sector is

being promoted in the country, targeting young producers and implementing funding mechanisms for marketing and rice processing campaigns. The government has identified following areas for development of the sector:

- Setting up reference laboratory for agro-industry;
- Enhancement of the cashew value chain;
- Vegetable production program (including development of rain fed lowlands and mangroves for rice production);
- Promotion of animal production (including supporting infrastructure); and
- Horticulture development through development of 500 ha of market gardens (NAIP).

Other potential areas of investment include³⁴:

- Production of drinks;
- Wood industry;
- Production of machinery for agriculture purpose;
- Cashew nut – production and processing;
- Production, processing and exportation of maize and other cereals;
- Processing flour from manioc;
- Production of food for animals;
- Production and processing palm oil for the production of soap; and
- Processing and conservation of fish.

Tourism

Guinea-Bissau’s tourism industry is among the less developed in the region, though the country is well endowed. Given its location, climate and vast stretches of unspoiled natural beauty, tourism development is a major focus of government investment. There are a number of hotel development projects seeking for joint venture and/or financing including construction of 5 Star hotels, bar and restaurants and recreation

³³Strategic and Operational Plan for 2015-2020 – “TERRA RANKA”, Guinea-Bissau, December 2015, OECD

³⁴Fortune of Africa

facilities. Ministry of Tourism, Environment and Traditional Arts (MTAA) is the authority responsible for overseeing tourism in Guinea-Bissau.

Guinea-Bissau aims to become a world-renowned destination for ecotourism and beach resort tourism in 2025. The Bijagós islands would serve as the country's tourism "bridgehead" by 2020, within the framework of a Special Tourism Zone managed by a dedicated agency. The promotion of the Bijagos islands would be handled by this agency, with the aim of transforming the island to become the flagship of world renowned, high-end ecotourism services and deep sea fishing. For achieving this, the archipelago needs to undergo an emergency infrastructure development programme and become a model of excellence for responsible ecosystem management, participatory and inclusive development and thriving local communities. This would take place through

- Ecotourism development in the Bolama-Bijagós archipelago (establishment and operationalization of the Bijagos special tourist area agency);
- Development of National Tourism Transportation Network; and
- Planning and promotion of a network of parks (Varela, Pecixe, etc.).

Other potential areas of investment include:

- Tourist zones project, which will extend throughout the country;
- Opportunities in developing and maintaining national parks and reserves;
- Eco-tourism projects;
- Barbeque Port cruise-ship project;
- Sport tourism;
- Fishing tourism;
- Tourist resort projects in the Bijagos Islands;
- Bijagos islands hotel projects;

- Cultural tourist projects;
- Conference-tourist hotels in Bissau; and
- Tourist resort project in Saltinho.

Liberia

Liberia is slowly overcoming the devastations caused by 14 years of civil war, the Ebola crisis and the commodity price shocks in the country, requiring huge investment in its priority areas. Liberia has opened its economy, offering great opportunities for investors. As part of Liberia's drive to transform its economy, the government of Liberia is seeking foreign investment across a variety of sectors, including agriculture and agri-business, water, energy, infrastructure, manufacturing and tourism. The government of Liberia guarantees adequate security and legal protection to all investors. The National Investment Commission (NIC) of Liberia has identified various sectors including road transport, coastal transport, fisheries, and fruits and vegetables as the sectors with immediate investment opportunities. There are also a wide range of investment opportunities and prospects in agriculture, mining, energy, construction and real estate, telecommunications, financial services, travel and tourism, medical equipment and pharmaceuticals, and storage and warehousing. Provision of high-speed internet services to schools, universities and colleges is particularly an attractive strategic investment opportunity in the telecom sector.

Healthcare

The civil war (1989 to 2003) has left the health system of the country dysfunctional with the destruction of the infrastructure and severe health workforce shortages. Since then, the country has made great effort to rebuild its health system through various reforms and introduction of the Basic Package of Health Services (BPHS), which is changed to the Essential Package of Health Services (EPHS) under the National Health Policy and Plan 2011-2021.

³⁵Investment Plan for Building a Resilient Health System, Liberia 2015 to 2021

³⁶World Development Indicators, World Bank

The main health policy document in the country is the National Health and Social Welfare Policy 2011-2021, which identifies priority areas including de-concentration, access to basic services, increasing the health workforce and expanding the package of health services. The health strategy aims to transform the healthcare system from a highly centralized to a decentralized client centred healthcare delivery system, focusing on the EPHS.

The per capita health expenditure of Liberia stood at US\$ 69.3 in 2015, increasing from US\$ 41.6 in 2013. Out-of-pocket expenditure accounted for 19.6 percent of current health expenditure. The total number of health facilities in the country has increased from 618 in 2010 to 725 in 2014. Overall, 22 percent of the health facilities were private-for-profit, of which nine out of ten were located in Montserrado and Margibi counties. The 2014/15 health facility assessment indicated that 13 percent of facilities did not have access to safe water, 43 percent had no functional incinerators, while 45 percent did not have a primary power source for emergency lighting³⁵. 71 percent of the population live within 5 km of a health facility. However, there exist significant variations across counties: it ranges from 32 percent in Gbarpolu to 96 percent in Montserrado. The public health workforce included 0.03 physicians per 1,000 population, 0.08 physician assistants per 1,000 population, 0.4 nurses per 1,000 population, and 0.12 midwives per 1,000 population in 2015.³⁶ The government seeks to improve the health status of all Liberians.

Some of the priority areas of investment in healthcare as identified by the government of Liberia include³⁷:

- Extending and remodeling existing facility infrastructure to ensure that they are appropriate for epidemic management, have functional utilities (i.e. water, power) and are enabled to deliver high quality services. This remodeling shall also focus on staff housing, upgrading of laboratories, building 15 maternity waiting homes and 14 wellness and rehabilitation units;
- Upgrade three existing county hospitals (JJ Dossen, Phebe and Redemption) to regional hospitals with training capabilities and 12 clinics to health centres;
- Accelerate completion of 17 unfinished health facilities;
- Build a National Reference Laboratory, Medical Diagnostics Laboratory and 4 Regional Laboratories, upgrading 1 Laboratory at Phebe to Regional Laboratory standards;
- Build a National Public Health Institute;
- Build a National Biobank;
- Support renovations at John F. Kennedy Medical Center to solidify it as Liberia's primary referral and training hospital (renovations to occur at JFK's medical center, maternity hospital, Catherine Mills Mental Health Center and TNIMA campus);
- Establish robust management and maintenance systems for facilities, fleet and equipment and strengthen referral/transport network;
- Construct new required health facilities guided by norms to increase access to care; and
- Build adequate warehouse capacity for National Drug Service at national and county level.

Road Transportation

The 14 year conflict in the country has severely damaged its infrastructure. A lot of investment has been made in road infrastructure by the government and partners since 2007, though a lot more is required. The IMF has identified that the length of the road network in the country is lower than that in peer countries. The quality of road infrastructure in Liberia is also perceived as much worse than the average of ECOWAS member countries, and is ranked as one of the lowest in the world.³⁸ The country has made solid progress in the recent years in rehabilitating transport infrastructure with the support of the World Bank and other international agencies. The

³⁷Investment Plan for Building a Resilient Health System, Liberia 2015 to 2021, World Bank

³⁸Public Investment Management Assessment Liberia, IMF, November 2016

setting up of the Liberia Reconstruction Trust Fund (LRTF), a multi-donor trust fund for infrastructure administered by the World Bank and supported by the EU, and governments of Germany, UK, Sweden, Norway and Ireland is a major step in this direction.

The National Road Infrastructure Strategic Goals include connecting all county capitals to Monrovia with paved roads; prepare detail engineering designs as the basis to attract construction funding; plans to establish road maintenance fund and establish Roads Authority. Liberia has a total of 734 km paved roads, 1,423 km primary laterite roads, 2,350 km secondary laterite roads and 5,410 km feeder roads. The road infrastructure priorities identified by the government include³⁹:

- Buchanan (Grand Bassa County) to Greenville (Sinoe County);
- Gbarnga (Bong County) to Medikorma (Sierra Leone Border);
- Part-Financing construction of primary highway from Ganta – Tappita;
- Financing construction of primary highway from Tappita – Fish Town;
- Rehabilitation of Monrovia to Bo-Waterside border and Sanniquelle to Côte d'Ivoire (Danane); and
- ELWA (Monrovia) to Roberstfield International Airport road.

The transport corridor expansion plan also requires paving extensions to major road corridors, and linking Somalia Drive to Sinkor in Monrovia. Some of the investment opportunities exist in:

- Provision of Mass Transport Services;
- Public Parking Facilities;
- Construction of bus stations and bus services;

- Construction and management of road links (toll road system) as reform progresses for fair payments for road users; and
- Long term road maintenance initiatives.

Mali

Since the 1980s, gradual liberalization of the economy and privatization of key sectors of the economy such as telecommunications, energy, transport, and agriculture is taking place in Mali. The government of Mali has identified certain priority industrial sectors for furthering economic development in the country. Special incentives would be offered to encourage the growth of these sectors. Three major investment axes in the country include agribusiness, livestock and energy.

Energy⁴⁰

Energy sector of Mali is characterized by a high dependence on oil. Imports are constantly increasing due to the demands of a fast growing population and economic growth. Electricity production in Mali is dominated by hydraulic (55 percent) and thermal (44 percent) sources. There is a continuously growing demand (at 15 percent per year) and an ever widening gap between available supply and demand. By 2030, Mali is expected to have a total deficit in energy efficiency of 22,600 GWh.⁴¹ Electrification rates in the country remains low especially in rural areas. Only 15 percent of rural towns and villages are electrified as compared to 55 percent in urban centres. Most households in rural areas meet their energy needs by using kerosene and batteries, which are expensive and unreliable.

The power transmission and distribution system in the country is mainly managed by Energie du Mali SA (EDM), the national utility. Local energy service providers operate under PPP framework with national agencies in isolated rural areas. It is estimated that

³⁹Investing in Liberia (PPT), National Investment Commission Liberia, January 2017

⁴⁰Renewable Energy in Africa- Mali Country profile, AfDB, 2015; Mali-Energy, export.gov

⁴¹Invest in Mali 2017, International Investment Forum in Mali

the expansion in national electricity grid will not be able to connect a significant number of isolated low-income population in the next decade, thus creating a considerable market for isolated off-grid rural electrification schemes.

Thus, though Mali has a high and largely unexploited potential for renewable energy sources, it also has vast and unsatisfied energy needs from a widely dispersed population. As per the investment agency, there is an immediate and short term demand on the EDM residential and commercial network of at least 180 MW, on isolated networks of at least 60 MW, and by large industrial companies of at least 200 MW. The needs of investment in the power sector are in average of € 212 million per annum. The regulatory environment in the country is relatively favourable for energy investments.

Solar: Mali has high solar potential, with a well distributed average solar radiation in the country at an estimated 5-7 kWh/ m² /day and a daily sun lighting duration of 7-10 hours. Solar radiation is stronger in the desert areas of the north. Solar technology is particularly suited for granting energy access to remote and isolated population. Despite the potential, the penetration of solar technology is still low and almost all installed capacity is from independent solar installations.

Hydro: Large scale hydroelectricity potential in Mali exists on the Niger and Senegal rivers, where 10 identified sites could provide 1 GW of installed base and an annual average energy generation of about 5,000 GWh.

Biomass/Biofuels: Opportunities exist to develop the capacity of sustainable biomass and biofuel uses given the strong agricultural base of the economy. Opportunities to scale up biofuel projects for household electrification, to blend fossil fuels and to power productive uses for agricultural businesses in rural areas (such as grinders and de-huskers) could be explored further.

Wind: Wind energy potential is present in some regions of Mali. In the Sahelian and Saharan zones, the annual average wind speed is estimated at 3 m/s to 7 m/s.

Agriculture⁴²

Mali has comparative advantages in terms of land, climate, water and labour. It has important and underexploited agricultural potentialities, especially in the south and center of the country. The government of Mali encourages foreign and national private investors to undertake agricultural activities. A key challenge for Mali is making the agricultural sector the driving force of its economy. To attain Mali's long-term growth potential through economic transformation require gradually expanding and diversifying the productive sectors of the economy, particularly agriculture.

Mali is among the largest producers of cotton in Africa at 500,000 tons per year. In addition to subsidies allocated to producers of cotton, the Malian government dedicates 15 percent of its budget to the agricultural sector. Mali aims to modernize its agriculture sector, and add value through the development of raw materials processing. Mali's agricultural production is largely dominated by cotton and cereals (rice, millet, sorghum, and wheat). Many agricultural sub-sectors, such as shea butter, mangos, peanuts, cashews, and biofuels remain largely underexploited and provide a unique opportunity for investors⁴³. Significant opportunities also exist in modernizing Mali's poultry and livestock production and transformation sectors.

Cotton sector offers great investment opportunity. Increased productivity could be achieved through diversification of value-added activities such as spinning and the production of fabric. There also exist potential for other crops including rice, millet, and horticultural products. The expansion of irrigation and technical improvements has led to higher rice yields and horticulture production in the

⁴²2018 West Africa Cotton and Products Annual, USDA Foreign Agricultural Service; Embassy of Mali to Japan

⁴³Mali Country Commercial Guide, export.gov, 2017

recent years. Still more needs to be done to increase diversity in agricultural production to tackle food security concerns and over-dependence on cotton and gold. The Office du Niger irrigable zone requires significant new canal infrastructure to open up new areas for farming. There are also opportunities in the agricultural machinery supply areas, fertilizers, agribusiness, farming, irrigation tools, livestock, poultry, import/export, and animal feed.

Cotton processing is another promising growth area for Mali. Mali exports nearly all the cotton it grows, though less than 2 percent of cotton production is processed locally. The textile industry, processing of cotton seeds into oil and animal feed is another attractive investment field. Opportunities also exist in the diversification of activities, particularly value-added niches, such as spinning, production of loom state fabric (in great demand in the garment industry) and manufacture of bazin dyed cloth (highly prized in West Africa, particularly for embroidery). Investment potential also exists in horticulture (mangoes, citrus fruit, string beans, onions, potatoes, tomatoes, cabbages and cucumbers), cottonseed meal, sugar cane processing, and construction of sugar factories.

Mauritania

The discovery of offshore oil fields and their exploitation, which began in February 2006, has deeply modified the profile and the economic dynamics of Mauritania. The country has huge investment potential in mining sector activities, with large reserves of iron, copper, gold, gypsum, phosphate, diversified and pure mud, rare earth, and salt. There are indicators of the presence of uranium and diamonds. The country's geographical location, at the crossroad between Maghreb and Sub-Saharan Africa; and at the crossroads of major shipping routes in the Atlantic between Europe, the Middle East, West Africa and the Americas; an oil market in full expansion; the establishment of privatization policies and trade liberalization with the collaboration of the IMF; and equal treatment between foreign and domestic investors are favourable factors

supporting investment in the country. The majority of the investments into the country has targeted the sectors of oil exploration and exploitation, mineral mining of iron ore and gold, telecommunications with the acquisition of mobile phone licenses and the construction sector.

Hydrocarbon Sector

Mauritania is one of the latest countries in Africa to start producing oil, and possesses considerable offshore natural gas deposits. Mauritania's hydrocarbon sector is attracting more and more global oil companies in the recent years. Mauritania's inland and coastal areas lies on giant oil and gas reserves making the country a potential major oil producer in Africa that also benefits from its geographical location to transform into a major crude exporter to international markets, particularly Europe. BNP Paribas has named Mauritania along with French Guiana, Kenya and Gabon, as one of the four top exploration hot-spots for oil and gas in 2013.

Two important sedimentary basins separated by the eroded Mauritanian mountain range contain the oil reserves of Mauritania: Taoudéni intracartonic basin in the east of the country, which covers an area of more than 600,000 sq.km; and Senegal-Mauritanian coastal basin which covers the entire Mauritanian coast (north-south, about 750 km and 600 km east-west) with an area of more than 260,000 sq.km, which includes 190,000 sq. km offshore. The extraction of oil in Mauritania started in 2006 with the development of the Chinguetti field. A number of major oil and gas discoveries have been made so far, making Mauritania a major hotspot for investors. Recently, Senegal and Mauritania signed an inter-governmental cooperation agreement to develop substantial gas resources shared by the two countries which could hold more than 20 trillion cubic feet, with the wider region potentially holding as much as 100 trillion cf.

Mauritania's oil and gas sector is directly managed by the Ministry of Petroleum, Energy and Mines (MPEM,

Ministère du Pétrole, de l'Énergie et des Mines). There exist opportunities to invest in:

- Planned development for prospecting and exploiting oil;
- Intensified exploration activities in the Taoudenni basin;
- Drilling of oil wells;
- Exploration and exploitation of gas fields; and
- Setting up of power plants by gas.

Fisheries Sector

Mauritania's Strategic Plan for Accelerated Growth and Shared Prosperity has identified agro-processing, fisheries, hotel construction and related logistics and infrastructure as the key sectors for development. Its coastal waters and ocean territory is a highly biodiverse eco-region having some of the most abundant fish stocks in the world. This is reflected in the fishery sector, a crucial sector for the Mauritanian economy in terms of its contribution to GDP, exports, income for the national budget and job creation.

Mauritania's Exclusive Economic Zone (EEZ) covers an area of 234,000 sq. km, of which around 16 percent corresponds to the continental shelf. The 39,000 sq. km continental shelf offers a great diversity of fishery resources. Approximately 600 species have been identified, 200 of which can be commercially exploited.⁴⁴ The Mauritanian waters are highly productive as they are very rich in fishery resources due to nutrients carried by the Canary Current and cold water upwelling. The government has put into place the Strategy for the Management and Sustainable Development of the Fisheries Sector and the Maritime Economy, which contains the 2015-2019 action plan for the development of the sector.

However, catches made by the Mauritanian fleet are very limited compared to those made by fleets from

other countries, which have access to the fishery resources of the Mauritanian EEZ under fisheries agreements or fleet licenses. Despite its importance to the Mauritanian economy, the fisheries sector is relatively undeveloped, due to the lack of maritime tradition, the remoteness of Nouadhibou, which used to be the only landing point for the industrial fleet and lack of processing facilities.

Catches in the Mauritanian EEZ totaled 800,000 tonnes in 2014 and 2015. Total catches by the 4,000 national vessels of the industrial and small-scale fishing fleets were 389,000 tonnes in 2015. Catches made by the Mauritanian fleet therefore remain limited. The remaining volumes of catches are by long-distance fleets or boats that have access through the open license regime (EU, Russia, Ukraine, and China). Small pelagic species account for 90 percent of the catch volume of the Mauritanian fleet, but just around 40 percent of the value of landings. Demersal species account for just over 20 percent of the value of catches, and cephalopods around 30 percent (mainly octopus), whereas crustaceans only account for 10 percent of the value. Again, this could be an opportunity for foreign investors to make inroads in Mauritania. Opportunities also exist in the following areas:

- Acquisition and exploitation of fishing boats;
- Processing and conservation industry;
- Emerging Fisheries Development like anchovies and shellfish;
- Developing aquaculture and prawn breeding;
- Infrastructure for offloading;
- Development of fish processing and transformation industries;
- Developing industries related to fishing; and
- Setting up of fish meal plants.

⁴⁴Research for PECH Committee – Fisheries in Mauritania and the European Union, European Parliament, 2018

Niger

Niger holds a pivotal position in-between Northern Africa and Sub-Saharan Africa, sharing borders with countries of the ECOWAS, the CEMAC and the Arab Maghreb Union. The government of Niger has implemented a series of reforms to make Niger one of the best investment destinations in Africa and promote public-private partnerships. Investors are particularly attracted to the uranium extraction industry in Niger. Niger officially became an oil producer in November 2011 with the coming on stream of three oil deposits in the Agadem basin and the commissioning of the 20,000 barrels per day (bpd) refinery at Zinder. The Trans-Saharan Gas Pipeline (TSGP) is expected to attract an estimated investment of US\$ 13 billion for Niger's share of the cost for installing the pipeline and associated gathering centers. There is also potential for new discoveries of gold and base metals in the Precambrian formations and of uranium and oil in the sedimentary basins.

Transport Infrastructure⁴⁵

Transport infrastructure, specifically roads and railways, play a strategic role in the development of Niger given its vast landlocked location (2,500 km distance from east to west and 1,500 km from north to south). Niger depends heavily on its transport infrastructure, particularly for its agricultural sector. Its transport infrastructure comprises a road network of 18,950 km, 21 percent of which are paved and classified as primary roads. Secondary roads make up around 13.5 percent and consist of lateral and gravel roads. Tertiary roads are about 7.5 percent and are generally dirt roads. The remaining 58 percent consists of rural tracks and trails. Niger's costs and time to trade across borders are among the highest in the region in spite of its relatively high efficiency in moving goods across borders. Regional corridors on Nigerien territory are in poor condition. Reparations have been done on the Bella Gaya stretch, but the

remaining stretch from Bella to Dosso is yet to be fully repaired.

There is no fully operational railway in Niger. A 248 km rail line from Kano in Nigeria to Maradi in Niger has been proposed recently for assisting the supply of crude oil and mineral resources from Niger to the refinery being built in the border town between Niger and Nigeria. The plan for extending the railway line between Cotonou and Parakou to Niamey and further to connect with the Abidjan-Ouagadougou line remained slow due to various issues. Niger's air transport sector also remains relatively underdeveloped, and funding to upgrade facilities remains a problem.

Niger requires strong foreign investment to modernize, upgrade, renew and expand the existing roads and rails. Opportunities to invest exist in the following areas:

- Construction of railway lines;
- Renovation and restoration of airports;
- Improvement and asphaltting of roads to enhance the transportation and infrastructure network;
- Renewal of the public transportation fleet; and
- Creation of public transport companies.

Energy Sector⁴⁶

Niger offers invaluable potential in the renewable energy sector (solar, wind and hydraulic). Due to a particularly fertile underground, Niger has all types of energy sources: fossils, oil, gas, coal, and uranium. Proved reserves of uranium in the north region of Agadez are estimated at about 450,000 tonnes. Coal reserves of over 90 million tons are located in northern Niger. There are also estimates of over one billion barrels of oil reserves in the country. The hydroelectric potential is estimated at approximately 280.5 MW, including 130 MW in Kandadji, 122.5 MW on the River Niger in Gambou and 26 MW in

⁴⁵Logistics Capacity Assessments (LCAs), Niger

⁴⁶Invest in Niger, Niger Renaissance; The Energy Sector of Niger: Perspectives and Opportunities, Energy Charter Secretariat, 2015; SE4all Prospectus-Niger

Dyondyonga in Mekrou. Moreover, several sites suitable for hydro power are identified on seasonal rivers (Goulbi Maradi and Tahoua Maggia) and tributaries of the Niger River (Sirba, Goroubi, Dargol).

There is also vast solar energy potential as the average insolation level in the country is 5 to 7 kW/ m² / day with an average of 8.5 hours per day. Wind speeds, ranging from 2.5 m/s in the south to 5 m/s in the north, are favourable for operating wind turbines to pump water. Despite such rich reserves, final energy consumption in Niger is estimated at 0.15 tonne of oil equivalent (TOE) per capita, one of the lowest in the world. The government needs to reduce its present dependency on imported electricity as 70 percent of its electricity supply comes from Nigeria.

Energy production of Niger need to be increased substantially, as the current electricity demand is insufficient to meet the country's needs. The government of Niger has drawn up a new development program which involves the construction of new facilities and civil engineering projects. The current plans for the sector is expected to result in universal access to modern energy services in urban areas and 30 percent access in rural areas by 2030, both for electricity and clean cooking. The government also aims for improving the share of renewable energies to reach around 57 percent of the electricity mix, with major contribution coming from hydroelectricity and solar energy.

There are many opportunities to invest in the energy sector. The National Assembly adopted a new electricity code in May 2016 to allow for private participation in energy generation and the creation of an independent sector regulator. Some of the opportunities exist in:

- Construction of pipeline for the transport of petroleum products;
- Creation of an assembly unit and commercialization of panels and various solar equipment;

- Creating modern units for filling and marketing domestic gas;
- Construction of solar power plants;
- Construction of thermal power plants;
- Construction of transmission lines;
- Construction of charcoal complex;
- Village electrification by solar photovoltaic system;
- Construction of concentrated solar power plants;
- Hybridization of diesel power plants; and
- Setting up an assembly of solar panels and various options of solar kits including lighting systems, cold production, pumping etc, assembly line of solar street lights and unit of production or assembly of solar water heaters.

Nigeria⁴⁷

Nigeria is West Africa's unparalleled economic powerhouse. It is also the largest oil producer in Africa and the most populous country in Africa. The country has the potential to establish itself not only as a gateway to West Africa, but to Africa as a whole. The post global commodity price shock in 2014 witnessed a rapid recovery of agriculture, manufacturing, solid mineral and raw material exports in the country. Apart from petroleum, Nigeria's other natural resources include natural gas, tin, iron ore, coal, limestone, niobium, lead, zinc and arable land. With its Vision 20:2020, Nigeria aims to be among the world's top 20 economies by 2020.

In order to reduce the oil dependency of the country, the government of Nigeria has introduced a number of policies. The priority sectors for investment in the country according to Nigerian Investment Promotion Commission include agriculture, power, solid minerals, healthcare, automotive, packaging, manufacturing and business process outsourcing.

⁴⁷Nigerian Investment Promotion Commission; Invest in Nigeria - Recent Reforms Foster Recovery, Unlocking the Potential for West Africa's Economic Powerhouse, Deloitte, July 2018

Manufacturing

The Light Manufacturing sector is considered to be an ideal industry to drive Nigeria's development due to the labor-intensive, export-focused nature of the business. Manufacturing activities in Nigeria, Egypt, South Africa and Morocco together account for two-thirds of Africa's total factory activities in value terms. Manufacturing contributes around 9 percent of Nigeria's GDP. The largest manufacturing sub-sectors in the country are agro-processing, comprising food, beverages and tobacco; light manufacturing, including textile and wood products; and resource processing (cement and basic metals). The government seeks to improve the performance and size of this sector by developing Special Economic Zones (SEZs) to provide dedicated infrastructure to support hub productivity and to re-energize local industries.

Through the Nigerian Industrial Revolution Plan (NIRP) which is designed to accelerate the build-up of industrial capacity, the government plans to improve access to credit and financial services, infrastructure and power supply, thus reducing the input costs of manufacturers and increasing their overall competitiveness and profitability.

Government initiatives such as the import ban on a number of goods, forex restrictions, and targeted incentives to onshore production are geared towards creating a more attractive environment for investors, thereby unlocking a range of industries.

Investment opportunities exist in the following manufacturing activities:

- Food and beverages;
- Chemical and pharmaceuticals;
- Domestic and industrial plastic, rubber and foam products;
- Basic metal, iron, steel and metal fabrication;
- Pulp, paper/paper products, printing and publishing;
- Electrical and electronics products;
- Textile weaving, apparel, carpet, leather/leather footwear;
- Wood and wood products including furniture;
- Non-metallic mineral product (e.g cement); and
- Motor vehicle and miscellaneous assembly.

Investment opportunities in the light manufacturing sector exist in:

- Auto components (auto parts and replacement accessories);
- Textile and footwear (embroidery, synthetic filament yarn woven fabric, non-knit men and women's suit, light pure woven cotton, knit t-shirts, etc.);
- White goods (centrifuge, refrigerator, washing and bottling machines, air-conditioners);
- ICT equipment (telephones, computers, broadcasting equipment and accessories); and
- Electrical and electronics products (electric generating sets, video displays, electrical transformers, insulated wire, low voltage protection equipment, and electrical control boards).

Healthcare

Demand for healthcare in Nigeria currently exceeds supply, presenting a wide range of opportunities for foreign investment and expertise. The domestic healthcare sector is estimated to be worth US\$ 5 billion per annum. In addition, it is estimated that about 30,000 Nigerians spend more than US\$ 1 billion on medical tourism each year, of which 60 percent is spent in four major areas of healthcare, namely cardiology, orthopedics, renal dialysis issues and cancer. Top medical tourist destinations include India, Europe, USA and the Persian Gulf.

Nigeria, being the most populous nation in Africa, has a large number of cases of widespread communicable diseases. With a major shift towards processed foods in Nigeria, the need for treatments linked to lifestyle diseases including cancer, cardiovascular disease

and obesity also increased in the country. Nigeria's current health system require major investments to increase its capacity to deal with these diseases. It is estimated that out of the total drug consumption in Nigeria, the indigenous pharmaceuticals companies are only able to meet about 45 percent of the demand for drugs. Also, over 63 percent of trained doctors in the country end up practicing medicine abroad, due to reasons such as unattractive remuneration, poor working conditions, and lucrative opportunities abroad.

In 2014, the government of Nigeria enacted the National Health Act and approved the establishment of state-supported health insurance scheme by the National Council on Health, granting the private sector the opportunity to play a bigger role in the delivery and financing of health services across the country. With large population, there is a huge gap between healthcare needs and actual provisions in the country, which presents huge opportunities for businesses with extensive capacity for research and capital for investments.

The healthcare sector in Nigeria includes primary, secondary and tertiary healthcare. The Nigerian Sovereign Investment Authority (NSIA) has set the goal of facilitating private sector investment in the healthcare sector by establishing PPPs. The healthcare market in Nigeria is large and diverse and its value chain comprises manufacturers, health service providers, medical insurance, retailers, distributors, health financing entities, and medical education providers. Though investment needs are present in all these areas, there has been a concentration of investment in multispecialty hospitals, standalone diagnostic facilities, niche healthcare providers, and Health Maintenance Organizations (HMOs).

Since most investors prefer the high financial returns of specialty hospitals and diagnostic facilities, primary healthcare in Nigeria has not seen high levels of investment. Investment in primary healthcare provision could create immense value for both

providers and beneficiaries if it can leverage on a large enough population and an associated network of diagnostic capabilities and specialist input. There is also an opportunity to renovate outdated healthcare technology, as the deficiency of infrastructure means there are no vested interests or high costs of implementing new technology. Numerous investment opportunities also exist across the healthcare value chain in Nigeria.

Investment opportunities include:

- Setting up of specialist hospitals;
- Diagnostic and trauma centers - imaging, nuclear medicine, pathology and paternity testing;
- Ambulance services;
- Mobile clinics;
- Pharmaceutical manufacturing - collaborating with smaller Nigerian players who need funding and expertise to expand in the regional market;
- Smallholder specialist clinics;
- Hospital management – managing medical facilities, implementing innovative technology, and hence appealing the large number of Nigerian doctors working abroad to return to the country; and
- Health insurance.

There is also possibility of franchise arrangements with global healthcare service providers, under which the indigenous company would be the sole local manufacturer of some globally renowned drugs and healthcare products.

Senegal⁴⁸

Senegal is an attractive business destination in West Africa, with numerous investment opportunities in various sectors. Senegal offers a stable political environment, a favourable geographic position and strong institutions with growing opportunities for

⁴⁸APIX Senegal; Invest in Senegal A competitive investment destination in West Africa, Deloitte, March 2017

foreign investment. The ambitious Emerging Senegal Plan adopted in 2014 aims for middle-income status by 2035, with investment in energy and infrastructure, and business reforms. It focuses on four key sectors to unlock inclusive growth, including energy, agriculture and land, ICT and transport. The government emphasises the role of infrastructure projects to reduce transaction costs, and to transform the country to a regional business hub for logistics, services and industry.

Agriculture

Senegal is an agricultural based economy producing a wide variety of fruits and vegetables. Agriculture, livestock and agribusiness are among the main dynamic sectors of the Senegalese economy. The country has a favourable oceanic climate with soil suitable for cereal and horticultural crops. The Emerging Senegal Plan provided stimulus to the development of primary industry sectors. Special programmes for products like rice, corn, sesame, etc., were implemented, followed by grants for agricultural inputs and equipment leading to satisfactory crop yields. The Plan also encourages the development of peanut production and substitution of 20-30 percent of the consumption of imported oils by locally-produced peanut oils.

Considering the country's large, under-exploited hydraulic potential, Senegal provides important business opportunities in the agriculture sector. The agribusiness sector offers room for growth especially in conservation and versatility of producing equipment. Key opportunities include:

- Development of floriculture - cut flowers and decorative flowers;
- Dynamic horticultural sector based particularly on export horticulture
 - o Papaya, Banana, Peppers, Sweet Potato, Lemon, Okra
 - o Organic products (Mango, Banana etc.)
 - o Green beans, Cherry tomatoes, Aromatic herbs

- o Asparagus, peas and other off-season products;
- Market gardening;
- Production of irrigated rice;
- Production of tropical products especially for exports, especially the Bio-banana;
- Food processing (cashew nut);
- Development of service packages: funding, access to inputs / agricultural machinery, technical support / management, collection of production / processing / marketing;
- Development of dedicated spaces and construction of storage facilities and processing and access roads;
- Developing cereal corridors;
- Development of private irrigation; and
- Agri-tourism.

Tourism

Senegal is considered to be a forerunner in the expansion of tourism in Africa. A favourable geographical location, a hospitality tradition, underdeveloped sites and generous incentives are some of the advantages of Senegal as a touristic hub in the region. The tourist destination "Senegal" is built around business and convention tourism. Dakar has positioned itself as the gateway to West Africa, tourism and convention business, given its geographical position. Since 2007, arrivals to the country, for touristic purposes, have been stable with a slight decrease in 2014 and 2015. Given the increasing potential of the sector and its positive impact on Senegal's economy, the government aims to reach 2 million tourist arrivals by 2019.

To facilitate the arrival of tourists, the authorities recently decided to abolish the entry visa and reduce airport taxes. The Emerging Senegal Plan also aims to reinforce tourist infrastructure. Since, several

international companies have chosen Senegal for their African logistics hubs and headquarters, business tourism also plays an important role in the market's overall performance.

Within the country there are four important categories of tourism products: health tourism, business tourism, nature tourism and cultural tourism. The majority of tourists come for Senegal's beaches and ecotourism (especially on the Petite Cote and in Casamance). Other popular tourist destinations include the historic town of Saint Louis and the Senegal River Valley, the hills and tribes of the Kedougou region in South-East Senegal and the beaches, lagoons and waterways of the Sine Saloum region. Dakar (business tourism and beach), Thies (seaside), Tambacounda (tourist hunting and discovery), Fatick (ecotourism) and St. Louis (beach and cultural tourism) also attract tourists in large capacity. The country also has a number of national parks, of which the most visited are the Parc de Djoudj (for its birdlife) and the Parc du Niokolokoba. Offshore fishing is also popular in the country.

The tourism sector offers a wide range of opportunities in different sub-sectors and activities including the development of tourist areas, the hotel industry and catering (construction of resort hotels and luxury business hotels with conference facilities), tourist transportation, the strengthening of capacities and services, the holding of conferences and congresses, leisure and sports activities, etc.⁴⁹ There are different sites with exploitation potential such as Mbodiène, Pointe Sarene and Joal Finio in the Petite Côte; Saint Louis, Potou Sea and Djouj Bird Sanctuary in the North Zone; and the Saloum Delta Islands.

Sierra Leone

With the aim of becoming a middle income country by 2035, Sierra Leone adopted its Vision 2035, focusing on private sector-led growth and good infrastructure. The Sierra Leone Investment and Export Promotion

Agency (SLIEPA) is committed towards best practices in investment procedures. The ongoing socio-economic development in the country have created opportunities for investment to strengthen and expand priority sectors of the country.

Telecommunications⁵⁰

The telecommunications sector in Sierra Leone is one of the most liberalised sectors in the economy. The 'Agenda for prosperity, road to middle income status (2013-2018)' of the government of Sierra Leone aims to use ICT to reduce poverty and boost prosperity. Previously operated as a monopoly by the state-owned Sierra Leone Telecommunications Company (SIERRATEL), the sector started to liberalize in 1990s, when the initial mobile licenses were issued. The country's first mobile phone license was awarded in 1994. In mid-2002, the government commenced issuing 'Generalised Licenses' for value-added telecommunications services, opening up the market to regulated competition. The mobile sector has experienced rapid growth since then with a total of 10 mobile phone licenses been issued and a number GSM networks commencing operation.

The government of Sierra Leone has implemented two major fibre optic cable projects. Through a Special Purpose Vehicle, the Sierra Leone Cable Company (SALCAB) participated as a consortium member of the Africa Coast to Europe (ACE) sub-marine fibre optic project, which is expected to bring high speed international bandwidth into the country. The government has also launched a National Terrestrial Fibre Optic Cable network, which incorporates the ECOWAS Wide Area Network (ECOWAN) that links Sierra Leone with Guinea and Liberia and the wider ECOWAS region. These developments are expected to significantly increase available bandwidth and reduce bandwidth prices as well as promote greater penetration of internet and telephony services in the country.

⁴⁹Doing Business in Senegal, British Embassy Dakar, 2012

⁵⁰Sierra Leone Investment and Export Promotion Agency (SLIEPA)

The government is also finalising a divestiture strategy for increased participation of the private sector in the assets and operations of SALCAB. The West African Regional Communications Infrastructure Program (WARCIP) is another programme which supported select countries in West Africa to improve access to broadband connectivity at better quality and lower costs. The first phase of the project covered Liberia and Sierra Leone focusing on improving their access to international connectivity through the Africa Coast to Europe (ACE) submarine cable. The government has concluded feasibility studies for national fibre optic backbone, with a network of approximately 1.02 million metres linking major towns and cities around the country as well as the neighbouring countries of Guinea and Liberia.

Despite the efforts by the government, only 11.8 percent of population uses internet and 0.2 fixed telephone subscriptions per 100 people were available in the country in 2016. Similarly, secure internet servers per 1 million people stood at 1.9 in 2017.⁵¹ Mobile cellular subscriptions per 100 people in the country stood at 84.9 in 2016.

Investment opportunities exist in the following areas:

- Construction of the national fibre optic backbone of fibre optic cables;
- Providing bandwidth and activated services in the areas of voice, data and video to increase penetration levels;
- Linking ICT to agribusiness, education, medical and tourism sectors of the country; and
- Providing support to harness internet services by government offices for proper service delivery.

Agriculture

The economy of Sierra Leone is strongly reliant on the agricultural sector. The country with an estimated 5.4 million hectares of arable land, abundant farmland, varied ecosystem, fertile soil, and sufficient rainfall

offers great potential for agriculture and agribusiness. The government is investing heavily in the sector by improving transport infrastructure to ease the movement of goods, encouraging and supporting private sector investment, as well as lending support to farmers. Agriculture has been identified as one of the priority sectors by the government to diversify the economy from iron ore exports.

Sierra Leone has strong underlying agricultural potential which, in the past, enabled the export of significant quantities of agricultural commodities such as coffee, cocoa and oil palm. The agriculture sector is dominated by smallholder farmers, in subsistence farming, using traditional methods and limited use of farming inputs. There are fairly large agricultural estates, both government and privately owned. The current performance of agriculture represents just a fraction of the underlying potential of the country. The use of more intensive methods in the farming of existing cropped areas, together with increasing cultivable land, could accelerate agricultural growth from current levels.

The improvements in infrastructure planned by the government are expected to open up substantial new areas for profitable agricultural use. The sector is attracting investments in new farm estates; rehabilitating existing farm estates and the introduction of more intensive farming. There is potential in increasing production crops such as rice, cassava as well poultry and livestock, together with cash-crops production such as cocoa, coffee, cashew and oil palm and value-added products in agro-processing such as fruits, cassava or sugarcane. Opportunities to invest exist in the following areas:

- Production, processing and marketing of domestically produced rice;
- Rehabilitation of existing cocoa and coffee plantation or establishing new cocoa and coffee plantation;

⁵¹WDI, World Bank

- Industrial production of starch and cassava flour;
- Cultivation and processing of groundnut, pepper and vegetables both for local consumption as well as for export;
- Supply of agricultural inputs such as fertilizer, improved seeds, agro-chemicals, animal feeds and veterinary inputs;
- Diversification into livestock production by improving the productive livestock industry (increase the production levels of cattle, sheep, goats, pigs and poultry);
- Livestock breeding as total domestic production is not sufficient to meet the needs of the growing population;
- Use of intensive methods in the farming of existing cropped areas, together with increasing cultivable land;
- Developing irrigation infrastructure for improved cultivation;
- Constructing feeder roads to increase links between production centres and markets and processing infrastructure for prominent products within localities;
- Enhancing effectiveness of rural financial services institutions at local level to directly support farmers' access to financial services; and
- Supporting smallholder farmers in out-grower schemes and training.

The government of Sierra Leone, through SLIEPA has identified suitable sites for the cultivation of rice, cocoa, sugar and oil palm. The key areas identified for mechanical rice cultivation are Torma Bum in the Bonthe District, with about 51,300 ha; Gbondapi Rice fields in Pujehun District with about 41,100 ha and Kumrabai Mamilla in Tonkolili District with about 35,500 ha. The areas identified for cocoa expansion are in the Luawa Chiefdom Kailahun District, with

gross available land of about 12,000 ha and in the Small Bo Chiefdom, Kenema District with about 8,000 ha.

Togo

Togo has a strategic location in the West African region with easy access to most of the landlocked countries in West Africa by road and air. The country has the only deep water port in West Africa. It is also one of the leading financial centers in the region. Togo has the headquarters of many big firms such as the regional airlines company Asky, and the Pan African Bank, Ecobank. Togo has implemented various institutional reforms including a new investment code, improving ease of doing business, and joining the Extractive Industries Transparency Initiative.

Infrastructure

Togo is among the fast growing emerging economies in West Africa but is currently being encumbered with an underdeveloped land transport infrastructure that is not sufficient to meet the rising demand. The government has realized the importance of development of the transport infrastructure to make Togo a hub for West Africa, and subsequently introduced a number of measures for upgrading the rail, air, port and road infrastructure in the country. With a depth of 14 meters, the Port of Lomé is the only deep water port on the West African coast that can accommodate third-generation ships. Due to its free port status, there are no customs restrictions on the handling and transfer of goods within the port area, saving time and easing cargo handling operations. The autonomous port of Lomé is a transit point for goods from the landlocked countries of the sub-region (Burkina Faso, Mali and Niger). Air transport is provided from Lomé by several companies. Lomé International Airport has a runway of 3,000 meters. Another international airport exists in the country in Niamtougou, which has a 2,400 meter runway for commercial flights. The road network of Togo comprising 7,800 kms, carries almost 80 percent of the country's passenger traffic, and remains highly congested.

Five projects have been planned to improve the transport infrastructure in Togo. This includes transport corridor project, the truck park project, the special economic zone project, rail project and Cinkassé dry port project. The vision of Togo Transport Corridor centres on the construction of a new heavy haul railway line in combination with upgrades for road and telecommunication infrastructure systems that extend from the Port of Lomé to the Northern border post of Cinkasse, covering a distance of about 760 km. Togo also aims to develop an area of at least 50 ha, a truck park and other logistics facilities at the exit of the city of Lomé. The infrastructure will consist of a dedicated harbor access road, a secure gate complex at the edge of the port area, a truck parking area, basic on-site infrastructure and other appropriate facilities (logistics and control center, offices, housing and restaurants). Togo Invest is working on a railway project that will connect Lomé to Cinkassé, and railroad will combine the transport of people and products (mining resources and goods) to be transported through Togo, for export and / or transit to the countries of the hinterland.

Opportunities for investment exist in the following areas:⁵²

- Optimize port area operations at the Port of Lomé;
- New dry port terminal construction project (facilities and equipment for the transfer of cargo between trucks and possibly from a train car to a truck and vice versa; freight facilities and warehouses for containerization and freight distribution; offices for the organization of procedures and logistical organizations etc.);
- Logistics hub at the back of the port of Lomé (improving storage facilities);
- Modernization of mineral quay;
- Building a new airport near Lomé ;
- Construction of a railway network from port of Lomé to the northern border;

- Building a 675 km motorway from the port of Lomé to the northern border;
- Construction of East-West corridor linking the Ghana and Benin borders and North-South corridor linking Lome and Cinkasse; and
- Strengthening of road infrastructure, including the rehabilitation of the Trunk Road No 1 and secondary roads as well as feeder roads for the transport of the agricultural produce.

Energy Sector

Togo's energy sector activities are governed by the Ministry of Mines and Energy (MME). Most of the clean electricity produced in Togo comes from thermal technologies and hydroelectric plants. National electricity production covers just 25 percent of the energy requirement in Togo. Around 66 percent of the Togolese population live in rural areas and consume just 7 percent of the country's electricity. According to International Development Association (IDA), security of supply, reliability, and efficiency are major issues affecting Togo's power system. Around 25 percent of businesses reported power cuts for more than 20 percent of business hours, and 56.7 percent of businesses had cuts for less than 20 percent of operating hours in 2015. In order to have a balanced development and to improve the living conditions of the population, the new energy policy guidelines focus on the development of renewable energy sources (solar, wind, biogas and hydropower systems).

Recently, the government of Togo has announced its new electrification strategy which aims to reach 100 percent electricity coverage and achieve the universal service access by 2030. Togo's new electrification strategy relies on an optimal combination pairing off-grid and on-grid technologies. In order to attain energy independence, the country aims to increase energy generation from 100 MW to +300

⁵²Togo Invest

MW installed power by 2020 with 50 percent of renewables (solar and hydro) in the energy mix from the current level of 5 percent. It also focuses on increasing rural household access to electricity from 7 percent to 50 percent by 2022 by investing off the grid and guarantee 100 percent access to electricity for all schools and healthcare centres in rural areas. The size of the country and the low population density implies that the extension of the network and use of solar kits would be necessary to achieve universal electrification.

Current opportunities for investment exist in the following areas:

- Construction of thermal power plant;
- Construction of 161 KV energy line network;
- Solar power generation for utilities, schools and public administration;
- Transmission and distribution for rural electrification;
- Rehabilitation and reinforcement of the medium and low voltage systems; and
- Supplying solar photovoltaic panels.

6. EXPORT-IMPORT BANK OF INDIA IN WEST AFRICA

Export-Import Bank of India (Exim Bank) commenced operations in 1982. The Bank was set up under an Act of Parliament (Export-Import Bank of India Act 1981), for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade. In its endeavour to promote India's international trade, Exim Bank's vision has evolved from financing, facilitating and promoting trade and investment, to a conscious and systematic effort at creating export capabilities. Exim Bank today seeks to develop commercially viable business relationships with externally oriented companies.

The countries in the African continent have always been a focus region for Exim Bank, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the commitment towards building relationships with the African region is reflected in the various activities and programmes, which Exim Bank has set in place.

Exim Bank has representative offices in Abidjan, Côte d'Ivoire; Addis Ababa, Ethiopia; and Johannesburg, South Africa; which play key roles in facilitating economic cooperation with the African Region, and are closely associated with several of the Bank's initiatives. The representative offices interface with multilateral institutions such as African Development Bank (AfDB), Afreximbank, regional financial institutions such as West African Development Bank (BOAD), Trade and Development Bank (TDB) – earlier called as PTA Bank, and developmental financial institutions such as Industrial Development

Corporation of South Africa Ltd. (IDC), as well as Indian missions in the region with the aim of increasing bilateral commercial engagements between the two regions.

The Bank has extended Lines of Credit (LOCs) in the region at competitive rates. LOCs enable buyers to import goods and services from India on deferred credit terms. Exim Bank will make the payment of the eligible value to the Indian exporters. The Bank has also signed Memorandum of Understanding (MOUs), and Memorandum of Cooperation (MOCs), through the Government of India with the governments in West Africa to promote trade and investment. It has also financed various Indian joint ventures in the region.

Lines of Credit

Exim Bank extends Lines of Credit to overseas Governments, parastatal organisations, financial institutions, commercial banks and regional development banks to support export of eligible goods and services on deferred payment terms. The Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. LOC is a financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters, especially to SMEs, and serves as an effective market entry tool. Exim Bank also extends overseas buyer's credit directly to foreign entities for import of eligible Indian goods and related services or for financing eligible turnkey projects. Exim Bank also extends LOCs on behalf and at the behest of Government of India (GOI).

In West Africa, as on August 31, 2018, Exim Bank has 62 GOI-supported operative LOCs valued at

US\$ 2,862.5 million, covering fifteen countries and EBID. The details of which are given below.

- **Government of Benin** – 3 LOCs for supply of railway equipment; agricultural equipment; tractor assembly plant; water supply project; farm equipment manufacturing unit; and cyber city project;
- **Government of Burkina Faso** – 3 LOCs for rural electrification; agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment; and low cost housing and economical buildings project;
- **Government of Côte d'Ivoire** – 6 LOCs for project for renewal of urban transport system in Abidjan and for agricultural projects; IT and biotechnology park; fisheries and coconut fibre processing plant; rice production programme; upgradation of hospitals; and electricity interconnection project;
- **Government of the Gambia** – 5 LOCs for setting up of tractor assembly plant; national assembly building complex; electrification expansion project; and replacement of asbestos water pipes with UPVC pipes project;
- **Government of Ghana** – 6 LOCs for rural electrification, agriculture, communication and transportation projects; construction project; sugar plant; fish harvesting and processing project; procurement of high capacity wagons and spares; waste management equipment and management support project; and sugarcane development and irrigation project;
- **Government of Guinea** – LOC for strengthening of Health System;
- **Government of Guinea-Bissau** – LOC for electricity project; food processing unit; and purchase of tractors and water pumps for development of the agricultural sector;
- **Government of Liberia** – LOC for power transmission and distribution project;
- **Government of Mali** – 6 LOCs for rural electrification; setting up of agro machinery and tractor assembly plant; integrating the national power grids of Mali and Côte d'Ivoire; electricity transmission and distribution project; and agriculture and food processing project;
- **Government of Mauritania** – LOC for potable water project and agricultural development project;
- **Government of Niger** – 4 LOCs for acquisition of transport equipment, transformers, motor pumps and flourmills; power projects; supply of potable water project; electrification of villages using solar photovoltaic system; and solid waste management;
- **Government of Nigeria** – LOC for various projects;
- **Government of Senegal** – 12 LOCs for supply of medical equipment, furniture and other accessories to hospitals; rehabilitation of healthcare system; supply of buses, railway coaches and spares; rural electrification project and fishing industry development project; irrigation project; acquisition of railway coaches and locomotives from India; rice self-sufficiency programme; setting up meat processing, cold storage, rendering and tannery plant and market place; IT training projects; and women poverty alleviation programme;
- **Government of Sierra Leone** – 3 LOCs for procurement of tractors; rehabilitation of existing facilities and addition of new infrastructure to supply potable water; and transmission lines;
- **Government of Togo** – 4 LOCs for rural electrification project; power transmission line; and farming and cultivation projects;
- **Government of Mali and Senegal** - LOC for acquisition of railway coaches and locomotives from India; and
- **ECOWAS Bank for Investment and Development (EBID)** – 4 LOCs for public sector projects.

Additionally, Exim Bank has also extended 3 direct LOCs to a number of institutions in the region valued at US\$ 70 million including:

- **Afreximbank** – LOC for general purpose;
- **Ecowas Bank of Investment and Development** – LOC for financing private sector projects; and
- **West African Development Bank (Banque Ouest Africaine De Developpement)** – LOC for general Purpose.

Project Exports

Exim Bank has been providing a steady stream of support to project activities in engineering, procurement, and construction (civil, mechanical, electrical or instrumental). This includes the provision of specific equipment related to supplies, construction and building materials, consultancy, technical know-how, technology transfer, design, and engineering (basic or detailed). Exim Bank also supports existing or new projects, plants or processes that require additional assistance in processes such as international competitive bidding including multilaterally funded projects in India.

Buyer's Credit under the National Export Insurance Account (BC-NEIA)

In order to provide further impetus to project exports from India on medium or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. Under this programme, Exim Bank facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by Ministry of Commerce and administered by the ECGC Ltd. As on May 2018, a positive list of 88 countries have been identified by ECGC for which Indian exporters can

avail Buyer's Credit under NEIA, of which 11 countries belong to West Africa. As on March 31, 2018, Exim Bank has sanctioned an aggregate amount of US\$ 1.07 billion under BC-NEIA for 6 projects in West Africa valued US\$ 1.08 billion. The details of these projects are given below.

- **Côte d'Ivoire** - 2 projects involving supply of vehicles and spares, and supply of buses;
- **Ghana** - Tema to Akosombo Railway Line Construction;
- **Mauritania** - Design, supply and assembly of 225/90 KV transmission lines from Nouakchott to Nouadhibou;
- **Senegal** - 2 projects involving feasibility study, design, supply, erection, test and commissioning of 225 KV Kaolack- Tambacounda and Tambacounda-Kedougou High Voltage Transmission Line and 225 KV and supply of buses.

Finance for Joint Ventures Overseas

Further, Exim Bank supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoters to set up such ventures overseas. In the African Region, Exim Bank has supported several such ventures in countries such as South Africa, Kenya, Mauritius, Ghana, Nigeria, Sudan, Egypt, Zambia, Morocco, Uganda and Tanzania, across a range of sectors like agriculture and food processing, agro-based products, auto and auto components, chemicals, construction, electronics, engineering goods, EPC services, mining and minerals, plastics and rubber products, packaging, pharmaceuticals, software and IT enabled services, and textiles. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on June 30, 2018, Exim Bank through its overseas investment finance programme has supported 5 such ventures in West Africa with an

aggregate sanction of ₹ 44.7 crores, which include the following:

- Hindustan Seals Limited, Nigeria in plastics and packaging sector;
- Prima Plastics Ltd, Nigeria in plastics and packaging sector;
- Foods Fats & Fertilizers Limited, Ghana in agro - based products; and
- Park Agrotech Ghana Limited, Ghana (2 Ventures) in agro & food processing.

Memorandum of Cooperation/Memorandum of Understanding (MOCs/MOUs)

With a view to build institutional linkages, Exim Bank has entered into MOUs/ MOCs with various institutions in the region, including:

- African Development Bank, Côte d'Ivoire;
- African Export-Import Bank (Afreximbank);
- Nigerian Export - Import Bank, Nigeria; and
- Ecobank PLC, Togo

Association with African Development Bank (AfDB)

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim Bank works very closely with the AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including the AfDB. Exim Bank assists Indian companies in projects supported by the AfDB, through not only fund and non-fund based assistance, but also through providing advance alerts on upcoming opportunities. With support from Exim Bank, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply and sanitation. Exim Bank

also organizes Business Opportunities Seminars in Projects funded by the AfDB across various centres in India.

Africa – India Partnership Day

Exim Bank together with Federation of Indian Chambers of Commerce and Industry (FICCI) organizes the Africa – India Partnership Day, on the sidelines of AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in public-private partnership model of financing infrastructure development. Exim Bank, along with FICCI, has so far hosted five such events; first being on May 30, 2013 in Morocco; followed by Rwanda on May 22, 2014; Côte d'Ivoire on May 27, 2015; Zambia on May 24, 2016; and Ahmedabad, India on May 24, 2017. The Africa-India Partnership Day has become a regular feature of the AfDB Annual Meeting, and showcases the immense scope for expanding the mutually enriching partnership between Africa and India.

Project Development Company (PDC) in Africa

Africa is a region of opportunities, as the continent is receiving plenty of investments in the infrastructure space. The PPP structure is slowly getting popularised by the national governments, increasing the interest of the private sector in infrastructure development. However, institutional capacity in several African nations is in a nascent stage.

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim Bank, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means a cause to growth'. Reflecting the name, the PDC is expected

to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent. The PDC will provide the entire gamut of project development expertise to various infrastructure projects, such as project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, environmental and social impact assessment, etc.

The PDC shall utilise the domain expertise of each partner during the project development process to establish a bankable and sustainable implementation format based on an in-depth understanding of the concerns of all the stake holders - public authority, users community, developers/ investors and lenders.

Member of Association of African Development Finance Institutions (AADFI)

Exim Bank is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

Association with Other Indian Institutions

Further, Exim Bank's equity in Agricultural Finance Corporation, which offers consultancy support in development of agro-technology; and promoter membership in 'Small Farmers Agri-Business Consortium (SFAC)', an investment institution whose objectives include promoting small and medium agri-business ventures, places Exim Bank in a vantage position to share its expertise and support development related activities in Africa.

Global Network of Exim Banks and Development Finance Institutions (G-NEXID)

Exim Bank has entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form the Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories

are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. The G-NEXID was formally launched at its inaugural meeting at the UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations among developing countries. The G-NEXID has been granted observer status by the UNCTAD.

The G-NEXID members in the African Region include: African Export-Import Bank (Afreximbank), Cairo; Banque Nationale d'Investissement, Côte d'Ivoire; Banque de Financement des Petites et Moyennes Entreprises, Tunis; Central African States Development Bank, Brazza Ville; Development Bank of Mali, Bamako; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka; Development Bank of Southern Africa, Midrand; East African Development Bank, Kampala; ECOWAS Bank for Investment and Development, Lome; Industrial Development Bank of Kenya, Nairobi; Industrial Development Corporation South Africa, Johannesburg; Nigerian Export-Import Bank, Nigeria; Ghana Export-Import Bank, Accra; and TDB Bank (formerly PTA Bank), Nairobi.

The G-NEXID members in the African Region include: African Export-Import Bank, Cairo; Banque Nationale d'Investissement, Côte d'Ivoire; Banque de Financement de Petites et Moyennes Entreprises, Tunis; Central African States Development Bank, Brazza Ville; Development Bank of Mali, Bamako; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka; Development Bank of Southern Africa, Midrand; East African Development Bank, Kampala; ECOWAS Bank for Investment and Development, Lome; Industrial Development Bank of Kenya, Nairobi; Industrial Development Corporation South Africa, Johannesburg; Nigerian Export-Import Bank, Nigeria; TDB (formerly PTA Bank), Nairobi; and Ghana Export-Import Bank, Accra.

GPCL as a Consultant

Global Procurement Consultants Ltd. (GPCL) has been promoted by Exim Bank in association with leading public sector and private sector consultancy organizations. GPCL's shareholding pattern creates a synergetic fusion of expertise, thereby providing a unique platform for sharing of collective Indian experience in a partnership mode with developing countries and emerging economies, in the professional management of projects, with particular reference to procurement services. GPCL synthesizes India's consultancy expertise in project management and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, environment, information and communication technology, industry, agriculture, mining, water resources, health and education. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, and resources of its shareholders to assist funding and project executing agencies.

GPCL has a demonstrated track record spanning all stages of the procurement cycle covering procurement advisory services, procurement management, procurement review, performance review, provision of support services, valuations, financial advisory services, overall procurement audit and governance, as also associated services related to training and capacity building. GPCL has undertaken a number of assignments, in India and in numerous countries abroad, directly for multilateral funding agencies or in projects funded by them. GPCL also has the distinction of being selected in some instances by the World Bank on a sole source basis, both in India and abroad.

GPCL has extensive experience supporting projects in Africa, and assignments undertaken include:

- **Procurement Audit** of contracts in the World Bank funded projects in Eritrea, Ghana, Malawi, Nigeria and Uganda covering Health, Education, Agriculture, Infrastructure, Power, Transport, Privatization and Emergency rehabilitation.
- **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by the AfDB.
- **Country Procurement Assessment Review (CPAR)** in the Kingdom of Swaziland for the AfDB in order to examine the existing public procurement framework, benchmark them with good procurement practices, and provide recommendations to revamp the system for better governance.
- **Procurement Monitoring Agent** for a World Bank funded health project in Kenya calling for review of the procurement of goods, services and minor works including an audit of the procurement processes of the institutions and procurement units supported by the project.

Partner in Institutional Building in Africa

As a partner institution in promoting economic development in Africa, Exim Bank shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, Exim Bank undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim Bank has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on Projecting Mauritius as an investment hub for Indian Firms; establishment of Export Credit

Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

Exim Bank has been commissioned by the Ghana Export-Import Bank for undertaking an assignment for 'Institutional Capacity Building for Export Credit in Ghana'.

Institutional Linkages

Exim Bank has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the African Region. Towards this end, Exim Bank has taken up equity in Afreximbank, West African Development Bank (BOAD), and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs), the Bank has in place, with key institutions in the African Region including: AfDB; Trade and Development Bank (formerly Eastern and Southern African Trade and Development Bank - PTA Bank); Afreximbank; Banque de Financement des Petites et Moyennes Entreprises (BFPME), Tunisia; Banque Internationale Arabe de Tunisie, Tunisia; Board of Investment, Mauritius; ECO Bank (Pan African Bank); Foreign Investment Promotion Agency, Tunisia; Industrial Development Bank of Sudan; Industrial Development Corporation of South Africa Limited (IDC); Nigerian Export-Import Bank (NEXIM); National Bank of Egypt; and Societe Tunisienne de Banque, Tunisia.

Knowledge Building and Technology Transfer

In the area of knowledge building and technology transfer, Exim Bank's research studies have focused on potential areas for boosting India's trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), West African region, Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region. In order to support the AfDB's High 5 agenda, Exim Bank released five studies namely, Integrate Africa: A Multidimensional Perspective; Feed Africa: Achieving Progress Through Partnership; Water, Sanitation and Healthcare in Africa: Enhancing Facility, Enabling Growth; Power Sector in Africa: Prospect and Potential; and Manufacturing in Africa: A Roadmap for Sustainable Growth.

In a Nutshell

In sum, Exim Bank, with its comprehensive range of financing, advisory and support services, seeks to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the African Region, focusing on West Africa. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of Exim Bank, ensconced in its range of activities, also contribute towards institutional building in the region.

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About Exim Bank's Working Paper Series

As part of its endeavour in enriching the knowledge of Indian exporters and thereby to enhance their competitive-ness, Exim Bank periodically conducts research studies. These research studies are broadly categorized into three segments, viz. sector studies, country studies and macro-economic related analysis. These studies are published in the form of Occasional Papers (OP), Working Papers (WP), and Books. The research papers that are brought out in the form of Working Papers are done with swift analysis and data collation from various sources. The research papers under the series provide an analytical overview on various trade and investment related issues.

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