West Africa: A Study of India's Trade and Investment Potential

Occasional Paper No. 158

एक्ज़िम बैंक
EXIM BANK
भारतीय निर्यात-आयात बैंक
EXPORT-IMPORT BANK OF INDIA

West Africa: A Study of India's Trade and Investment Potential
Occasional Paper No. 158

EXPORT-IMPORT BANK OF INDIA

OCCASIONAL PAPER NO. 158

WEST AFRICA: A STUDY OF INDIA'S TRADE AND INVESTMENT POTENTIAL

EXIM Bank's Occasional Paper Series is an attempt to disseminate the findings of research studies carried out in the Bank. The results of research studies can interest exporters, policy makers, industrialists, export promotion agencies as well as researchers. However, views expressed do not necessarily reflect those of the Bank. While reasonable care has been taken to ensure authenticity of information and data, EXIM Bank accepts no responsibility for authenticity, accuracy or completeness of such items.

CONTENTS

Project Team :
Mr. David Sinate, Chief General Manager
Mr. O'Neil Rane, Chief Manager
Ms. Sara Joy, Manager

LIST OF TABLES

LIST OF EXHIBITS

LIST OF CHARTS

LIST OF BOXES

LIST OF ANNEXURES

EXECUTIVE SUMMARY

According to the United Nations, West Africa, the westernmost region of Africa, comprises 16 countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. The West African countries in the recent past have witnessed macroeconomic reforms, and advances in the areas of governance, peace and security. Except for Mauritania, all the other 15 countries in the region are members of Economic Community of West African States (ECOWAS); and 8 countries in West Africa, i.e., Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo are members of West African Economic and Monetary Union (WAEMU) (Union Economique et Monétaire Ouest-Africaine - UEMOA).

The ECOWAS Bank for Investment and Development (EBID), based in Lomé, Togo, is the leading regional investment and development finance institution of ECOWAS. 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, 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 countries and providing compensation for member states, which suffer losses as a result of implementation of the integration policy.

The Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest - BCEAO) is a central bank serving the eight West African countries which comprise UEMOA. In addition to the centralization of foreign exchange reserves of the Union, BCEAO's main tasks include: issuing currency, managing monetary policy, organization and supervision of the banking and assistance to member states. BCEAO has the exclusive privilege of monetary emission on all member states of UEMOA. The Banque Ouest Africaine de Developpement (West African Development Bank – BOAD) is the common institution of development financing for the member states of

UEMOA. The objective of BOAD is to 'promote the balanced development of the member states and to ensure the economic integration of West Africa' by financing priority development areas.

CFA Franc is the common currency of 8 member countries of UEMOA; Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. The CFA Franc (Communauté Financière d'Afrique) is issued by the central bank of the Union; Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). CFA Franc is pegged to the Euro after the introduction of the Euro on January 1, 1999, at the exchange rate, CFA Fr 665.957 = Euro 1. This is to maintain the macroeconomic stability in West Africa as well as to strengthen trade and financial flows between Europe and the CFA Franc Zone by creating an environment with a stable exchange rate.

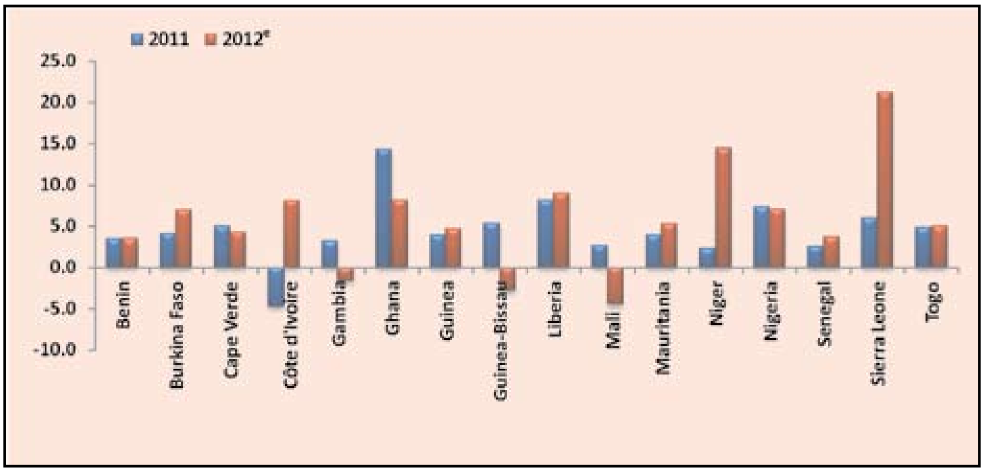
ECONOMIC PROFILE OF WEST AFRICA

West Africa has a vast wealth of untapped mineral resources, which locally undergo elementary processing. West Africa has huge reserves of iron ore, which resulted in the region being tagged as 'The New Frontier' and 'The Next Pilbara'. It also has large reserves of bauxite (Guinea), uranium (Niger), iron (Guinea and Liberia), gold deposits with very high mineral content (Burkina Faso, Côte d'Ivoire, Ghana, and Mali), diamonds (Guinea, Liberia, and Sierra Leone), petrol and natural gas (Côte d'Ivoire, Ghana, Niger, Nigeria, and Mauritania), phosphate (Senegal, and Togo) as well as considerable reserves of several other minerals (carbon, limestone, manganese, marble, and platinum).

West Africa accounts for 20.5 percent of total land area of Africa; 30.4 percent of total African population and 20.1 percent of total GDP of Africa. The renewed growth in commodity prices (oil and minerals) has benefited natural resource-rich West African countries, and is fostering higher growth in the region as a whole. The better regional integration supports the growth prospects of the region by adapting various common development policies. The economies within the region are at varying stages of development. Nigeria is the largest market in the region, with an almost 54 percent working age population.

West Africa is estimated to have witnessed an average real GDP growth of 5.8 percent in 2012, an increase from 4.6 percent growth in 2011, supported by higher growth in Sierra Leone, Niger, Liberia, Ghana, and Côte d'Ivoire **(Chart 1)**. Growth rates in these countries are being boosted by investments in the oil and mineral sectors. Sierra Leone registered a robust growth of

Chart 1: GDP Growth in West African Countries, 2011-2012 (%)



Note: e-Estimates

Source: World Economic Outlook (WEO), International Monetary Fund (IMF), October 2012

21.3 percent in 2012, on the back of investments and surge in the production of iron ore. Niger followed Sierra Leone with an estimated real GDP growth of 14.5 percent in 2012, driven by mining and oil sector revenues. The discovery of oil in the Gulf of Guinea and the resultant high revenues have benefitted Ghana, and it is considered as one of the fastest growing economies in the world today, with an estimated real GDP growth of 8.2 percent in 2012.

The GDP of West Africa is estimated to have increased to US$ 407.6 billion in 2012 from US$ 376.5 billion in 2011. Nigeria has the highest GDP in West Africa, amounting to US$ 272.6 billion, accounting for 66.9 percent of total GDP of the region, followed by Ghana with an estimated GDP of US$ 40.1 billion in 2012. The average per-capita income of West Africa is estimated at US$ 974.3 in 2012. Cape Verde, Nigeria, Ghana, Mauritania and Côte d'Ivoire have the highest per-capita income among the countries in the region.

West Africa has one of the highest current account deficits among African regions, increasing from US$ 1.5 billion in 2011 to an estimated US$ 4.9 billion in 2012. Out of the 16 countries in the region, Nigeria alone registered an estimated current account surplus of US$ 9.5 billion (3.5 percent of GDP) in 2012. The total international reserves of the region are estimated at US$ 63.9 billion in 2012, increasing from US$ 54.7 billion in 2011. Nigeria is estimated to have the highest foreign exchange reserves among the countries in the region, at US$ 42.9 billion in 2012, followed by Ghana (US$ 5.9 billion), Côte d'Ivoire (US$ 4.2 billion) and Senegal (US$ 2.3 billion).

West Africa has a higher share of cereal imports in food consumption and is likely to be more impacted by higher and more volatile global food prices. The countries suffering from food crisis have undertaken various reforms or launched programmes like, "Operation Rice" in Mali and "GOANA" in Senegal. Increasing agricultural growth and ensuring food security are critical to West Africa's economic development. West Africa's energy resources, if managed properly, are potential sources of increased economic development and can contribute to global energy markets in a larger scale.

FOREIGN TRADE IN WEST AFRICA

International trade of the West African countries has witnessed a healthy growth in the recent years. Rise in both exports and imports of these countries have underlined this increase in the total trade of the region. All the countries in the West African region, except for Liberia, are members of WTO. Liberia is currently going through the accession process of WTO.

West Africa is the second largest region in Africa (out of the five regions; Northern Africa, Western Africa, Middle Africa, Southern Africa and Eastern Africa) in terms of total trade, accounting for 22.6 percent of Africa's total trade in 2011. West Africa has around 40 percent of global bauxite reserves, 5 percent of uranium reserves and 4 percent of iron ore reserves. The region is known for holding some of the largest reserves of oil and gas in the world. Nigeria is a leading petroleum producer and exporter. Nigeria also has one of the world's largest proven natural gas and petroleum reserves. Two of the major trade blocs in Africa, viz., ECOWAS and UEMOA are in the West African region, which helped in increasing the level of regional integration among the countries in the region, along with increasing the trade within the region as well as with other countries.

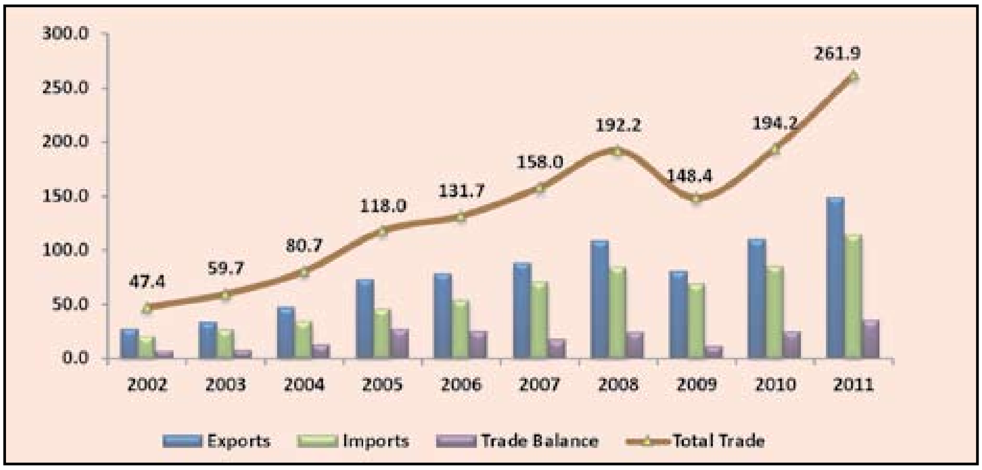
Total trade of West Africa has increased more than five-fold from US$ 47.4 billion in 2002 to US$ 194.2 billion in 2010, and further to US$ 261.9 billion in 2011 **(Chart 2)**. There exist wide disparities in trade among member countries. For instance, Nigeria alone accounted for 65.8 percent of total trade of the West African region and the top five countries, viz., Nigeria, Ghana, Côte d'Ivoire, Senegal and Mali, together accounted for 88.6 percent of total trade of the region.

An important aspect of West African trade is the huge difference in trade balance among the countries. West Africa generally maintains a trade surplus, although most countries in the region run a trade deficit. The trade surplus has increased from US$ 6.5 billion in 2002 to US$ 34.9 billion in 2011, the highest surplus in the decade. This can be primarily attributed to the huge trade surplus of US$ 44.3 billion witnessed by Nigeria in 2011. Out of the sixteen countries in the region only three countries; Côte d'Ivoire, Mauritania and Nigeria witnessed a surplus in 2011. Nigeria recorded the maximum trade surplus at US$ 44.3 billion, followed by Côte d'Ivoire (US$ 4.3 billion) and Mauritania (US$ 0.3 billion) in 2011. Senegal recorded the maximum trade deficit among the countries in the region at US$ 3.4 billion in 2011, followed by Ghana (US$ 2.6 billion) and Sierra Leone (US$ 1.4 billion). Lack of infrastructure facilities and heavy dependence on agricultural imports has resulted in West African countries not being able to fully tap their huge trade potential. The recent political turmoil in a number of West African countries has also affected the region's trade performance.

Exports from West Africa have risen from US$ 26.9 billion in 2002 to reach US$ 109.5 billion in 2010, and further to US$ 148.4 billion in 2011. The increased demand for oil, with the rebound in global economy, supported the export growth of the region, resulting in West Africa's exports reaching a higher level than its pre-crisis levels. The high oil prices and revenue as well as increased non-oil activity in Nigeria and increased rubber export earnings of Liberia, helped the region to recover its exports at a faster rate than the other regions in Africa. The share of West Africa in total African exports has increased from 18.8 percent in 2002 to 25.1 percent in 2011. The main exporters of the region are Nigeria, Ghana, Côte d'Ivoire, Mauritania, Senegal and Mali.

The main export items of West Africa included mineral fuels; cocoa and cocoa preparations; pearls, precious stones, metals and coins; ores, slag and ash; rubber and articles; edible fruit, nuts, peel of citrus fruit, and melons; cotton; ships, boats and floating structures; wood and articles of wood, wood charcoal; and fish, crustaceans and aquatic invertebrates. Côte d'Ivoire is the major exporter of cocoa in the region. The main export destinations of the region are the US, India, Spain, France, Brazil, Germany and the Netherlands. As many economies in the region depends on a single commodity export; cocoa by Côte d'Ivoire, oil by Nigeria, cotton by Burkina Faso, raw cashew nuts by Benin, etc, this makes these countries vulnerable to weather conditions, global demand and price movements.

Chart 2: Global Trade of West Africa (US$ billion)



Source: UnctadStat, UNCTAD

Imports of West Africa have also risen over four-fold from US$ 20.4 billion in 2002 to reach US$ 84.7 billion in 2010, and further to US$ 113.5 billion in 2011. As result, share of West Africa in Africa's imports has gone up from 14.9 percent in 2002 to 20 percent in 2011. Nigeria, Ghana, Côte d'Ivoire, Senegal and Mali were the main importers in the region during 2011. Most of the West African countries heavily depend on food imports. For instance, the West African region depends on international imports for around half of its rice consumption. Despite the fact that Nigeria is rich in oil, it imports around 80 percent of its fuel needs which is estimated at around 40 mn liters/day, owing to the poor condition of its four state-owned refineries. The principal imports of the region in 2011 included mineral fuels; ships, boats and other floating structures; machinery and mechanical appliances; electrical and electronic equipment; transport equipment; and food products especially cereals. The main import sources of the region in 2011 were China, South Korea, the Netherlands, the US, France, UK and India.

Mauritania, Liberia, Cape Verde and Togo are highly dependent on external sector, with high levels of trade openness ratio (Trade-GDP ratio), while Burkina Faso and Niger are the least open countries in the West African region in this respect, followed by Sierra Leone and Benin. Despite having a better trade openness ratio in 2011 compared to 1991, many of the member countries have a small trade openness ratio, indicating the scope to further increase trade especially within the region.

FOREIGN INVESTMENT IN WEST AFRICA

During the last decade, FDI flows have witnessed an upsurge across the world, although there has been an ebb towards the end of the last decade, primarily due to the global financial crisis which surfaced during the latter half of 2008. As far as West Africa is concerned, FDI into the region has increased at a healthy pace during the decade of 2000, having outpaced global investment. West African countries are seen as favourable global investment destinations with their abundant natural resources. Trends in investment during the last decade show pick up in both FDI inflows as well as outflows, with West Africa being the largest recipient of FDI inflows to Africa in 2011. Though the general trend is an increase in FDI flows, there are huge variations within countries.

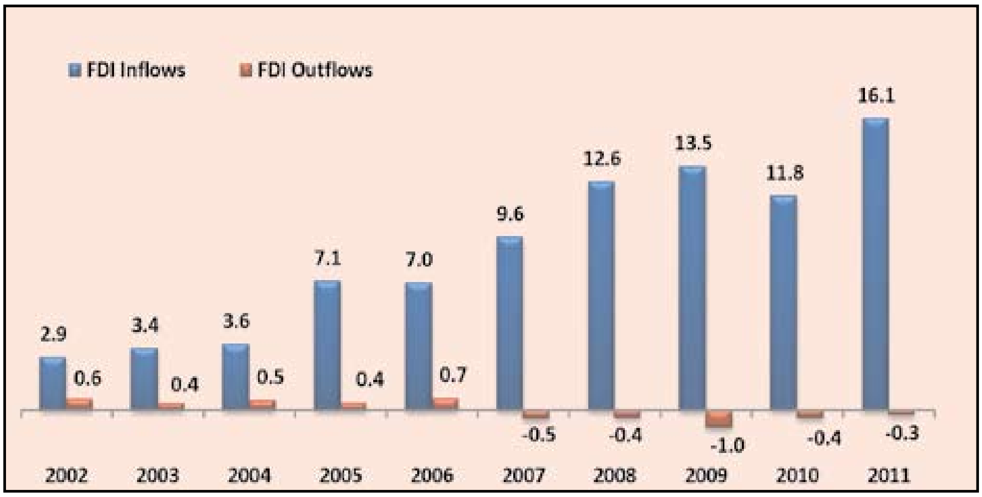
During the period 2002-2011, the FDI inflows to West Africa recorded a Compounded Annual Growth Rate (CAGR) of 20.9 percent as against 10.4 percent for the world as a whole. The difference in the growth of FDI was more pronounced in 2011, when FDI inflows to West Africa registered a growth of 36.2 percent, more than twice compared to the world's growth of 16.5 percent. As a consequence, the share of West Africa in total Africa's FDI inflows, increased from 19.9 percent in 2002 to 37.7 percent in 2011. This connotes the increasing capability of the West African countries to attract FDI, in the current global economic scenario.

FDI inflows to the region increased significantly to US$ 13.5 billion in 2009 from US$ 2.9 billion in 2002, but have declined to US$ 11.8 billion in 2010, mainly due to uncertainty over the Petroleum Industry Bill in Nigeria, and the political problems in the Niger Delta. In 2011, FDI inflows again picked up to US$ 16.1 billion **(Chart 3)**, supported by increased inflows to Nigeria and Ghana. Over the past five years, West African FDI has been driven strongly by commodity related investments. The cumulative FDI flows to the region during 2002-2011 amounted to US$ 87.7 billion.

Nigeria accounted for 61.8 percent of the total FDI receipts to the region over the decade, followed by Ghana, Niger and Côte d'Ivoire. Nigeria was also Africa's largest recipient of FDI flows in 2011 with US$ 8.9 billion, accounting for over one fifth of total inflows to the continent. Nigeria and Ghana together accounted for more than three-quarters of total FDI flows to West Africa in 2011, with the FDI concentrated mostly in the petroleum industry. Around 70 percent of investment in the region goes into oil and gas, while most of the remaining FDI is captured by the real estate and telecommunication sectors.

FDI has been unevenly distributed among the West African countries.

Chart 3: Trends in Investment in West Africa (US$ billion)



Source: UnctadStat, UNCTAD

Burkina Faso witnessed a decline of 78.6 percent in 2011 to US$ 7.4 mn from US$ 34.6 mn in 2010. Similarly, Mali witnessed a decline of 56.2 percent in 2011 to US$ 177.8 mn from US$ 405.9 mn in 2010. On the other hand, Guinea witnessed a record growth of around twelve-fold in 2011 to US$ 1.2 billion, from US$ 101.4 mn in 2010, for the production of alumina and iron ore and for two port extensions. This increasing FDI trend in Guinea is expected to continue in the next few years in view of large investments in country's bauxite and alumina sectors. Nigeria also witnessed a growth of 46.2 percent in its total FDI inflows from US$ 6.1 billion in 2010 to US$ 8.9 billion in 2011. Ghana, the newest oil producer of Africa, witnessed an increase in FDI to US$ 3.2 billion in 2011, compared to US$ 2.5 billion in the previous year, mainly attracting investment to its newly developed Jubilee oil field where commercial production started in December 2010.

FDI outflows from West Africa were much lower compared to the inflows. Cumulatively during 2002-2011, Liberia had the largest share of the outflows from the region at US$ 3.5 billion, followed by Senegal, Niger and Guinea with outflows of US$ 348.7 mn, US$ 199.8 mn and US$ 131.8 mn, respectively.

Doing Business in West African Countries

In the Doing Business 2013 report of World Bank and International Finance Corporation (IFC), 185 economies across the world are ranked in terms of their ease of doing business with respect to starting a business, from 1 to 185. 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. In Doing Business 2013 ranking, Ghana stood first among West African countries, with a global ranking of 64. Ghana was followed by Cape Verde and Nigeria at 122nd and 131st positions.

Several West African countries took a number of measures to improve the doing business scenario in their respective countries. A few instances include Benin and Togo simplifying their business registration formalities; Guinea creating a one-stop shop for business start-up, cutting 6 procedures and 5 days from the start-up process etc. 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, non-discrimination between foreign and domestic investors, etc. To actively promote foreign investment, these countries have also set up investment promotion agencies, which in most cases serve as a one-stop-shop for all investment related matters.

INDIA'S BILATERAL TRADE WITH WEST AFRICA

India is increasingly expanding its trade with energy rich West African countries, namely Nigeria, Côte d'Ivoire and Ghana, as a part of Government of India's policy of diversifying its energy sources. West African region with its huge reserves of oil is crucial to India's quest for energy security.

The potential for further expansion of India's trade with West Africa is huge due to the large consumer markets in West Africa and India. India's total trade with West African countries has risen more than fifteen-folds from US$ 1.5 billion to US$ 22.9 billion during the decade 2002-03 to 2011-12, with India's exports to the region amounting to US$ 5.8 billion, and India's imports from the region aggregating US$ 17.1 billion in 2011-12 **(Table 1)**. The region accounted for 23.7 percent of India's total exports to Africa, and 1.9 percent of India's global exports in 2011-12. With a view to enhance bilateral trade between India and West Africa, India has set a target of US$ 40 billion trade turnover by 2015, focusing on investment in the oil and gas sectors.

Nigeria is India's largest trading partner among the countries in West Africa. While Nigeria and Ghana are the traditional and large trading partners for India, other countries in the region, including Benin, Senegal, Togo and Côte d'Ivoire, are also emerging as important trading partners in recent years. India has strong economic ties with ECOWAS, a Regional Economic Community (REC), comprising 15 West African countries.

The growth in India's imports from Africa and especially from West Africa, is largely driven by large unmet domestic demand for natural resources, especially petroleum products. The increasing imports from Africa and especially West Africa has been supported by the 'Duty Free Tariff Preference Scheme' announced by the Government of India in April 2008, where India provides preferential market access for exports from the 48 Least Developed Countries, 33 of which are in Africa and 12 in West Africa. The recent trends indicate that India has become a major market for West African products. West Africa's increase in share of India's imports has been more pronounced and dramatic, than the increase in share in India's exports. India's total imports from West Africa, as a percentage share of India's total global imports, accounted for 3.5 percent during 2011-12, up from 0.8 percent in 2002-03. Countries such as Nigeria, Ghana, Senegal, and Liberia, among others, are not only important trading partners for India, but also major destinations for India's global overseas investments. The trade balance between both the regions has sharply swung in favour of West Africa, from 2006-07 onwards.

India's exports to West African countries increased at a robust CAGR of 22.1 percent during the period 2002-03 to 2011-12, while India's imports from West Africa grew at 47.8 percent during the same period. On account of increased imports from the region, India's trade balance with the region started experiencing a deficit from 2006-07 onwards, and increased to US$ 11.3 billion in 2011-12, higher than the deficit of US$ 8 billion recorded in 2010-11.

Table 1: India's Trade with West Africa (US$ billion)

	2002-03	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**
Exports	1.0	1.2	1.5	1.7	2.2	3.2	3.0	2.8	3.9	5.8
% Change	*-1.6*	*20.8*	*28.9*	*11.4*	*30.6*	*45.1*	*-5.4*	*-6.5*	*37.2*	*50.6*
Imports	0.5	0.5	0.7	1.1	8.0	9.3	10.5	8.7	11.9	17.1
% Change	*11.6*	*6.5*	*37.9*	*42.3*	*651.6*	*16.5*	*12.6*	*-16.7*	*36.0*	*44.0*
Total Trade	**1.5**	**1.7**	**2.3**	**2.8**	**10.2**	**12.5**	**13.5**	**11.6**	**15.8**	**22.9**
Trade Balance	**0.5**	**0.6**	**0.8**	**0.6**	**-5.8**	**-6.1**	**-7.5**	**-5.9**	**-8.0**	**-11.3**

Note: Imports include oil imports from 2006-07 onwards

Source: Ministry of Commerce and Industry (MOCI), Government of India (GOI)

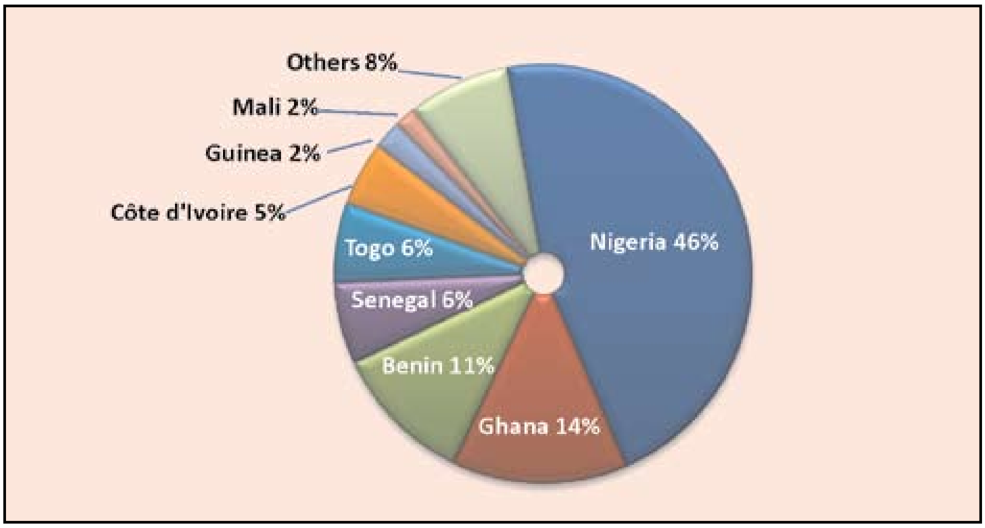
India has good relations with the African Union, and its member countries, which include West African countries. India's relations with various African Regional Economic Communities (RECs) has improved recently which will help strengthening the trade relations between India and West African countries. As part of the continuing engagement between India and Africa on an institutional basis, the first ever meeting between India and the RECs was held in New Delhi during November 14-16, 2010.

India's Trade with West African Countries

India's trade with West African countries has been increasing throughout the last few years. The trade is highly concentrated among few countries. Nigeria alone accounts for three quarters of India's total trade with West African countries and one quarter of India's total trade with African countries, mainly due to imports of crude oil by India from Nigeria. Globally, Nigeria is the 27th largest export destination and 11th largest import source of India during 2011-12. There is ample scope for growing bilateral trade with the rest of the West African countries.

Nigeria is India's leading export destination among the West African countries, accounting for 46.2 percent of India's total exports to West Africa, and 0.9 percent of India's global exports in 2011-12. The other major export destinations in West Africa during the same year were Ghana (13.6 percent of exports to West Africa), Benin (11.2 percent), Senegal (6.2 percent), and Togo (6 percent)

Chart 4: India's Exports to West African Countries (% Share, 2011-12)



Source: MOCI, GOI

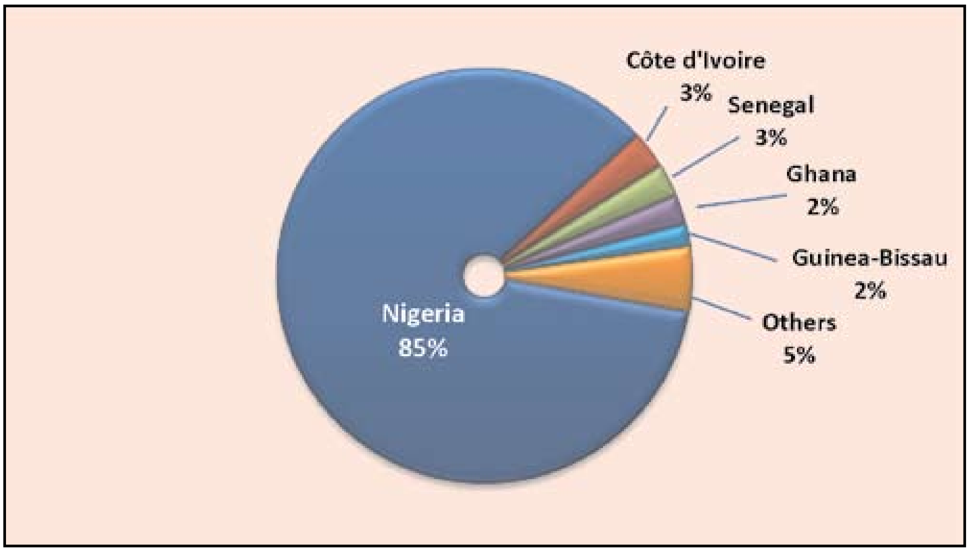
(Chart 4). India's exports to Benin, Côte d'Ivoire, Guinea-Bissau, Niger, Senegal and Togo in 2011-12 have shown a sharp rise compared to its 2010-11 exports levels.

As far as imports are concerned, Nigeria is again the largest supplier to India among the West African countries, accounting for 85.5 percent of India's total imports from the region in 2011-12, reflecting significant imports of crude petroleum from the country. Côte d'Ivoire (2.9 percent of imports), Senegal (2.5 percent), Ghana (2.4 percent), and Guinea-Bissau (1.7 percent) are the other important import sources of India among the West African countries in the same year **(Chart 5)**. India's imports from Niger, Senegal, Côte d'Ivoire, Guinea and Ghana have registered a sharp rise in the last decade. Most of West African countries are rich in primary products like oil, cashew nuts, cotton etc. Hence, the significance of these countries in meeting India's imports needs cannot be ignored.

Commodity Composition of Bilateral Trade

The nature of export commodities from India to West Africa has changed in the last decade. The demand for capital goods is rising in West Africa for various projects for infrastructure development, supported by development agencies. Likewise, demand for pharmaceutical products from India is also very high. Major items in India's export basket to West African countries

Chart 5: India's Imports from West African Countries (% Share, 2011-12)



Source: MOCI, GOI

in 2011-12 included non-basmati rice (accounting for 13.6 percent of India's total exports to West Africa), pharmaceuticals & fine chemicals (12 percent), machinery & instruments (9.7 percent), transport equipment (8.9 percent), manufactures of metals (7 percent), electronic goods (6.2 percent), petroleum products (5.3 percent), cotton yarn fabrics madeups (5.3 percent), primary & semi-finished iron & steel (4.7 percent), and plastic & linoleum products (4.4 percent). India's top three export destinations of non-basmati rice comprise three West African countries (Nigeria, Senegal and Côte d'Ivoire), together accounting for 33.8 percent of India's total exports of the same.

The West African region is an important source for India's imports of several items. There has been a shift in the composition of India's imports from West African countries during the decade. India's imports from West African countries became more concentrated in the recent years compared to 2002-03, as evident from the fact that the top two items alone account for 92 percent of total imports from the region in 2011-12.

India's major imports from West African countries in 2011-12 include crude petroleum (87.2 percent of India's total imports from West Africa), raw cashew nuts (5.3 percent), inorganic chemicals (2.3 percent), metaliferrous ores & metal scrap (2.1 percent), wood & wood products (0.9 percent), and crude fertiliser (0.6 percent). India's top four import sources of raw cashew nuts are West African countries (Côte d'Ivoire, Guinea-Bissau, Benin and Ghana), together accounting for as much as 69 percent of India's imports of the same. Nigeria was the largest African crude-oil supplier to India in 2011-12, supplying 9.2 percent of India's total oil imports. West Africa is also among the leading exporters of wood and wood products, cotton and cashew nuts among the African regions. The region is developing into a significant producer of cashew nut. More than 90 percent of the cashew nuts are being exported to India, where it gets processed and exported worldwide.

India's oil and natural gas imports from West Africa are expected to rise in the next few years. As per the report of the International Energy Agency, India was the fourth largest consumer of crude oil and petroleum products in 2012 after the US, China and Japan, and the demand is expected to double over the next 20 years supported by the country's high growth and booming population.

TRENDS IN INDIA - WEST AFRICA INVESTMENT

West African countries have recognized the importance of FDI in sustaining the growth levels and technology transfer. Integration of the Indian economy with West African countries is evident from the increased investment flows into West Africa in the recent years.

FDI Inflows to India

As far as cumulative inflows of foreign direct investments into India is concerned, during April 2000 to December 2012, the largest investment flowed in from Liberia to the tune of US$ 14.6 mn, accounting for 48.5 percent of total investment flow into India from West Africa during the period. Nigeria is the second largest FDI source of India among West African countries at US$ 10.4 mn, contributing 34.6 percent of FDI inflows from the region. The other main sources of investment from West Africa to India include Ghana and Togo.

Among the West African countries, as on July 2012, India entered into Bilateral Investment Promotion and Protection Agreements (BIPA) for the reciprocal encouragement, promotion and protection of investments in each other's territories by the companies based in either country, with Senegal and signed BIPA with Ghana which is yet to come into force. The purpose of BIPA is to create such conditions which are favourable for fostering greater investments by the investors of one country in the territory of the other country. Such agreements are beneficial for both the countries because they stimulate their business initiatives and thus enhance their prosperity.

FDI Outflows from India

Cumulatively, during April 1996 to January 2013, the Indian direct investments in the West African region in joint ventures (JVs) and wholly owned subsidiaries (WOS), in equity, loan and guarantees issued amounted to US$ 423.3 mn. Liberia attracted US$ 191.7 mn worth investments from India (45.3 percent of India's total investments to the region) during the same period, followed by Nigeria (23.1 percent) and Ghana (12.7 percent). The favourable business environment and availability of natural resources, has made Liberia, Ghana and Nigeria favourable investment destinations for Indian corporates in West Africa.

EXPORT POTENTIAL OF INDIA TO WEST AFRICAN COUNTRIES

Identification of export potential of India to West African countries has been done based on following criteria: analysis of import basket of West African nations, matching of India's export capability with corresponding import demand of target countries, and selection of potential items, based on low share of India in West African countries' import basket of major commodities. Countries are selected on the basis of their global imports exceeding US$ 1 billion in 2011. Accordingly, some of the major commodities in which India has potential for exports to the West African countries are listed below.

Nigeria - Mineral fuels, oils, distillation products, etc (HS-27); Machinery, boilers, etc (HS-84); Ships, boats and other floating structures (HS-89); Animal, vegetable fats and oils (HS-15); Miscellaneous chemical products (HS-38); Sugars and sugar confectionery (HS-17); Fish, crustaceans, molluscs, aquatic invertebrates (HS-03); Essential oils, perfumes, cosmetics, toiletries (HS-33); and Optical, photo, technical, medical, etc apparatus (HS-90).

Ghana - Vehicles other than railway, tramway (HS-87); Machinery, boilers, etc (HS-84); Cereals (HS-10); Articles of iron or steel (HS-73); Miscellaneous chemical products (HS-38); Salt, sulphur, earth, stone, plaster, lime and cement (HS-25); Fish, crustaceans, molluscs, aquatic invertebrates (HS-03); Meat and edible meat offal (HS-02); Optical, photo, technical, medical, etc apparatus (HS-90); Inorganic chemicals, precious metal compound and isotopes (HS-28); and Animal, vegetable fats and oils (HS-15).

Benin - Cotton (HS-52); Vehicles other than railway, tramway (HS-87); Animal, vegetable fats and oils (HS-15); Meat and edible meat offal (HS-02); Miscellaneous chemical products (HS-38); Machinery, boilers, etc (HS-84); Footwear, gaiters and the like, parts (HS-64); and Other made textile articles, sets, etc (HS-63).

Senegal - Mineral fuels, oils, distillation products, etc (HS-27); Cereals (HS-10); Machinery, boilers, etc (HS-84); Vehicles other than railway, tramway (HS-87); Iron and steel (HS-72); Pharmaceutical products (HS-30); Animal, vegetable fats and oils (HS-15); Sugars and sugar confectionery (HS-17); Paper and paperboard, articles of pulp (HS-48); Miscellaneous chemical products (HS-38); Edible vegetables and certain roots and tubers (HS-07); Optical, photo, technical, medical, etc apparatus (HS-90); Organic chemicals (HS-29); Furniture, lighting, signs, prefabricated buildings (HS-94); and Rubber and articles (HS-40).

Côte d'Ivoire - Mineral fuels, oils, distillation products, etc (HS-27); Cereals (HS-10); Machinery, boilers, etc (HS-84); Fish, crustaceans, molluscs, aquatic invertebrates (HS-03); Vehicles other than railway, tramway (HS-87); Electrical, electronic equipment (HS-85); Paper and paperboard, articles of pulp (HS-48); Salt, sulphur, earth, stone, plaster, lime and cement (HS-25);

Miscellaneous chemical products (HS-38); Articles of iron or steel (HS-73); and Essential oils, perfumes, cosmetics, toiletries (HS-33).

Togo - Salt, sulphur, earth, stone, plaster, lime and cement (HS-25); Vehicles other than railway, tramway (HS-87); Electrical, electronic equipment (HS-85); Machinery, boilers, etc (HS-84); Cereals (HS-10); Other made textile articles, sets, etc (HS-63); Footwear, gaiters and the like (HS-64); Paper and paperboard, articles of pulp (HS-48); Furniture, lighting, signs, prefabricated buildings (HS-94); Animal, vegetable fats and oils (HS-15); Articles of apparel, accessories, knit or crochet (HS-61); Sugars and sugar confectionery (HS-17); and Rubber and articles (HS-40).

Guinea - Mineral fuels, oils, distillation products, etc (HS-27); Machinery, boilers, etc (HS-84); Electrical, electronic equipment (HS-85); Plastics and articles (HS-39); Footwear, gaiters and the like (HS-64); Cereals (HS-10); Articles of iron or steel (HS-73); Animal, vegetable fats and oils (HS-15); Other made textile articles, sets etc (HS-63); Tobacco and manufactured tobacco substitutes (HS-24); and Optical, photo, technical, medical, etc apparatus (HS-90).

Niger - Mineral fuels, oils, distillation products, etc (HS-27); Machinery, boilers, etc (HS-84); Electrical, electronic equipment (HS-85); Vehicles other than railway, tramway (HS-87); Articles of iron or steel (HS-73); Salt, sulphur, earth, stone, plaster, lime and cement (HS-25); Cereals (HS-10); Other made textile articles, sets, etc (HS-63); Tobacco and manufactured tobacco substitutes (HS-24); Optical, photo, technical, medical, etc apparatus (HS-90); Iron and steel (HS-72); Cotton (HS-52); Plastics and articles (HS-39); Inorganic chemicals, precious metal compound, isotopes (HS-28); and Furniture, lighting, signs, prefabricated buildings (HS-94).

Mali - Machinery, boilers, etc (HS-84); Vehicles other than railway, tramway (HS-87); Salt, sulphur, earth, stone, plaster, lime and cement (HS-25); Mineral fuels, oils, distillation products, etc. (HS-27); Cotton (HS-52); Cereals, (HS-10); Iron and Steel (HS-72); Plastics and articles (HS-39); Animal, vegetable fats and oils (HS-15); Coffee, tea, mate and spices (HS-09); and Tobacco and manufactured tobacco substitutes (HS-24).

Burkina Faso - Mineral fuels, oils, distillation products, etc (HS-27); Machinery, boilers, etc (HS-84); Vehicles other than railway, tramway (HS-87); Electrical, electronic equipment (HS-85); Cereals (HS-10); Salt, sulphur, earth, stone, plaster, lime and cement

(HS-25); Articles of iron or steel (HS-73); Plastics and articles (HS-39); Tobacco and manufactured tobacco substitutes (HS-24); Paper and paperboard, articles of pulp, paper and board (HS-48); Rubber and articles (HS-40); Optical, photo, technical, medical, etc apparatus (HS-90); and Inorganic chemicals, precious metal compound, isotopes (HS-28).

Sierra Leone - Machinery, boilers, etc (HS-84); Electrical, electronic equipment (HS-85); Cereals (HS-10); Mineral fuels, oils, distillation products, etc (HS-27); Ships, boats and other floating structures (HS-89); Rubber and articles (HS-40); Animal, vegetable fats and oils (HS-15); Furniture, lighting, signs, prefabricated buildings (HS-94); and Tools, implements, cutlery, etc of base metal (HS-82).

Liberia - Ships, boats and other floating structures (HS-89); Mineral fuels, oils, distillation products, etc (HS-27); Articles of iron or steel (HS-73); Machinery, boilers, etc (HS-84); Electrical, electronic equipment (HS-85); Other made textile articles, sets, etc (HS-63); Vehicles other than railway, tramway (HS-87); Optical, photo, technical, medical, etc apparatus (HS-90); Animal, vegetable fats and oils (HS-15); Salt, sulphur, earth, stone, plaster, lime and cement (HS-25); Miscellaneous edible preparations (HS-21); and Tanning, dyeing extracts, tannins, derivs, pigments etc (HS-32).

Mauritania - Mineral fuels, oils, distillation products, etc (HS-27); Machinery, boilers, etc (HS-84); Vehicles other than railway, tramway (HS-87); Cereals (HS-10); Electrical, electronic equipment (HS-85); Articles of iron or steel (HS-73); Ships, boats and other floating structures (HS-89); Iron and steel (HS-72); Animal, vegetable fats and oils (HS-15); Rubber and articles (HS-40); Plastics and articles (HS-39); Tobacco and manufactured tobacco substitutes (HS-24); Sugars and sugar confectionery (HS-17); Optical, photo, technical, medical, etc apparatus (HS-90); Edible vegetables and certain roots and tubers (HS-07); Paper and paperboard, articles of pulp (HS-48); and Inorganic chemicals, precious metal compound and isotopes (HS-28).

INVESTMENT POTENTIAL IN WEST AFRICAN COUNTRIES

FDI in the West African region is mainly directed towards sectors such as mining especially gold, bauxite, diamonds, iron, alumina, oil exploration, electricity, transport and telecommunication, agro-processing and tourism. With a view to enhancing investment inflows, the West African countries have streamlined their investment laws and have also identified priority sectors for increased investment inflows and development. In line with these priority sectors as also resources available in these countries, potential sector for Indian investments have been identified.

Benin - Electricity generation; Commercial cultivation of cotton; Processing of local agricultural and mining products; Infrastructure; and Development of the tourism sector.

Burkina Faso - Primary production and processing of agricultural and mining sectors; Cotton cultivation; Electricity generation and distribution; Road building and water supply; and Services sector especially ICT, hotel and tourism.

Cape Verde - Light manufacturing; Tourism; Fisheries; Floriculture; Horticulture; Civil construction; Transport, communication and energy; and Financial services.

Côte d'Ivoire - Telecommunication and transportation sectors; Cocoa, coffee, rubber and palm oil production; Computer services; Construction; Education and training services; and Financial services.

The Gambia - Agriculture, especially horticulture, floriculture, animal husbandry, fruit/vegetable processing and canning; Manufacturing especially light pharmaceutical industry and light engineering for manufacturing; Fisheries and forestry exploitation; Food and drink processing; Energy and mining; Transport; Financial sector; Tourism and travel; and IT.

Ghana - Agriculture and agro-processing; Sea food processing; Floriculture; Cotton textiles; Fine & custom jewellery; Ceramics; Transport services; Tourism; Property development; Energy; Financial services; and Information technology.

Guinea - Agriculture production, especially food crops and rural development; Agro-industries including food processing & transformation phases; Animal breeding including preservation & transformation facilities; Mechanical or chemical preparation / processing of mineral or plant or animal products; Health & education; Tourism; Housing construction; and Development of banks & credit institutions.

Guinea-Bissau - Cashew nuts processing; Construction; Transportation; and Education.

Liberia – Fisheries; Transport (mainly marine); Horticulture; Agriculture production especially rubber and oil palm; Mining (mainly iron ore, gold and diamonds); Production of African attire, jewels and other cultural items; Tourism; Electricity; Telecommunication; and Construction sector.

Mali - Modernization of dairy farming, poultry farming; Cultivation of rice, maize and vegetables; Modern processing techniques of agricultural products; Cotton ginning; Mining particularly gold; Textile sector; Oil prospecting and exploration; Cement; Agri-business; Fishing and fish processing; Tourism and hotel industries; Vocational and technical training enterprises; and Energy generation industries.

Mauritania - Oil and gas industries; Mining; Fishing industry; Transport and infrastructure sector especially construction of container terminals, airports, railways etc; Agriculture and livestock; Telecommunication; Tourism; and Banking and financial services sector.

Niger - Mining particularly uranium and gold; Agri-business; Oil and gas exploration; Electricity generation; Privatization of state enterprises; Financial sector; Hotel and tourism industries; Infrastructure; Transport; ICT; and Health sector.

Nigeria - Metallurgical / engineering industries (industrial projects such as foundries & forges); Metal fabrication / machine tools; Pharmaceuticals; Rubber & plastic; Leather & leather products; Textiles & weaving apparels; Cement; Other non-metallic material building materials; Bricks, ceramic glass; Agriculture - forest based and agro-allied activities (food processing; Sugar, confectioneries & beverages; Cereal & grain milling; Fruits, vegetables, vegetable oils, oil seeds, roots & tubers); Chemical/petrochemical sector; and Construction sector.

Senegal - Oil and gas exploration; Mineral exploration and mining; Fishing and animal rearing; Transport; Tourism; Chemicals; Textiles; Agro-processing; Leather; and Metalworking and mechanical industries.

Sierra Leone - Retail trading; Food processing; Marine resource development; Mining sector; Tourism; Infrastructure; Construction; and Energy and financial services.

Togo - Hydroelectric and hydrocarbon sector; Oil exploration; Mining particularly phosphate; Hotels and tourism infrastructure; Port facilities and construction; Financial services; and Agri-business and storage facilities.

EXPORT-IMPORT BANK OF INDIA (EXIM BANK) IN WEST AFRICA

Exim Bank is India's premier trade and investment promotion, financing and advisory institution. It provides a comprehensive range of financing, advisory and support programmes to promote and facilitate India's trade and investment relations in Africa and especially in West Africa. Since its commencement in 1982, Exim Bank plays the role of a catalyst for investments in West Africa, by extending loans to Indian companies for investments in the region and entering into various collaborative programmes.

Exim Bank has three representative offices in Africa in Dakar, Senegal (covering West Africa); Addis Ababa, Ethiopia; and Johannesburg, South Africa; which play a key role in facilitating economic cooperation with the African region. The representative offices interface with various regional institutions such as African Development Bank; EBID; BOAD; African Export-Import Bank (Afreximbank); and Eastern and Southern African Trade and Development Bank (PTA Bank); as well as Indian missions in the region, thereby being closely associated with the Bank's initiatives in the African region.

FINANCING PROGRAMMES

Lines of Credit

Exim Bank extends Lines of Credit (LOCs) 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 buyers' 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.

In West Africa, as on January 31, 2013, Exim Bank has 44 GOI-supported operative LOCs valued at US$ 1,517.1 mn, covering twelve countries and EBID. Additionally, Exim Bank has also extended 3 direct LOCs to Nigerian Exim Bank, BOAD, and Afreximbank in the region, valued at US$ 60 mn.

Support for Project Exports

Exim Bank plays an important role in financing and promoting Indian exporters in international markets. The Bank extends both funded and non-funded facilities to Indian project exporters for overseas industrial turnkey projects, civil construction contracts, supplies, as well as technical and consultancy services contracts. As on January 31, 2013, the value of ongoing 4 project contracts secured by Indian project exporters in West Africa amounted to ₹ 11.05 billion, in sectors such as power (generation and transmission) and consultancy.

Finance for Joint Ventures Overseas

Exim Bank supports Indian companies in their endeavour to globalise their operations, through JVs and WOS. Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoter to set up such ventures overseas. These ventures serves to promote value addition, as also contribute to capacity building in host countries. Exim Bank also facilitates joint investments by Indian and overseas companies in third country markets in addition to facilitating investments to India. In West Africa, Exim Bank has supported three such ventures amounted to ₹ 158 mn in Nigeria and Ghana, in sectors such as agro based industries, manufacturing and plastics and packaging.

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

With a view to build institutional linkages, Exim Bank has entered into MOUs and MOCs in West Africa. As on January 31, 2013, there are three active MOUs / MOCs in the region, with the following institutions:

- African Development Bank (AfDB), Côte d'Ivoire;
- Nigerian Export - Import Bank, Nigeria; and
- Ecobank PLC, Togo.

INSTITUTIONAL LINKAGES AND ARRANGEMENTS

Exim Bank has been consciously forging a network of alliances and institutional linkages to help further economic cooperation while promoting and facilitating bilateral trade and investment between India and Africa. These, in turn, serve to create an enabling environment and support capacity creation and enhance institutional strengthening.

Towards facilitating economic cooperation, Exim Bank has taken up equity in BOAD, Development Bank of Zambia and Afreximbank. These endeavours are supplemented by the various MOCs/MOUs, the Bank has in place with key institutions in the African region and especially in West African countries including: Nigerian Export-Import Bank (NEXIM); African Development Bank (AfDB); Afreximbank; Board of Investment, Mauritius; Industrial Development Corporation of South Africa Limited (IDC); Eastern and Southern African Trade and Development Bank (PTA Bank); Industrial Development Bank of Sudan; Banque Internationale Arabe de Tunisie, Tunisia; Foreign Investment Promotion Agency, Tunisia; and Societe Tunisienne de Banque, Tunis. Exim Bank also maintains strong linkages with EBID and BOAD.

Association with African Development Bank (AfDB)

India is a member of African Development Bank (AfDB). Many Indian companies participate in projects funded by African Development Bank Group. Exim Bank works very closely with African Development Bank 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 such as AfDB. Exim Bank assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim Bank, Indian project exporters have secured a number of overseas contracts in Africa and specifically in West African countries in sectors such as power, telecommunications, transport, water supply & sanitation. Exim Bank and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim Bank also organizes Business Opportunities seminars in projects funded by African Development Bank across various centres in India.

Member of Association of African Development Finance Institutions (AADFI)

Exim Bank is a member of 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.

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

With a view to facilitating South-South trade and investment cooperation, at the joint initiative of Exim Bank and UNCTAD, a Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was launched in March 2006 in Geneva. 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 between developing countries. A number of institutions from West Africa, including Banque Nationale d'Investissement, Côte d'Ivoire; Development Bank of Mali, Mali; ECOWAS, Togo; and Nigerian Export-Import Bank, Nigeria are members of G-NEXID.

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 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 has 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; feasibility study for establishment of Commonwealth Trade and Investment Bank; preparing a blue print for setting up of Export-Import Bank of Zimbabwe; and development of film financing products for Nigerian Export-Import Bank.

EXIM BANK RESEARCH STUDIES

Exim Bank conducts periodic research studies in order to promote the existing institutional linkages and external competitiveness of the Indian companies. The studies range from areas of international trade (including sector specific studies) to international investments. It also focuses on areas of bilateral/ multilateral cooperation among countries and their potential for further development. These are published in the form of Occasional Papers, Working Papers, and Books. Some of the Occasional Papers published by the Bank include, ECOWAS: A Study of India's Trade and Investment Potential; The Commonwealth: Promoting a Shared Vision on Trade and Investment; India's Trade and Investment Relations with LDCs (Least Developed Countries): Harnessing Synergies; Select West African Countries: A Study of India's Trade and Investment Potential; Strategy for Quantum Jump in Exports: Focus on Africa, Latin America and China, etc.

STRATEGIES AND RECOMMENDATIONS TO ENHANCE COMMERCIAL RELATIONS WITH WEST AFRICA

Countries in West Africa have witnessed increased economic activities in recent years, reflected in their GDP growth as also rise in foreign trade. The analysis also traced recent trends in India's trade and investment relations with countries in West Africa, and identified potential areas for boosting bilateral trade relations. The study endeavours to provide broad strategies and recommendations which could be adopted in order to facilitate and enhance two-way trade and investment between India and countries in West Africa, based upon the analysis and findings of the study.

Cooperation in Agriculture Sector Development

Agriculture and related activities constitutes the bedrock of most of the countries in West Africa, and exports from the sector are important foreign exchange earners for most West African countries. Many countries in West Africa are home to the world's richest agricultural resources. As a result, several governments in the West African region view that foreign investments in agriculture cultivation would lead to possible benefits for rural poor, including the creation of a potentially significant number of farm and off-farm jobs, development of rural infrastructure, and social improvements, leading to food self-sufficiency and poverty reduction.

Indian companies can explore the possibilities of investments such as joint ventures or contract farming, setting up agro processing firms and investments in key stages of value chain. Indian investment in specific countries could result in improving the agricultural sector of the host country through skill development, job creation, technological upgradation, supply of quality inputs like seed, better supply chain management, and biotechnology. India's transfer of knowledge/ technology could help these countries to deal with the problem of food crisis. Indian scientific and agricultural research institutions have assisted many entrepreneurs in developing their business ideas in the West African countries. Indian investors could also focus on providing quality infrastructure to enhance the farm productivity in these countries.

Development of Manufacturing Sector

Development of manufacturing sector in West Africa is very important for the development and growth of the region. The dependence of many of the West African countries on primary commodity exports, combined with reliance on manufactured imports has affected the growth of the region. Hence, development of a strong manufacturing sector is necessary.

At present, Africa's and especially West Africa's share in global manufacturing production and trade is very small. In 2010, the share of manufacturing sector in GDP accounted for only 10 percent in case of Africa, 4.8 percent for West Africa, 9.6 percent for East Africa, 11 percent for North Africa, and 14.5 percent for Southern

Africa[1]. India could support West African countries in creating productive capacity-building through various support and training programmes and technical cooperation. Indian investors can play a major role by way of transfer of technical knowhow and technology which is suitable for the conditions and needs of a developing nation. This could help West Africa to enhance its competitiveness by building its human and physical capital.

Natural Resource Development

With many of the countries in Africa especially in West Africa, endowed with mineral wealth and natural resources, enhanced bilateral cooperation for development/ exploration of natural resources in these countries could benefit both India and West Africa. Eleven countries of Africa, mostly in southern and western Africa rank among the top ten sources for at least one major mineral. Africa has majority of the world's known resources of platinum, chromium and diamonds, as well as a large share of the world's bauxite, cobalt, gold, phosphate and uranium deposits. For instance, Guinea-Bissau presents opportunities for cashew nuts processing and oil exploration; Niger has large reserves of uranium and is a leading global producer; Burkina Faso has large deposits of minerals which are yet to be fully exploited, with gold dominating the mining sector; Senegal possesses calcium phosphates and aluminum phosphates, as also iron, gold, copper, diamonds, and titanium.

According to World Gold Council, China and India together demand more than half of the world's jewellery and bar and coin purchases of gold. In light of these, increased cooperation between India and the resource-rich countries in West Africa in developing/exploring natural and mineral resources, with bilateral arrangements such as buy-back arrangements, could be an important strategy to enhance Indo-West African commercial relations.

Cooperation in Hotel and Tourism Industry

Several countries in West Africa such as Ghana, Sierra Leone, the Gambia, Mali and Senegal, have emerged as major tourism destinations, receiving large number of tourist population visiting Africa. With India being an emerging player in hospitality industry, Indian companies could explore the vast opportunities available in such countries. Indian companies can focus more on developing world-

[1]UnctadStat, UNCTAD

class hotels and resorts. Indian hotel groups could also try to acquire and renovate some hotels in the region. Many of these Indian hotels received wide acclaim and awards for their hospitality services. Given the rich cultural and geographical diversities and vast biodiversity in flora and fauna of West African nations, Indian entrepreneurs could also specifically focus on different kinds of tourism products, such as adventure tourism, coastal and safari tourism; medical tourism; wildlife tourism; eco-tourism and cultural tourism. Ayurvedic services could be one of the areas where India has potential and can enhance its presence in the field of medical tourism.

On the other hand, several features such as low cost healthcare solutions, availability of skilled healthcare professionals, reputation for treatment in advanced healthcare segments, India's traditional wellness systems, and strengths in information technology makes India an ideal destination for patients from West Africa. Patients from West Africa can identify and select the hospital / doctor suitable for the treatment, identify favourable destination for holiday / recuperation, seek online appointments for various healthcare services and customise the required packages with the travel /tourism operators.

Focus on Information Technology (IT) Development and Knowledge Sharing

With the strength and capability that India possesses in the realm of Information Technology sector, Indian IT firms could explore the opportunities in West African countries, and focus on investing in subsidiaries or joint ventures in the areas of e-governance, financial services and e-education. Indian companies could also share their expertise in providing software programmes and services for banks and financial institutions in the region. For instance, Indian companies including NIIT and Aptech, which already have presence in Africa and especially in West Africa, could expand their network of training centers in other countries in the region. NIIT has presence in Ghana, Mali, Nigeria, and Senegal; and Aptech in Ghana and Nigeria in West Africa. Designing specialized e-learning courses on the web for providing technological assistance, manufacturing process know-how, troubleshooting and other technical areas also present opportunities.

Investment in Human Resource Development

An associated area of bilateral cooperation could also be investing in human resource development and sharing of knowledge. Human resource development is recognised as the premiere need of most African countries especially in West Africa. Businesses focusing on health, education and skill development are more likely to be stable businesses, which are in increasingly high demand in many countries, due to their direct impact on improving the standard of life. Towards this end, West African countries could also tie up with Indian institutions such as the Central Food Technological Research Institute (CFTRI), Mysore; Entrepreneurship Development Institute of India (EDI), Ahmadabad; and National Small Industries Corporation Ltd. (NSIC), New Delhi. Further, Indian institutions could also share their expertise in the fields of export capability creation in the region, institutional strengthening and export development in the form of technical assistance and sharing of expertise through site visits.

In the second India- Africa Forum Summit in 2011, India announced US$ 700 mn grant assistance for human resource development, transfer of technology, and building new institutions and training programmes. Indian investors could also help West African governments in setting up various higher education institutes, universities and provide scholarships to West African students for various exchange programmes like Study India Programme, which could improve the quality of education in these countries. This type of academic 'twinning arrangements' between Indian and West African universities will boost academic mobility between both regions.

Cooperation in Infrastructure Development

Investment in infrastructure development, due to an increasing need for better infrastructural facilities, coupled with the endeavour of West African countries for rapid economic growth, could prove to be a mutually rewarding area of bilateral cooperation. Lack of forward and backward linkages among different modes of transportation, declining air connectivity, poorly equipped ports, ageing rail networks, and inadequate access to all-season roads are key problems facing West African economies. Areas that hold immense investment opportunities include development of highways and roadways, development of railway networks and power systems, which would also help in regional integration. Large Indian construction companies could explore business opportunities to meet the infrastructural requirements in West Africa, also contributing largely to economic development in the host countries.

Cooperation in the Banking/ Financial Sector

With a view to enhance commercial relations with countries in the West African region, some Indian banks have set up operations in select countries in the region. Currently in West Africa, Bank of Baroda has a subsidiary in Ghana. SBI has JV with Sterling Bank Nigeria. Also an Indian insurance company, New India Assurance is present in Nigeria, Ghana, and Sierra Leone. Exim Bank also has its West Africa Representative Office in Dakar, Senegal. In view of the potential for enhancing bilateral trade and investment relations with the countries in West Africa, opening branches/ subsidiaries/ representative offices in the region, and developing correspondent banking relations with select banks in the region would serve to facilitate and promote commercial relations.

Developing Linkages with Investment Promotion Agencies/ Chambers of Commerce

Besides streamlining their investment regimes, many countries in the region have set up specialised investment promotion agencies/ Chambers of Commerce to promote and facilitate inflow of foreign investment into these countries, while also serving as one-stop-shop for investment related activities. In light of the key role of these institutions, building closer cooperation and linkages with these investment promotion agencies in West Africa would serve to enhance access to information about investment opportunities in the region. A list of such investment promotion agencies and chambers of commerce is provided in the **Annexure II**.

Such relationship would serve to enhance knowledge about potential areas for investment, upcoming projects in different sectors, prospective investment partners, as also procedures, rules and regulations required for venturing into specific sectors in these countries and incentives offered to investors. Further, investment promotion events with select investment promotion agencies would foster increased interaction between potential investors and concerned agencies in potential sectors in target countries in the region.

Cooperation in Energy and Power Generation

Another area which holds immense potential for investment and cooperation, is electricity generation and power transmission. Energy deficit is expected to continue posing a serious challenge for the overall development of countries in the region. Despite the potential for energy generation, insufficient use of existing energy systems has resulted in generation of electricity which is less than installed capacity due to drought, lack of maintenance and rehabilitation and also general system losses of electricity which includes transmission and distribution loss.

For instance, the entire installed generation capacity of Sub-Saharan African countries excluding South Africa is only 28 gigawatts, and 25 percent of that capacity is unavailable because of aging plants and poor maintenance[2]. Many African countries are seeking support and technical assistance for development of petroleum pipelines, petroleum exploration and production in the region.

West Africa is endowed with enormous potential in solar and wind energy, supported by the creation of the Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) in Cape Verde[3]. In light of these, development of the energy infrastructure is a priority area for governments of countries in West Africa. India could support West Africa to promote the emergence of a regional energy market by linking national energy grids.

Cooperation in SME Sector

At present MSMEs (Micro, Small and Medium Enterprises) make up the majority of businesses in West Africa and there is enormous scope for the development of this sector. For instance, SMEs in Ghana provide 85 percent of manufacturing employment and 92 percent of businesses in Ghana[4]. But West African SME sector development is constrained by a number of factors like lack of accessibility to modern technology, limited access to international markets, lack of management skills and training and lack of finance. Towards developing entrepreneurship and human capability, India could share its expertise and experience with countries in West Africa, particularly in the SME sector wherein India has developed successful SME clusters. An important element in this direction could be for delegations from these countries to visit India to study success factor of SME clusters in India, and developing similar clusters in their countries based on resource and skill endowments.

---

[2]World Bank

[3]Regional Integration Strategy Paper for West Africa 2011 – 2015, African Development Bank

[4]Abor J., and Quartey, P., (2010), Issues in SME Development in Ghana and South Africa, International Research Journal of Finance and Economics

Focus on Multilateral Funded Projects

Besides participating in investment activities that are promoted by the respective governments of countries in West Africa, Indian companies could also endeavour to participate in multilateral funded projects. Multilateral institutions such as the World Bank and the African Development Bank, support and fund a number of projects in West Africa. They broadly cover areas such as agriculture and related activities; infrastructure development such as roads, telecommunication, postal services, electricity, water supply and sanitation; mining and quarrying; rural and urban development; environment and natural resource development; health care and education; financial market development; and tourism development. Focus on these funded projects, and increased participation by Indian projects and services exporters, would serve to enhance Indian commercial presence in the country. At the same time, efforts to participate in technical assistance in terms of project preparation and advisory services in such funded projects would support increased presence in the region. Indian companies could also participate in these projects through project participation and advisory services **(Annexure IV)**. Indian companies could explore partnership with local entrepreneurs and local investment agencies, which could then attract funds from multilateral investment agencies.

Thus, for India, with the countries in West Africa emerging as important trade and investment partners, and the need of West African countries for strategic partners in their developmental and growth endeavours, sharing of experiences in capacity building, investments and endeavours in growth-inducing sectors in the region could prove to be strategic in fostering and enhancing long term commercial relations as also presence in West Africa.

1 REGIONAL GROUPS AND FINANCIAL INSTITUTIONS OF WEST AFRICA

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

The Economic Community of West African States (ECOWAS) is among the main trading blocs in the African region, besides, the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), and West African Economic and Monetary Union (UEMOA)[5].

The ECOWAS came into existence as a regional grouping with the signing of the Treaty of Lagos in May 1975 by 16 West African countries. The principal objective behind the formation of ECOWAS was to achieve economic integration and collective development so as to form a unified economic and monetary zone in West Africa to promote trade, cooperation and self-reliance in the region through the establishment of a single large economic and monetary union trade bloc. 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.

Subsequently, the scope was increased to include socio- political interactions and mutual development in related spheres. The ECOWAS treaty was revised and drafted in 1991-92, and was signed in July 1993, in order to accelerate economic integration and to enhance political cooperation. The revised treaty aimed at the achievement of a common market and a single currency, besides establishment of a West African parliament, an economic and social council and an ECOWAS court of justice to replace the existing Tribunal and enforce Community decisions.

ECOWAS comprised 16 nations until Mauritania withdrew membership from the Community in 2000. Presently, the member nations of ECOWAS comprise Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

[5]List of major African Trade Blocs, along with the member countries and year of formation is presented in Annexure 1

In 1994, eight members of ECOWAS-mainly francophone countries-set up the West African Economic and Monetary Union (Union Economique et Monétaire Ouest-Africaine - UEMOA) to work towards a customs union and other aspects of economic convergence. The UEMOA members - Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, already share the same currency, the CFA Franc, and similar legal codes.

The principal institutions that constitute the ECOWAS include the Authority of Heads of States and Government, the Council of Ministers, the Community Parliament, the Economic and Social Council, the Community Court of Justice, the Commission, and ECOWAS Bank for Investment and Development (EBID).

ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT (EBID)

The ECOWAS Bank for Investment and Development (EBID), based in Lomé, Togo, is the leading regional investment and development finance 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 execution of development and infrastructure projects of member states, particularly in the areas of telecommunications, energy, transport, 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 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 the 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 sectors such as transport, energy, telecommunications industry, poverty alleviation,

environment and natural resources.
The corporate objective of EBID is to:

- grant loans and guarantees for financing investment projects and programmes for the economic and social development of member states;
- mobilize resources within and outside the Community for the financing of its investment projects and programmes;
- provide the technical assistance necessary within the Community for the study, preparation, financing and execution of development projects and programmes;
- receive and manage the portion of the Community Levy resources meant for the financing of Community development activities;
- manage any Community special funds relevant to its corporate objective; and
- carry out any commercial, industrial or agricultural activity, in as much as such an activity is secondary to its objective or necessary for the recovery of its debts.

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

EBID financial and technical assistance is open to the following:

- ECOWAS member states or their agencies;
- Public companies, private companies and mixed enterprise corporations of ECOWAS member states;
- Local financial institutions; and
- Corporate bodies from ECOWAS member states or from foreign countries desirous of investing in the ECOWAS zone, in sectors within EBID's areas of intervention.

WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)

The West African Economic and Monetary Union (WAEMU) or the Union Économique et Monétaire Ouest-Africaine (UEMOA) came into effect on August 1, 1994, replacing the West African Economic Union (WAEU/CEAO) and West African Monetary Union (WAMU). The UEMOA has set itself the objective of fashioning a real common socio-economic zone. UEMOA treaty was signed by the heads of state and governments of Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. The main aim of forming a monetary union was to promote economic integration among countries that share the CFA Franc as a common currency. The UEMOA treaty aims to extend the process of integration already at work in the monetary area to the whole economic sphere. The UEMOA seeks 'to develop a competitive common market based on the free flow of persons, goods, services, and capital'.

UEMOA comprises eight West African countries. These countries form part of the CFA Franc Zone along with a second group of six African countries that participate in a similar monetary arrangement; the Central African Economic and Monetary Community (CAEMC). Within each sub-zone, monetary arrangements are managed by a separate central bank: the Central Bank of West African States (BCEAO) for UEMOA and the Bank of Central African States (BEAC) for the CAEMC. The sub-zones share a common currency, the CFA Franc, which stands for the Communauté Financiére d'Afrique in the BCEAO area and for Coopération Financiére en Afrique Centrale in the BEAC region.

UEMOA is a customs union and currency union between eight members of ECOWAS. UEMOA aims to foster sustainable macroeconomic stability among its member states, and establish a single domestic market. To achieve this end, it has the following five main objectives:

i. to reinforce the economic and financial competitiveness of its member states in the context of an open, competitive market and a rationalized, coherent, judicial environment;

ii. to ensure the convergence of macro-economic performance and policy across member states, with the institution of a multilateral control procedure;

iii. to create a common market for the member states based on the free flow of people, goods, services and capital, the right of individuals to set up businesses within the area, a common external customs tariff and a common trade policy;

iv. to promote the coordination of national sectoral policy and implementation in the areas of agriculture, environment, transport, infrastructure, telecommunications, human resources, energy, industry, mining and crafts; and

v. to harmonize legislation across member states, particularly the fiscal system, where necessary for the smooth operation of the common market.

Thus, the organization's strategy is to deepen and broaden the integration process among member countries through various measures like:

- complete elimination of tariff and non-tariff barriers to trade and elimination of customs duties;

- free movement of capital, labour, goods and the right of establishment;

- standardising taxation rates and conditions regarding industrial cooperation, particularly company laws and investment laws; and

- adoption of a single currency; establishment of a Monetary Union and a Common External Tariff (CET).

The organs ensuring the administration of UEMOA are: Executive Bodies – comprising the Conference of Heads of State, the Council of Ministers and the Commission of the UEMOA; Control Bodies – comprising the Court of Justice, the Court of Auditors and the Inter-Parliamentary Committee; Advisory Bodies – comprising the Regional Consular Chamber; and Autonomous Specialized Agencies - comprising Central Bank of West African States (BCEAO) and the West African Development Bank (BOAD).

UEMOA is one of the best examples of cooperation among emerging economies. UEMOA has achieved a customs and monetary union in January 2000, eliminating duties on produce and manufactured goods traded between member countries and introducing a Common External Tariff (CET). The UEMOA has successfully implemented an effective multilateral surveillance mechanism, aimed at reorganising the macroeconomic structure of the member states and strengthening their common currency. IMF cited the UEMOA as "the furthest along the path towards integration" of all the regional groupings in Africa.

CENTRAL BANK OF WEST AFRICAN STATES (BCEAO)

The Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest - BCEAO) is a central bank serving the eight West African countries which comprise the UEMOA. Its predecessor, the Institut d'Emission de l'Afrique Occidentale Française et du Togo, was created in 1955 and was transformed into BCEAO in 1959. The treaty establishing the West African Monetary Union (UMOA), signed on May 12, 1962, gave BCEAO the exclusive right to issue the currency as the common central bank for the then seven member countries.

BCEAO is a public institution with headquarters in Dakar, Senegal. In addition to the centralization of foreign exchange reserves of the Union, BCEAO's main tasks include: issuing currency, managing monetary policy, organization and supervision of the banking and assistance to member states. BCEAO has the exclusive privilege of monetary emission on all member states of the West African Monetary Union. It issues currency notes and coins which are legal tender and tendered in all the member states of the Union.

BCEAO manages the monetary policy of the member states of the Union by adjusting the overall liquidity of the economy in response to changing economic conditions, to ensure price stability, on the one hand; and promote economic growth, on the other hand. BCEAO sets the regulations applicable to banks and financial institutions and carries out monitoring functions. In this context, the UEMOA Banking Commission, created on April 24, 1990 and chaired by the Governor of the BCEAO is responsible for ensuring the organization and supervision of the banking system in the Union.

BCEAO assists, at their request, the governments of the member states in their relations with the international financial and monetary institutions and in negotiations they undertake for the international financial agreements. BCEAO also assists members in the areas of defining and monitoring the implementation of adjustment programs as well as debt management. In particular, it assists governments in negotiating rescheduling of their external debt. BCEAO also assists in the development, harmonization and enforcement of legislation relating to the regulation of external financial relations.

THE WEST AFRICAN DEVELOPMENT BANK (BOAD)

The Banque Ouest Africaine de Developpement (West African Development Bank – BOAD) is the common institution of development financing for the member states of the UEMOA. BOAD was created by a treaty signed on November 14, 1973 by its eight member states: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo and became operational in 1976. The original charter focused on development of member economies towards balanced development and to prepare economies for future West African economic integration. In 1994, it became the development arm of the UEMOA. BOAD's headquarters is located at Lomé, Togo. The member countries of BOAD share a common currency, the Franc of the African

Financial Community (CFA Franc) and are governed by a regional central bank, the Central Bank of West African States (BCEAO).

BOAD is managed and administered by a Chairman appointed by the UEMOA Council of Ministers and is assisted by a Vice-Chairman appointed by Board of Directors. Board of Directors of BOAD is composed of President (ex-officio Chairman), representatives (incumbent and alternate) of each member state, Governor of BCEAO and a representative each of shareholders of Category "B", which comprises non-African governments and non-African financial institutions.

Shareholders of BOAD are divided into Categories A and B. Shareholders in Category A comprise the 8 member countries and BCEAO, holding 92.65 percent of the subscribed capital. Shareholders in Category B, holding 7.35 percent of the subscribed capital, comprise France; German Development Corporation (DEG), acting on behalf of Germany; European Investment Bank, acting on behalf of European Union; African Development Bank (AfDB); Belgium; Export-Import Bank of India and People's Bank of China acting on behalf of China.

In conformity with the Treaty of UEMOA, BOAD is a specialized common institution of the Union. BOAD is an international public institution. Its objective under Article 2 of its Articles of Association is 'to promote the balanced development of the member states and to ensure the economic integration of West Africa' by financing priority development areas. The areas of intervention of BOAD are: rural, basic and modern infrastructure, telecommunications, energy, industries, transport, agro-based industries, tourism priority projects and other services. BOAD finances the commercial and non commercial sectors. In its financing transaction, the banking component of its activities is responsible for commercial sector transactions (the private sector in the strict sense and the public commercial sector) whereas its Fund for Development and Cohesion (FDC) which was established in July 2002 by the Bank's decision-making bodies is the means whereby grants and concessional loans meant for the financing of non-commercial sector projects are mobilised.

Regional integration in West Africa is one of the prime objectives of BOAD and is an important means of improving competitiveness of these economies and their successful integration with the global economy. Therefore, promotion and financing of economic integration projects forms a major part of the activities of BOAD. It supports various projects relating to regional integration every year. These projects relate to the development of infrastructure, especially telecommunication, energy and transport, all of which are considered crucial to regional integration and improving competitiveness of these economies in the world economy. Projects in the domain of energy are aimed at interconnecting the national grids for transporting and distributing electricity to the member countries.

Activities of BOAD comprise the following:

- Medium and long term direct loans for national and regional projects;
- Refinance (indirect loans) facility to small and medium sized companies;
- Guarantees;
- Equity investment in the capital of enterprises or national financial institutions;
- Financing of project, feasibility or engineering studies;
- Equity investment in financial institutions and private enterprises;
- Assistance to small and medium scale enterprises (SMEs) through lines of credit or refinancing framework agreement to national financial institutions;
- Easing of the terms of borrowing through interest subsidization for projects within the non-market sector; and
- Technical support to member countries and their institutions.

2 BACKGROUND & ECONOMIC ENVIRONMENT OF WEST AFRICAN COUNTRIES

This chapter presents a background and overview of the prevailing economic environment in the West African countries, recent trends in the macroeconomic indicators, sectoral performance in the countries and recent developments.

According to the United Nations, West Africa, the westernmost region of Africa, comprises 16 countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. The West African countries in the recent past have witnessed macroeconomic reforms, and advances in the areas of governance, peace and security. Except for Mauritania, the other 15 countries in the region are members of Economic Community of West African States (ECOWAS); and 8 countries in West Africa, i.e., Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo are members of West African Economic and Monetary Union (WAEMU) (Union Economique et Monétaire Ouest-Africaine - UEMOA).

West Africa has a vast wealth of untapped mineral resources, which locally undergo elementary processing. West Africa has huge reserves of iron ore, which resulted in the region being tagged as 'The New Frontier' and 'The Next Pilbara'. It also has large reserves of bauxite (Guinea), uranium (Niger), iron (Guinea and Liberia), gold deposits with very high mineral content (Burkina Faso, Côte d'Ivoire, Ghana, and Mali), diamonds (Guinea, Liberia, and Sierra Leone), petrol and natural gas (Côte d'Ivoire, Ghana, Niger, Nigeria, and Mauritania), phosphate (Senegal, and Togo) as well as considerable reserves of several other minerals (carbon, limestone, manganese, marble, and platinum). The major mineral resources available in West African countries are given below **(Table 2.1).**

Exhibit 2.1: Map of West Africa

Source: United Nations

Table 2.1: Main Mineral Resources of West African Countries

Country	Main Resources
Benin	Gold, Hydraulic Cement, Clay, Limestone
Burkina Faso	Gold, Cement, Manganese, Granite, Phosphate Rock, Marble
Cape Verde	Hydraulic Cement
Côte d'Ivoire	Gold, Cement, Manganese, Natural Gas, Crude Petroleum
The Gambia	Silica Sand, Laterite, Titanium (Rutile and Ilmenite), Granite
Ghana	Bauxite, Gold, Manganese ore, Diamond, Hydraulic Cement
Guinea	Bauxite, Diamond, Gold, Cement
Guinea-Bissau	Bauxite, Phosphate Rock
Liberia	Gold, Diamond, Hydraulic Cement, Sand
Mali	Gold
Mauritania	Iron ore, Copper, Gold, Cement, Crude Petroleum, Gypsum
Niger	Uranium, Gold, Hydraulic Cement, Coal, Gypsum, Limestone
Nigeria	Crude Petroleum, Natural Gas, Aluminium, Gold, Iron ore, Steel, Hydraulic Cement, Coal, Lead-Zinc Ore, Barite
Senegal	Gold, Basalt, Hydraulic Cement, Phosphate Rock, Crude Petroleum, Limestone
Sierra Leone	Bauxite, Diamond, Gold, Cement
Togo	Phosphate Rock, Gold, Cement, Limestone

Source: U.S. Geological Survey (USGS)

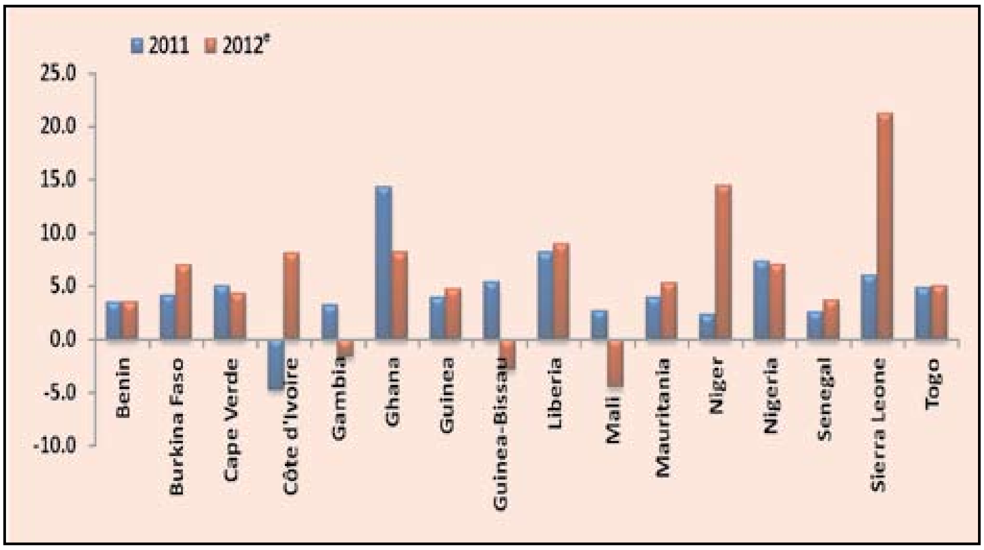
Domestic Economy

West Africa accounts for 20.5 percent of total land area of Africa; 30.4 percent of total African population and 20.1 percent of total GDP of Africa. The region offers good and genuine prospects for growth in spite of the economic and financial crisis affecting the global economy. The renewed growth in commodity prices (oil and minerals) has benefited natural resource-rich West African countries, and is fostering higher growth in the region. The better regional integration supports the growth prospects of the region by adapting various common development policies. The economies within the region are at varying stages of development. Nigeria is the largest market in the region, with an almost 54 percent working age population.

West Africa is estimated to have witnessed an average real GDP growth of 5.8 percent in 2012, an increase from 4.6 percent growth in 2011 **(Chart 2.1 and Table 2.2)**, supported by higher growth in Sierra Leone, Niger, Liberia, Ghana, and Côte d'Ivoire. Growth rates in these countries are being boosted by investments in the oil and mineral sectors. Sierra Leone is estimated to have registered a robust growth of 21.3 percent in 2012, supported by investments and surge in the production of iron ore. Niger followed Sierra Leone with an estimated real GDP growth of 14.5 percent in 2012, driven by mining and oil sector revenues. The discovery of oil in the Gulf of Guinea and the resultant high revenues have benefitted Ghana, and it is considered as one of the fastest growing economies in the world, with an estimated real GDP growth of 8.2 percent in 2012.

The GDP of West Africa is estimated to have increased to US$ 407.6 billion in 2012 from US$ 376.5 billion in 2011. Nigeria has the highest GDP in West Africa, amounting to US$ 272.6 billion, accounting for 66.9 percent of total GDP of the region, followed by Ghana with an estimated GDP of US$ 40.1 billion in 2012. The average per-capita income of West Africa witnessed a decrease to US$ 974.3 in 2012 from US$ 981.6 in 2011. Cape Verde, Nigeria, Ghana, Mauritania and Côte d'Ivoire have the highest per-capita income among the countries in the region.

Chart 2.1: GDP Growth in West African Countries, 2011-2012 (%)



Note: e-Estimates

Source: World Economic Outlook (WEO), International Monetary Fund (IMF), October 2012

Table 2.2: Select Macro Economic Indicators of West African Countries

		Real GDP Growth (%)		GDP (Current) (US$ billion)		Consumer Price Inflation (% change)		Current Account Balance (% of GDP)	
		2011	2012e	2011	2012e	2011	2012e	2011	2012e
1	Benin	3.5	3.5	7.3	7.5	2.7	6.9	-10.0	-9.3
2	Burkina Faso	4.2	7.0	10.2	10.3	2.8	3.0	-1.1	-4.2
3	Cape Verde	5.0	4.3	1.9	1.9	4.5	2.1	-12.5	-11.5
4	Côte d'Ivoire	-4.7	8.1	24.1	24.3	4.9	2.0	6.7	-3.1
5	The Gambia	3.3	-1.6	1.0	0.9	4.8	4.7	-14.2	-15.9
6	Ghana	14.4	8.2	38.4	40.1	8.7	9.8	-9.2	-9.1
7	Guinea	3.9	4.8	5.2	5.7	21.4	14.7	-16.3	-38.8
8	Guinea-Bissau	5.3	-2.8	1.0	0.9	5.0	5.0	-6.4	-3.5
9	Liberia	8.2	9.0	1.5	1.8	8.5	6.6	-34.6	-55.8
10	Mali	2.7	-4.5	10.6	9.6	3.1	7.2	-10.2	-5.4
11	Mauritania	4.0	5.3	4.2	4.1	5.7	5.9	-7.5	-23.6
12	Niger	2.3	14.5	6.0	6.6	2.9	4.5	-25.9	-26.3
13	Nigeria	7.4	7.1	244.1	272.6	10.8	11.4	3.6	3.5
14	Senegal	2.6	3.7	14.5	14.0	3.4	2.3	-6.4	-8.5
15	Sierra Leone	6.0	21.3	2.9	3.8	18.5	13.7	-52.3	-13.1
16	Togo	4.9	5.0	3.7	3.6	3.6	2.5	-7.2	-8.8
	West Africa	**4.6**	**5.8**	**376.5**	**407.6**	**7.0**	**6.4**	**-**	**-**

Note: e - estimates; '-' denotes not available
Source: WEO, IMF, October 2012

West Africa has one of the highest current account deficits among African regions, increasing from US$ 1.5 billion in 2011 to an estimated US$ 4.9 billion in 2012. Out of the 16 countries in the region, Nigeria alone registered an estimated current account surplus of US$ 9.5 billion (3.5 percent of GDP) in 2012. Current account deficit of Liberia and Guinea is estimated to have reached 55.8 percent and 38.8 percent of their respective GDP in 2012.

The total international reserves of the region are estimated at US$ 63.9 billion in 2012, increasing from US$ 54.7 billion in 2011. Nigeria is estimated to have the highest foreign exchange reserves among the countries in the region at US$ 42.9 billion in 2012, followed by

Ghana (US$ 5.9 billion) and Senegal (US$ 2.3 billion).

West Africa has a higher share of cereal imports in food consumption and is likely to be more impacted by higher and more volatile global food prices. The countries suffering from food crisis have undertaken various reforms or launched programmes like, "Operation Rice" in Mali and "GOANA" in Senegal. Increasing agricultural growth and ensuring food security are critical to West Africa's economic development. West Africa's energy resources, if managed properly, are potential sources of increasing economic development and can contribute to global energy markets in a larger scale.

ECONOMIC PROFILES OF WEST AFRICAN COUNTRIES

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

Benin

Formerly known as Dahomey, Benin is one of the most stable countries in Africa. Benin covers a total area of 112,760 sq. km and the total population in 2012 is estimated at 9.4 mn. Benin is widely regarded as a strategic transit corridor of the Africa region as it links the UEMOA countries with Nigeria, and transport is hence a crucial sector for the country's economy.

Box 2.1: West African Common Industrial Policy (WACIP)

On June 2, 2010, the ECOWAS Council of Ministers adopted the West African Common Industrial Policy (WACIP), with the vision of "maintaining a solid industrial structure, which is globally competitive, environment-friendly and capable of significantly improving the living standards of the people by 2030". The adoption of WACIP is an important step by ECOWAS member states to exploit their comparative advantages and complementarities and to promote industrial development in the member countries. The specific objectives of WACIP include diversifying and broadening the region's industrial production by progressively raising the processing of export products by an average of 30 percent by 2030; to progressively increase the manufacturing industry's contribution to regional GDP to an average of over 20 percent in 2030, from its current average between 6 and 7 percent; to improve intra-community trade from 12 percent to 40 percent by 2030; and to expand the volume of exports of manufactured goods from West Africa to the global market from 0.1 percent to 1 percent by 2030.

Source: ECOWAS

Benin's economy is largely focused on agriculture. This sector generates around 36 percent of GDP and employs around 70 percent of the working population. Agricultural sector of Benin is dominated by cotton, which accounts for over one-fourth of total exports of the country. Supported by various food-safety programmes developed in response to the 2008 food crisis, food production in the country has increased. Other main export crops include cashew, coffee, cocoa beans and palm oil. The secondary sector in Benin contributes around 15 percent of the country's GDP. Despite some proven mineral reserves, mining activity is relatively underdeveloped. Industrial production is dominated by the food, textile and cement industries. Construction and energy, which are essential for industrial development, contribute marginally to GDP, at 4.7 percent and 1.2 percent, respectively. The tertiary sector accounts for almost half of GDP (49 percent). Tertiary activities are primarily based on trade, which is highly dependent on the state of Benin's relationship with its neighbouring country, Nigeria. Benin's economy is highly concentrated on agriculture and trade, making it vulnerable to external shocks. Benin has reached the completion point under Enhanced Heavily Indebted Poor Countries (HIPC) initiative of World Bank and IMF.

Real GDP growth, after slowing down to 2.6 percent in 2010, picked up to 3.5 percent in 2011, owing to the recovery of agriculture after the 2010 floods and the improvements in the country's infrastructure and is expected to continue growing at

Table 2.3: Macroeconomic Indicators of Benin

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	6.6	6.6	6.6	7.3	7.5	8.1
Real GDP growth (% change)	5.0	2.7	2.6	3.5	3.5	3.8
GDP per-capita (US$)	793.9	765.5	741.0	802.2	806.4	840.9
Consumer price inflation (avg, %)	7.4	0.9	2.1	2.7	6.9	3.3
Population (mn)	8.4	8.6	8.9	9.1	9.4	9.6
Current account balance (US$ bn)	-0.5	-0.6	-0.5	-0.7	-0.7	-0.7
Foreign exchange reserves (US$ bn)	1.3	1.2	1.2	0.9	0.9	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and Economist Intelligence Unit (EIU)

3.5 percent in 2012. The economic growth of the country is expected to continue in the coming years, boosted by the government's development strategies, especially the 2011-15 growth and poverty-reduction strategy (SCRP) and the three-year growth-recovery plan. Inflation has shown a downward trend compared to 2008 rates, averaging 2.7 percent in 2011. Though inflation is higher compared to the level of previous year due to higher food prices arising from the 2010 floods, higher fuel prices and speculation on the prices of certain food items following the introduction of the import inspection programme, it is still below the 3 percent ceiling set by the UEMOA. However, inflation is estimated to have increased to 6.9 percent in 2012 due to reduced petrol subsidies in Nigeria, but is expected to moderate to 3.3 percent in 2013. Benin's trade balance and current account are structurally in deficit. Current account deficit has widened to US$ 0.7 billion (10 percent of GDP) in 2011 from US$ 0.5 billion in 2010, due to price rise in necessary import commodities. Current account deficit is estimated to have remained more or less the same in 2012. Benin's foreign exchange reserves fell from US$ 1200 mn in 2010 to US$ 887 mn in 2011. It is estimated to have decreased further to US$ 860 mn in 2012 **(Table 2.3)**.

Burkina Faso

Burkina Faso is a landlocked country covering a total area of 273,600 sq. km. Its population is estimated at 17.4 mn in 2012. The economy heavily depends on primary sector and services. Around 80 percent of the population depends on subsistence agriculture and on the sale of cotton and livestock products. The primary sector accounted for 35.5 percent of GDP in 2011. Secondary sector accounts for 40.7 percent of the GDP, with manufacturing accounting for 9.3 percent of GDP. The mining sector has grown very strongly in the last few years, and currently accounts for 12.6 percent of GDP.

Burkina Faso has large but unexploited mineral deposits. The economy is vulnerable to weather conditions which cause unpredictable fluctuations in growth rates. Eight industrial mines started operations in the country during 2011. Gold has also regained its importance recently as a source of export earnings for the country with the construction of new mines and potential entry of foreign investors. With the opening of new mines, gold production reached 28 tonnes in 2011 from 23 tonnes in 2010, and is expected to further reach 31 tonnes in 2012 and 32 tonnes in 2013. Production of manganese also started in 2010, with its production

Table 2.4: Macroeconomic Indicators of Burkina Faso

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	8.4	8.4	9.0	10.2	10.3	11.0
Real GDP growth (% change)	5.8	3.0	7.9	4.2	7.0	7.0
GDP per-capita (US$)	541	524	544	601	592	617
Consumer price inflation (avg, %)	10.7	2.6	-0.6	2.8	3.0	2.0
Population (mn)	15.5	16.0	16.5	17.0	17.4	17.8
Current account balance (US$ bn)	-1.0	-0.4	-0.2	-0.1	-0.4	-0.4
Foreign exchange reserves (US$ bn)	0.9	1.3	1.1	1.0	1.4	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and EIU

reaching 60,000 tonnes in 2011. Supported by the high price of gold in 2011, the mining sector's contribution to GDP has reached unprecedented levels in 2011. Tertiary sector accounts for 23.8 percent of the total GDP of Burkina Faso in 2011. The growth of the tertiary sector had accelerated from 3 percent in 2010 to 5 percent in 2011, supported by both non-commercial services and commercial services. Investment in the powering of the country's mobile telecommunications network with solar energy is putting Burkina Faso at the cutting edge of a key area of sustainable development.

GDP of Burkina Faso recorded US$ 10.2 billion in 2011 as compared to US$ 9 billion in the previous year. It is estimated to have increased marginally to US$ 10.3 billion in 2012. Economy's growth rate has decreased substantially to 4.2 percent in 2011 from 7.9 percent growth rate witnessed in 2010, due to social upheaval in various regions of the country. Real GDP growth is estimated to have reached 7 percent in 2012, supported by infrastructure investments set out in its Strategy for Accelerated Growth and Sustainable Development (SCADD). Consumer price inflation registered a higher growth rate of 2.8 percent in 2011 compared to a negative inflation of 0.6 percent in 2010, but is still below the 3 percent limit set by the UEMOA. It is estimated to have increased to 3 percent in 2012. Current account deficit witnessed a marginal fall to US$ 0.1 billion in 2011, but is expected to rise to US$ 0.4 billion in 2012. Foreign exchange reserves decreased to US$ 957 mn in 2011 from US$ 1.1 billion in 2010, but is estimated to have picked up in

2012 to reach US$ 1.4 billion **(Table 2.4)**. Burkina Faso has reached the completion point under the Enhanced HIPC initiative of World Bank and IMF.

Cape Verde

Cape Verde covers a total land area of 4,030 sq. km and population of 0.5 mn in 2012. Having a poor natural resource base, Cape Verde is a service driven economy with wholesale and retail trade and transportation accounting for nearly 50 percent of the GDP. Services sector accounts for 74 percent of the GDP of the country in 2011. Tourism sector has evolved as a major economic sector in Cape Verde, attracting most of the FDI inflows to the country, which further contributes to the growth in construction and real estate sectors. In spite of majority of population being rural based, the share of agriculture in total GDP in 2011 was only 8.2 percent. During the same period, industry contributed to 17.8 percent of total GDP.

The economic growth of the country moderated from 5.2 percent in 2010 to 5 percent in 2011, resulting from the international economic crisis, and in particular from the euro area debt crisis. Real GDP growth is expected to moderate further to 4.3 percent in 2012. To address the problem of economic growth, the government adopted a countercyclical Public Investment Programme (PIP) for the two years 2010-11. The country has an estimated GDP of US$ 1.9 billion in 2011, increasing from US$ 1.7 billion in 2010 **(Table 2.5)**. The medium-

Table 2.5: Macroeconomic Indicators of Cape Verde

	2008	2009	2010	2011^e	2012^e	2013^f
GDP (US$ bn)	1.6	1.6	1.7	1.9	1.9	2.0
Real GDP growth (% change)	6.2	3.7	5.2	5.0	4.3	4.4
GDP per-capita (US$)	3147	3175	3242	3661	3544	3676
Consumer price inflation (avg, %)	6.8	1.0	2.1	4.5	2.1	2.0
Population (mn)	0.5	0.5	0.5	0.5	0.5	0.5
Current account balance (US$ bn)	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2
Foreign exchange reserves (US$ mn)	361	398	382	339	397	-

Note: ^{e}- estimates; ^{f}- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and EIU

term development strategy of Cape Verde aims to transform the economy by diversifying its productive base. As a part of the strategy, country is developing clusters for “sea” services (maritime services and fisheries), financial and information technology (IT) services, and air transportation services.

Consumer price inflation increased to 4.5 percent in 2011 from 2.1 percent witnessed in 2010, reflecting global food and fuel price shocks. Cape Verde has high degree of openness and heavily depends on foreign financial assistance. The country imports around 90 percent of its food and around 97 percent of its energy requirements. Cape Verde has introduced a number of measures including drip irrigation to reduce its imports of food products. Imports accounts for more than half of the GDP, resulting country’s balance of payment to be chronically in deficit. The current account deficit remained at a higher level of US$ 0.2 billion (12.5 percent of GDP) in 2011, because of higher imports of capital goods, reflecting the government’s fiscal stimulus. The current account balance is expected to improve marginally in 2012 and 2013, primarily as a result of continued recovery of tourism receipts. The European Union remains the major trading partner of Cape Verde, resulting in EU granting “Generalised System of Preferences (GSP) +” status to Cape Verde—the first African country to receive this status. The international reserves of the country has witnessed a decline in 2011 to US$ 339 mn from US$ 382 mn in 2010, but is estimated to have recovered with US$ 397 mn in 2012.

Côte d’Ivoire

Côte d’Ivoire is considered to be one of the most prosperous of West African countries. Côte d’Ivoire covers an area of 318,000 sq. km, with an estimated population of around 23.4 mn in 2012. Agriculture is one of the important sectors of the economy, accounting for over 31 percent of GDP in 2011, and providing employment for around 50 percent of the labour force. Côte d’Ivoire is the world’s largest producer of cocoa. Industry accounts for around 25 percent of Côte d’Ivoire’s GDP. Around 44 percent of GDP of the country is accounted for by services.

The government of Côte d’Ivoire has prepared and adopted a National Development Plan (PND) for 2012–15. PND would henceforth be the reference document for the new socio-economic strategy of the government. The aim of this development plan is to reduce poverty through implementation of the Poverty Reduction Strategy Paper (PRSP) (2009-13) and realization of the vision of the country, which is to make Côte d’Ivoire an emerging market by 2020. It identifies sources of growth, taking into account the country's comparative advantages. It also sets out specific sectoral objectives and strategies to be implemented by the ministries, with benchmarks for regular monitoring of progress.

Real GDP growth is estimated to have declined by 4.7 percent in 2011, from a 2.4 percent growth in 2010, due to the effects of the post-electoral crisis. Stronger agricultural production and mining output and the early revival of industrial production, helped by supportive fiscal policy limited the decline. Real GDP is estimated to have picked up with 8.1 percent growth rate in 2012, reflecting a rebound from the decline in 2011, a further strengthening of public investment, and a return of confidence boosted by political normalization. The average inflation has increased to 4.9 percent in 2011 compared to 1.4 percent in the previous year. Inflation is expected to remain at an average of 2 percent in 2012. Current account surplus averaged to 6.7 percent of GDP in 2011, reflecting both a drop in imports due to lower economic activity and higher exports mainly as a result of record cocoa production and prices. Current account surplus is expected to turn into a deficit of US$ 0.7 billion in 2012, first time in many years reflecting higher investment-related imports, together with lower cocoa and crude oil exports **(Table 2.6)**. Total international reserves of Côte d'Ivoire has increased from US$ 3.6 billion in 2010 to US$ 4.3 billion in 2011. It is estimated to have narrowed marginally to US$ 4.2 billion in 2012. Côte d'Ivoire is listed among the HIPC category of World Bank and IMF.

Table 2.6: Macroeconomic Indicators of Côte d'Ivoire

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	23.5	22.5	23	24.1	24.3	26.0
Real GDP growth (% change)	2.3	3.8	2.4	-4.7	8.1	7.0
GDP per-capita (US$)	1132	1052	1043	1062	1039	1080
Consumer price inflation (avg, %)	6.3	1.0	1.4	4.9	2.0	2.5
Population (mn)	20.8	21.4	22.0	22.7	23.4	24.1
Current account balance (US$ bn)	0.5	1.6	0.3	1.6	-0.7	-0.4
Foreign exchange reserves (US$ bn)	2.3	3.3	3.6	4.3	4.2	4.4

Note: [e]- estimates; [f]- forecasts

Source: IMF, WEO October 2012 and EIU

The Gambia

The Gambia has a land area of 10,120 sq. km, and an estimated population of 1.8 mn in 2012. The country mostly thrives on re-exports. Majority of the population depends on crops and livestock. Small scale industries include processing of peanuts, fish and hides. Agriculture contributed 29.9 percent of GDP in 2011, but employs over 70 percent of the labour force. The Gambia imports around half of its food requirements. Agricultural production of the country is supported by the Gambia National Agricultural Investment Plan (GNAIP), started in 2010 by the Ministry of Agriculture of the Government of the Gambia in collaboration with the Food and Agriculture Organization (FAO). GNAIP's objectives are to increase food security, income-generation capacity and the nutritional status of the beneficiary farmers, particularly women and youth, through the use of appropriate sustainable water-management techniques. It also seeks to contribute to agricultural transformation of small-holder farmers from their traditional subsistence base to more market-oriented and commercially viable activity by providing support to value-chain development.

Industrial sector accounts for 12 percent of GDP during 2011. Manufacturing sector of the country is quite small, accounting for less than 6 percent of the GDP. Services sector is the largest contributor to economic activity, accounting for 58.1 percent of total GDP of the Gambia in 2011. Tourism, re-export and transit trade are the key growth drivers in the sector, supported by various bilateral preferential trade policies and a relatively efficient port infrastructure. Tourism remains the largest source of foreign-exchange earnings.

The real GDP growth of the Gambia for 2011 is estimated to have slowed down to 3.3 percent from 5.5 percent in 2010, on account of poor weather conditions affecting crop production in 2011, and the global crisis in recent years. Remittance inflows have been stagnant in 2011, reflecting slowing growth in advanced economies, but tourism has picked up in late 2011 and growth in domestic exports has been strong. Real GDP is estimated to have declined to 1.6 percent in 2012, due to severe impact of the drought. In absolute terms, GDP stood at US$ 1 billion in 2011, same as that in the previous year. Inflation moderated to 4.8 percent in 2011 from 5 percent in 2010. It is estimated to have further moderated to 4.7 percent in 2012. The current account deficit narrowed slightly from 15.7 percent of GDP in 2010 to 14.2 percent of GDP in 2011, reflecting lower import growth due to the weakening construction sector and dampened consumer demand, as well as a sharp increase in groundnut exports. International

Table 2.7: Macroeconomic Indicators of the Gambia

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	1.0	0.9	1.0	1.0	0.9	1.0
Real GDP growth (% change)	6.5	6.7	5.5	3.3	-1.6	9.7
GDP per-capita (US$)	589	531	550	543	509	541
Consumer price inflation (avg, %)	4.5	4.6	5.0	4.8	4.7	5.5
Population (mn)	1.7	1.7	1.8	1.8	1.8	1.9
Current account balance (US$ bn)	-0.1	-0.1	-0.2	-0.1	-0.2	-0.1
Foreign exchange reserves (US$ mn)	117	224	202	223	244	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and EIU

reserves increased to US$ 223 mn in 2011 from US$ 202 mn of the previous year **(Table 2.7).** The Gambia has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Ghana

Ghana, with a total land area of 227,540 sq. km, has an estimated population of 24.9 mn in 2012. Ghana being an agrarian economy, 27.3 percent of GDP in 2011 is accounted for by agriculture, and absorbs 60 percent of the total work force, primarily consisting of small landholders. Besides being rich in natural resource wealth, Ghana has been receiving international financial and technical assistance. Exports of gold, cocoa and timber have been earning foreign exchange for Ghana over the years. Ghana is considered as one of the fast growing economies in Africa. Industrial sector contributed to 25.3 percent of the GDP. The mining sector also plays a significant role in the export earnings of the country, with gold as the dominant mineral, contributing most of the earnings from minerals exports. Crude oil was also discovered in large commercial quantities, with production starting in 2010. The service sector continued to be the leading contributor to GDP, accounting for 47.4 percent of GDP. The long-term objective of Government's macroeconomic stability and growth-oriented programmes is to achieve a per-capita income of at least US$ 3000, accompanied by the necessary infrastructural and socio-economic transformation by 2020.

Box 2.2: The Programme for Accelerated Growth and Employment (PAGE)

The Gambian authorities launched the Programme for Accelerated Growth and Employment (PAGE) covering 2012 to 2015 in December 2011. The PAGE is the country's new Poverty Reduction Strategy Paper (PRSP) and it is organized around five pillars: (i) accelerating and sustaining economic growth; (ii) improving and modernising infrastructure; (iii) strengthening human capital stock and enhancing access to social services; (iv) improving governance and increasing economic competitiveness; and (v) reinforcing social cohesion.

The PAGE seeks to reduce poverty by stepping up investment in infrastructure and government support for agriculture, education, and health. The focus on agriculture is expected to enhance the inclusiveness of growth over the near and medium term, while education and infrastructure investment -particularly in telecommunications and electricity- would help to diversify the economy down the road. Additional expenditures on agriculture would center on irrigation, quality inputs, extension services, post-harvest management, and marketing. The authorities also plan to develop a national energy strategy and to re-privatize the government-owned mobile phone company (GAMCEL).

Source: IMF

Table 2.8: Macroeconomic Indicators of Ghana

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	28.5	25.8	32.2	38.4	40.1	42.6
Real GDP growth (% change)	8.4	4.0	8.0	14.4	8.2	7.8
GDP per-capita (US$)	1266	1116	1358	1580	1610	1666
Consumer price inflation (avg, %)	16.5	19.3	10.7	8.7	9.8	10.9
Population (mn)	22.5	23.1	23.7	24.3	24.9	25.6
Current account balance (US$ bn)	-3.4	-1.4	-2.7	-3.5	-3.7	-3.0
Foreign exchange reserves (US$ bn)	2.0	3.6	5.1	5.8	5.9	6.6

Note: [e]- estimates; [f]- forecasts
Source: IMF, WEO October 2012 and EIU

The real GDP of Ghana has shown a fairly steady growth performance over the last few years. Real GDP increased at an estimated rate of 14.4 percent in 2011 from 8 percent growth recorded in 2010, supported by oil revenues and strong export performance of cocoa and gold. It is estimated to grow by 8.2 percent in 2012 with oil production reaching its plateau. Owing to the relative stability in the food and non-food components of the consumer basket, inflation averaged 8.7 percent in 2011, compared to 10.7 percent witnessed in the previous year. Despite increased oil exports, current account balance of Ghana worsened in 2011 to a deficit of US$ 3.5 billion (9.2 percent of GDP), compared to a deficit of US$ 2.7 billion in 2010. This is mainly caused by the rapid increases in non-oil imports, especially equipment goods and a large increase in profit repatriation by extractive industries. The total foreign exchange reserves with Ghana increased to US$ 5.8 billion in 2011 from US$ 5.1 billion in 2010, and is estimated to have increased to US$ 5.9 billion in 2012 **(Table 2.8)**.

Guinea

Guinea, with a land area of 245,720 sq. km, is richly endowed with mineral resources. The country possesses over 25 billion metric tons (MT) of bauxite. Guinea's mineral wealth also includes more than 4 billion tons of high-grade iron ore, significant diamond and gold deposits, and undetermined quantities of uranium. A predominant share of the GDP of Guinea is contributed by the industrial sector accounting for 37.2 percent of the total GDP in 2011, supported by good performances of manufacturing and construction sectors. Agriculture accounted for 26.1 percent of GDP, employing more than 80 percent of the working population and services contributed 36.7 percent of GDP in 2011. Exports of the country largely depend on the mining sector, with bauxite, gold, aluminium and diamonds, being the principal export commodities. It is estimated that the minerals sector would drive the real GDP growth of the economy, with new projects in line, currently contributing around 18 percent of GDP. In May 2012, parliament of Guinea adopted a 5-year development plan (2011–15), which focuses on government investment in infrastructure, mining, industry, water, energy and tourism. The goals of this development plan are to reduce poverty by implementing programs in the Poverty Reduction Strategy Paper (PRSP) and to lift Guinea to the rank of emerging countries.

Real GDP of Guinea increased to 3.9 percent in 2011 from 1.9 percent growth in 2010, supported by the revival of agriculture, better mining output and a robust construction sector **(Table 2.9)**. It is estimated to have increased further to

Table 2.9: Macroeconomic Indicators of Guinea

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	4.5	4.6	4.9	5.2	5.7	6.2
Real GDP growth (% change)	4.9	-0.3	1.9	3.9	4.8	5.0
GDP per-capita (US$)	459	460	477	488	529	561
Consumer price inflation (avg, %)	18.4	4.7	15.5	21.4	14.7	10.3
Population (mn)	9.8	10.1	10.3	10.6	10.9	11.1
Current account balance (US$ bn)	-0.5	-0.5	-0.6	-0.8	-2.2	-2.4
Foreign exchange reserves (US$ mn)	138	98	122	807	568	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and EIU

4.8 percent in 2012, driven by policies to improve agricultural production, reduce infrastructure bottlenecks, and accelerating investment in the mining sector. Inflation remained high at 21.4 percent in 2011, increasing from 15.5 percent in 2010, despite a strict budget policy and continuing efforts to curb credit. Inflation is estimated to have decreased to 14.7 percent in 2012, reflecting the continued prudent fiscal and monetary policies, higher rice production, and government measures to facilitate the procurement of essential goods by the population. The current account remained structurally in deficit in 2011 (16.3 percent of GDP) compared to 12.4 percent of GDP in 2010, because of weak export growth and substantial imports of agricultural inputs and oil products. It is expected to increase substantially to 38.8 percent of GDP in 2012. International reserves of Ghana has increased sharply to US$ 807 mn in 2011 from US$ 122 mn in 2010, and is estimated to have moderated to US$ 568 mn in 2012. Guinea is listed among the HIPC category of World Bank and IMF.

Guinea-Bissau

Guinea-Bissau is a small country in West Africa, with a total land area of 28,120 sq. km, and its population in 2012 is estimated at 1.7 mn. Guinea-Bissau is a predominantly an agrarian economy, with agriculture and allied activities contributing 40.3 percent of the total GDP in 2011 and providing 65 percent of jobs. Importance of tertiary sector has increased in the recent years, with services contributing 47.1 percent of GDP and industry 12.6 percent of GDP. Forest resources

Box 2.3: The New Mining Code in Guinea

On September 9, 2011, Guinea's National Transitional Council adopted a new mining code which repeals and replaces the previous mining code of 1995. As per the New Code, the State is automatically granted at no cost a 15 percent (in the case of bauxite, iron ore, uranium, gold and diamonds, and less for certain other minerals) non-dilutable interest in the share capital of the title holder, upon the issuance of a mining title. The State further reserves the right to acquire additional interests on a fully paid basis up to a maximum shareholding of 35 percent. The duration of operating permits has been increased to 15 years, with the possibility of several 5 year extensions. The New Code also prescribes a maximum duration of 25 years for mining agreements, which may subsequently be renewed through 10 year extensions. It also imposes on mining companies a number of additional corporate social obligations towards local communities.

The New Code also introduces several changes to the tax and royalties regime for mining companies, including, a) a new tax exemption (in respect of VAT or customs duties) for imported equipment during the construction period; (b) increases the import tax rate for supplies/materials from 5.6 percent to 8 percent; and (c) reduces the tax on dividends from 15 percent to 10 percent. Changes regarding the basis for calculating mining taxes have also been introduced. Mining taxes would no longer be calculated on the basis of the F.O.B. value of the mineral, but on the London Metal Exchange (LME) 3 month seller value. The New Code guarantees the stabilisation of the tax and customs regime for a period not exceeding ten years (both for operating permits and mining concessions), with the possibility of a one off extension for a period of 5 years in return for the payment of an annual premium by the investor, whereas under the Old Code, mining concessions could benefit from stabilization clauses for up to 25 years.

Source: Clifford Chance Report

Table 2.10: Macroeconomic Indicators of Guinea-Bissau

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	0.8	0.8	0.8	1.0	0.9	0.9
Real GDP growth (% change)	3.2	3.0	3.5	5.3	-2.8	5.7
GDP per-capita (US$)	538	518	508	576	514	529
Consumer price inflation (avg, %)	10.4	-1.6	1.1	5.0	5.0	2.5
Population (mn)	1.6	1.6	1.6	1.7	1.7	1.8
Current account balance (US$ bn)	-0.04	-0.1	-0.1	-0.1	-0.03	-0.03
Foreign exchange reserves (US$ mn)	124	150	137	201	165	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available

Source: IMF, WEO October 2012 and EIU

are relatively abundant, but under-utilized. Its forests are estimated to be capable of producing 100,000 tons/year of timber without disturbing the ecological balance. Limited infrastructure and underdeveloped rural markets are the main obstacles to development and diversification of the rural sector.

In the recent years, cashew nut production has occupied an increasing share of exports, helping the GDP to grow. Economic growth in Guinea-Bissau is estimated to have increased to 5.3 percent in 2011 from 3.5 percent in 2010, supported by exports, particularly of cashew nuts. The exceptional harvest of cashew nut in 2011 helped the growing importance of cashew nuts in Guinea-Bissau's exports. Food shortages in the wake of a failed harvest, and the expected drop in world prices for the nuts in the wake of debt crisis in Europe have undermined food security and economic growth in 2012. Real GDP growth is estimated to have contracted by 2.8 percent in 2012. In 2011, rising import prices of food and fuel pushed consumer price inflation to 5 percent, up from 1.1 percent in 2010, above the UEMOA convergence norm. Inflation is expected to remain constant at 5 percent in 2012. Current account balance of Guinea-Bissau remained at a deficit, though marginally lower at US$ 0.06 billion (6.4 percent of GDP) in 2011 from US$ 0.07 billion (8.3 percent of GDP) in 2010. Total international reserves have gone up to US$ 201 mn in 2011 from US$ 137 mn in 2010, but is estimated to have narrowed to US$ 165 mn in 2012 **(Table 2.10)**. Guinea-Bissau has reached the completion point under

Enhanced HIPC initiative of World Bank and IMF.

Liberia

Besides having abundant natural resources such as iron ore, timber, diamonds, gold and other mineral resources, Liberia also has plenty of water, proving to be very favourable for agriculture. Liberia also has sufficient electric power generation capacity. The country has a total land area of 96,320 sq. km, with an estimated total population of 4 mn in 2012. Liberia is predominantly an agriculture based economy, with the agriculture sector contributing 72 percent of total GDP in 2011. Services accounted for 17 percent of total GDP and remaining 11 percent was contributed by the industrial sector. The mining sector's contribution to Liberia's GDP is expected to increase in 2012, due to an expansion of iron ore production.

GDP growth of Liberia was robust in the recent years, increasing from 6.1 percent in 2010 to 8.2 percent in 2011, as a result of renewed demand for Liberia's exports and increased foreign direct investment **(Table 2.11)**. Real GDP growth is estimated to further increase to 9 percent in 2012, buoyed by increasing iron ore, rubber, timber, and palm-oil exports, and continuing foreign direct investment. On account of international food and fuel prices and also limited domestic market supply due to poor farm-to-market road infrastructure, inflation is estimated to average 8.5 percent in 2011, up from 7.3 percent in 2010. Inflation is expected to be moderate at 6.6 percent in 2012, reflecting prudent macroeconomic management and lower fuel and food prices. There has

Table 2.11: Macroeconomic Indicators of Liberia

	2008	2009	2010	2011^{e}	2012^{e}	2013^{f}
GDP (US$ bn)	1.1	1.2	1.3	1.5	1.8	1.9
Real GDP growth (% change)	6.2	5.3	6.1	8.2	9.0	7.9
GDP per-capita (US$)	321	319	342	399	444	470
Consumer price inflation (avg, %)	17.5	7.4	7.3	8.5	6.6	5.4
Population (mn)	3.5	3.6	3.8	3.9	4.0	4.1
Current account balance (US$ bn)	-0.5	-0.3	-0.4	-0.5	-1.0	-1.4
Foreign exchange reserves (US$ mn)	161	373	417	481	540	-

Note: ^{e}- estimates; ^{f}- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

Box 2.4: Liberia – Vision 2030

The Government of Liberia has put into place the 2030 Visioning process, which will ensure that Liberia becomes a middle income country capable of meeting and sustaining its own development aspirations, a country characterized by a high and improved standard of living for its population by 2030. The Liberian government has developed a long-term national vision – the Liberia RISING 2030 and a five-year economic growth and development strategy – An Agenda for Transformation through Actions (2012-17). The National Vision 2030 charts Liberia's long term growth and development trajectory, providing medium and long term planning frameworks to guide public investment programs, ensure inclusive growth with equity designed to reduce marginalization and build human, social and physical capital. This led to the launch of the 150-Day Action Plan during February-June 2012. The Action Plan responded to the need for jobs, better infrastructure and economic opportunity by spreading the benefits of growth to all Liberians. The 150-Day Plan was structured around five pillars: Reconciliation, Youth Empowerment, and National Visioning; Jobs, Education, and Better Services; Infrastructure and Economic Development; Governance, Rights, and Transparency; and Security, Justice, and the Rule of Law.

Source: Government of Liberia

been a sharp increase in the domestic prices of imported rice, the main staple in Liberia, due to increased unofficial trade of food with neighboring Guinea, increased transportation cost due to fuel price increases, the poor state of roads and increased demand for food. The current account deficit of Liberia has shown a rise from US$ 0.4 billion in 2010 to US$ 0.5 billion (34.6 percent of GDP) in 2011, driven by foreign-financed imports associated with the construction of mines and services for the UN Mission in Liberia (UNMIL). It is further expected to increase to 55.8 percent of GDP in 2012, due to accelerated imports arising from an increase in the capital goods necessary to support the phased expansion of mining and infrastructure projects. The total international reserves of the country increased to US$ 481 mn in 2011 from US$ 417 mn in 2010, and is estimated to have further increased to US$ 540 mn in 2012. Liberia has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Mali

Mali is the second largest country by size in the West African region, after Niger with a total land area of 1,220,190 sq. km. Its population in 2012 is an estimated 16.3 mn. Mali is one of the leading cotton producers

Table 2.12: Macroeconomic Indicators of Mali

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	8.8	9.0	9.4	10.6	9.6	9.9
Real GDP growth (% change)	5.0	4.5	5.8	2.7	-4.5	3.0
GDP per-capita (US$)	607	603	614	669	587	586
Consumer price inflation (avg, %)	9.1	2.2	1.3	3.1	7.2	6.2
Population (mn)	14.5	14.9	15.4	15.9	16.3	16.9
Current account balance (US$ bn)	-1.1	-0.7	-1.2	-1.1	-0.5	-0.5
Foreign exchange reserves (US$ bn)	1.1	1.6	1.3	1.4	2.0	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

in Sub-Saharan Africa. Agriculture, livestock husbandry and other primary sector activities dominate the Malian economy. Gold mining has expanded under a liberal investment environment, and now Mali has the third highest gold production in Africa, after South Africa and Ghana. In December 2011, the government of Mali adopted a new growth and poverty reduction strategy framework (GPRSF) for 2012-17. The medium and long term goal is to "make Mali an emerging country and an agricultural power with a good quality of life for its people, both men and women".

Agricultural sector contributes significantly to the economy with a share of 41 percent in GDP, and employs around 70 percent of workforce. Agricultural sector growth contracted during 2011, as a result of a fall in agricultural production, especially in rice production, though strong cotton sector growth helped in limiting the shortfall. Industrial sector contributed around 21 percent of Mali's GDP in 2011. The main industries in the country are textile and food-processing industries. The rising international gold prices combined with the opening of new gold mines, supported the extractive industries, especially gold in 2011. Government of Mali is promoting large scale infrastructure development projects. The government's infrastructure drive was sustained with new public investments in the electricity and transportation sectors. Services sector, contributing 38 percent of Mali's GDP in 2011, was supported by trading and transport and telecommunication sub-sectors.

The dependence on agriculture and commodity exports make Mali vulnerable to external shocks, such as poor weather conditions and fluctuations in the prices of gold and cotton. The GDP of Mali is estimated at US$ 10.6 billion in 2011, with real GDP growth slowing down to 2.7 percent. Growth in 2011 was impacted by a fall in agricultural production and a series of external shocks including the post-election crisis in Côte d'Ivoire, the Libya war, and the rise in oil, gas and food prices. The economy is estimated to have contracted by 4.5 percent in 2012.

Mali registered an increase in inflation to 3.1 percent in 2011 against 1.3 percent in 2010, driven by rising cereal prices followed by a fall in production, an increase in transport costs due to the Côte d'Ivoire crisis and higher prices for petroleum products. During 2012, inflation is expected to have further increased to 7.2 percent. Current account deficit has come down to US$ 1.1 billion (10.2 percent of GDP) in 2011 from US$ 1.2 billion (12.6 percent of GDP) in the previous year. Total international reserves are estimated to have gone up to US$ 1.4 billion in 2011 from US$ 1.3 billion in 2010, and further to US$ 2 billion in 2012 **(Table 2.12).** Mali has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Mauritania

Mauritania, the third largest country in West Africa, has a total land area of 1,030,700 sq. km and an estimated population of 3.6 mn in 2012. Mauritania is one of the newest oil producers in Africa. The Chinguetti and Tiof fields of Mauritania are expected to yield millions of barrels of oil. Mauritania bridges the Arab Maghreb and western Sub-Saharan Africa. It also has significant mineral deposits, in particular iron ore, gold and copper.

Agriculture sector contributes around 16 percent of Mauritania's GDP in 2011. The country imports around 70 percent of its food requirements, making it vulnerable to rising world prices for staple commodities. Industrial sector dominates the economy with a 46 percent share in country's GDP. Mining plays a major role in the economy by ensuring the country's regular and sustained growth. Most of the foreign investment into the country is attracted towards this sub-sector. A number of new regulations have been set up in the sector with the aim of discouraging speculation on mining concessions including payment of a deposit to the government to guard against firms backing out of projects (equivalent to a third of the value of the minimum work to be carried out) and a 90 day deadline for starting prospection and two years for starting extraction.

Table 2.13: Macroeconomic Indicators of Mauritania

	2008	2009	2010	2011e	2012e	2013f
GDP (US$ bn)	3.5	3.0	3.7	4.2	4.1	4.4
Real GDP growth (% change)	3.5	-1.2	5.1	4.0	5.3	6.9
GDP per-capita (US$)	1073	898	1066	1185	1129	1174
Consumer price inflation (avg, %)	7.5	2.1	6.3	5.7	5.9	6.1
Population (mn)	3.3	3.4	3.5	3.5	3.6	3.7
Current account balance (US$ bn)	-0.5	-0.3	-0.3	-0.3	-1.0	-0.6
Foreign exchange reserves (US$ mn)	189	225	272	485	500	-

Note: e- estimates; f- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

Services sector accounts for around 38 percent of Mauritania's GDP, with the maximum contribution made by the commerce, restaurants and hotels sub-sectors. These sectors have witnessed a higher growth in the recent years benefitting from the greater mining activity.

After a vibrant recovery driven by a strong rebound in external demand in 2010, Mauritania witnessed a real GDP growth of 4 percent in 2011, moderating from 5.1 percent recorded in the previous year **(Table 2.13)**. This slowdown in growth can be mainly attributed to the drought in the country, which resulted in a sharp decline in cereal production. The growth is expected to reach 5.3 percent in 2012, driven by major investments in mining especially gold, sizeable government investment, rebound in cereal production and the robust performance of manufacturing. In absolute terms, GDP stood at US$ 4.2 billion in 2011. Despite expensive imported staples, inflation in Mauritania witnessed a fall to 5.7 percent in 2011 from 6.3 percent in 2010, mostly because of low pass-through of international food and energy prices. Inflation is expected to rise marginally to 5.9 percent in 2012, contained by declining international energy and food prices. The rising metal prices of iron, gold, and copper helped the country to narrow its current account deficit marginally to US$ 0.31 billion (7.5 percent of GDP) in 2011 from US$ 0.32 billion (8.7 percent of GDP) in 2010. Large FDI and substantial mining inflows have almost fully financed the current account deficit. Current account deficit is expected to widen to US$ 1 billion (23.6 percent of GDP) in 2012, due to drought, major energy investments, and the construction of the new airport. The total foreign exchange reserves of the country almost doubled to US$ 485 mn in 2011 from US$ 272 mn in 2010, and further to US$ 500 mn in 2012. Mauritania has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Niger

Niger is the largest country by size in the West African region with a total land area of 1,266,700 sq. km. Its population in 2012 is estimated at 15.6 mn. Niger's economy centers on subsistence agriculture and animal husbandry re-export trade. Primary sector (agriculture, livestock, forestry and fisheries) dominates the economy, accounting for around 43 percent of GDP in 2011, even though less than 12 percent of the country is arable. Tertiary sector contributes around 41 percent of GDP, followed by secondary sector (16 percent). The industrial sector remains underdeveloped and concentrated on a few sub-sectors (food products, textiles, construction and public works). Niger has large reserves of uranium, coal, iron, phosphates and gold. Uranium production and exports play an important role in the economy. Niger is world's fourth largest producer of uranium. Gold production began in 2004, but its contribution to the economy remains small.

The real GDP growth rate which had rebounded strongly to 8 percent in 2010 has decreased to 2.3 percent in 2011, mostly due to poor primary sector results and sluggish industrial performance. It is expected to rise to 14.5 percent in 2012, driven by huge investments in mining and

Table 2.14: Macroeconomic Indicators of Niger

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	5.4	5.3	5.4	6.0	6.6	7.0
Real GDP growth (% change)	9.6	-0.9	8.0	2.3	14.5	6.6
GDP per-capita (US$)	392	371	370	399	422	434
Consumer Price Inflation (avg, %)	10.5	1.1	0.9	2.9	4.5	2.0
Population (mn)	13.8	14.2	14.6	15.1	15.6	16.0
Current account balance (US$ bn)	-0.7	-1.3	-1.1	-1.6	-1.7	-1.4
Foreign exchange reserves (US$ mn)	705	656	760	673	893	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

oil, and a stronger macroeconomic situation. This revival is expected to be boosted by the Government spending on infrastructure and agriculture. The start-up of the Zinder refinery is expected to make Niger a net exporter of oil products. Inflation has increased to 2.9 percent in 2011 from as low as 0.9 percent in 2010, in step with the higher cost of oil and a poor harvest which made food staples dearer. Inflation is expected to further increase to 4.5 percent during 2012. Current account deficit has widened to US$ 1.6 billion (25.9 percent of GDP) in 2011 from US$ 1.1 billion (21.1 percent of GDP) in 2010, mainly because of imports of machinery to build the Zinder refinery and the pipeline to supply it with crude oil, pushing the capital goods items in the balance of payments to a record high. The current account deficit is expected to widen to US$ 1.7 billion (26.3 percent of GDP) in 2012. Country's foreign exchange reserves has narrowed from US$ 760 mn in 2010 to US$ 673 mn in 2011, but is estimated to have increased to US$ 893 mn in 2012 **(Table 2.14)**. Niger has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Nigeria

Nigeria is located on the west coast of Africa, and 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 producer. Nigeria, with a land area of 910,770 sq. km, has an estimated population of 164.8 mn in 2012. Agriculture and allied activities constituted 35 percent of total GDP in 2011. Industrial sector dominated the economy, contributing 37.2 percent

Table 2.15: Macroeconomic Indicators of Nigeria

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	207.1	168.6	228.6	244.1	272.6	293.1
Real GDP growth (% change)	6.0	7.0	8.0	7.4	7.1	6.7
GDP per-capita (US$)	1401	1110	1465	1522	1654	1731
Consumer Price Inflation (avg, %)	11.6	12.5	13.7	10.8	11.4	9.5
Population (mn)	147.8	151.9	156.1	160.3	164.8	169.3
Current account balance (US$ bn)	29.3	14.0	13.4	8.8	9.5	9.1
Foreign exchange reserves (US$ bn)	53.0	44.8	34.9	35.2	42.9	45.1

Note: [e]- estimates; [f]- forecasts
Source: IMF, WEO October 2012 and EIU

of GDP, with mining sub-sector accounting for 33.5 percent of GDP in 2011. Services sector also plays an important role in the economy with 27.8 percent share in GDP value addition.

Nigeria's growth rate over the last decade has been among the highest in Sub-Saharan Africa. Nigeria's real GDP is estimated to have grown at 7.4 percent in 2011, though lower than the 8 percent growth recorded in the previous year, driven by the non-oil sector, particularly telecommunications, construction, wholesale and retail trade, hotel and restaurant services, manufacturing and agriculture. The slowdown in 2011 was a reflection of the worsening global economy and a decline in oil and gas output in the first half of the year. The Nigerian economy is expected to grow by 7.1 percent in 2012 **(Table 2.15)**. On account of impressive performance of telecommunications, general commerce and agriculture, Nigeria's non-oil sector has shown a robust growth performance in recent years. Oil production is expected to grow gradually, rising from 2.4 mn barrels per day in 2011 to 2.6 mn barrels per day in 2015. Slow progress in the manufacturing sector, poor infrastructure facilities, low per-capita income, rapidly growing population and inadequacy of skilled labour force could act as serious impediments in the growth of the economy. The country needs an inflow of around US$ 10 billion annually for the next 10 years to fix its infrastructural deficits.

Average inflation fell to 10.8 percent during 2011 from 13.7 percent in 2010, following monetary policy tightening and the easing of food prices. Inflation is expected to rise slightly in 2012 to 11.4 percent, owing to the reduction in the fuel subsidy. The external position of Nigeria continues to be dominated by the international oil market, as crude oil exports and petroleum products import constitute a large portion of Nigeria's external trade. Current account surplus of Nigeria declined significantly from US$ 13.4 billion (5.9 percent of GDP) in 2010 to US$ 8.8 billion (3.6 percent of GDP) in 2011. It is estimated to have widened to US$ 9.5 billion in 2012. International reserves marginally improved to US$ 35.2 billion in 2011 from US$ 34.9 billion in 2010, and further to US$ 42.9 billion in 2012.

Senegal

Senegal covers a total of 192,530 sq. km of land area, with an estimated population of 13.8 mn in 2012. With its well-developed physical and social infrastructure and relatively well-diversified industrial base, Senegal is one of the most visited countries in West Africa. Service sector is the main contributor to GDP, accounting for around 59 percent of GDP of Senegal

Table 2.16: Macroeconomic Indicators of Senegal

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	13.4	12.8	12.9	14.5	14.0	14.6
Real GDP growth (% change)	3.7	2.1	4.1	2.6	3.7	4.3
GDP per-capita (US$)	1141	1057	1036	1133	1013	1033
Consumer price inflation (avg, %)	5.8	-1.7	1.2	3.4	2.3	2.1
Population (mn)	11.8	12.1	12.4	12.8	13.8	14.1
Current account balance (US$ bn)	-1.9	-0.9	-0.6	-0.9	-1.2	-1.0
Foreign exchange reserves (US$ bn)	1.6	2.1	2.0	1.9	2.3	2.4

Note: [e]- estimates; [f]- forecasts
Source: IMF, WEO October 2012 and EIU

in 2011. Industrial sector accounts for around 24 percent of GDP in 2011. Agricultural sector, primarily groundnut production, is the core of the economy, supporting almost three-quarters of the economically active population and providing around 17 percent of the GDP. The sharp drop in agricultural production affected the performance of the primary sector, which recorded negative growth in 2011. In 2011, commerce, transport, posts and telecommunications, and other services sub-sectors accounted for more than half of GDP.

The authorities of Senegal have prepared a restructuring plan called Plan Takkal for the energy sector, that includes short-term emergency measures and medium term investments. To partially finance the energy emergency plan, the authorities have adopted some new tax measures and reallocated budgetary resources from lower priority spending. In July 2012, the President of Senegal outlined the broad guidelines for the country's new energy policy, which is based on an optimal energy mix, with a view to reducing supply costs over the medium and long term through diversification—natural gas, hydropower, and renewable energies—as well as through regional integration.

Senegal's GDP slowed down to 2.6 percent in 2011 from 4.1 percent recorded in 2010, because of the drought in the Sahel region. The steep decline of agricultural production, despite sound results in the other sectors of economic activity has limited GDP growth. The GDP of Senegal is estimated at US$ 14.5 billion in 2011. Growth is expected to increase to 3.7 percent in 2012, supported by a recovery of agricultural production and public investment in infrastructure. Consumer price inflation has increased to 3.4 percent in 2011 from 1.2 percent in 2010, driven by the increase in food and transport prices, in the context of rising global commodity prices. Inflation is expected to remain modest at around 2.3 percent in 2012. Senegal's external position is characterised by a current account deficit, which has widened from US$ 0.6 billion (4.4 percent of GDP) in 2010 to US$ 0.9 billion (6.4 percent of GDP) in 2011, mainly because of high prices for imported food and oil. Current account deficit is expected to further widen to US$ 1.2 billion (8.5 percent of GDP) in 2012, reflecting higher imports of food (related to the drought) and capital goods, and weak export demand. Foreign exchange reserves of Senegal has decreased slightly to US$ 1.9 billion in 2011 from US$ 2 billion in 2010, but is estimated to have increased to US$ 2.3 billion in 2012 **(Table 2.16)**. Senegal has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

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 71,620 sq. km and an estimated population of 6.2 mn in 2012. Poor economic and social infrastructure has been impeding the economic growth of the nation. Sierra Leone's primary mineral resources include diamonds, rutile, bauxite, gold and small amounts of iron ore and limonite. The recent discoveries of oil, iron ore, bauxite

Table 2.17: Macroeconomic Indicators of Sierra Leone

	2008	2009	2010	2011[e]	2012[e]	2013[f]
GDP (US$ bn)	2.5	2.4	2.5	2.9	3.8	4.1
Real GDP growth (% change)	5.4	3.2	5.3	6.0	21.3	7.5
GDP per-capita (US$)	441	422	436	486	621	656
Consumer price inflation (avg, %)	14.8	9.2	17.8	18.5	13.7	7.0
Population (mn)	5.6	5.7	5.8	6.0	6.2	6.3
Current account balance (US$ bn)	-0.2	-0.2	-0.5	-1.5	-0.5	-0.4
Foreign exchange reserves (US$ mn)	190	215	225	260	350	-

Note: [e]- estimates; [f]- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

and gold have attracted the interest of investors across the world to the country. Agriculture accounts for a major portion (61.5 percent) of the country's GDP and nearly 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.

GDP is estimated to have grown at 6 percent in 2011 from 5.3 percent recorded in 2010, mainly driven by mining sector activities and the new discoveries of iron ore mines aided by policies that will boost the economy. High prices for diamonds and aluminium, Sierra Leone's major exports, and the commencement of an iron ore megaproject in 2012 are expected to boost GDP and exports substantially. Economic growth is expected to grow sharply at around 21.3 percent in 2012, supported by the new iron ore exploration, but to stabilize at around 7.5 percent in 2013 **(Table 2.17).** Consumer price inflation continued to be at double digit levels, increasing to 18.5 percent in 2011 from 17.8 percent in 2010, in response to high international oil and agricultural prices and the depreciation of its currency, Leone (SLL). Inflation is expected to moderate to 13.7 percent in 2012 and to 7 percent in 2013, as a result of improvements in domestic agricultural production, the introduction of the new Goods and Services Tax (GST) and the slower rate of currency depreciation. However, current account deficit has widened sharply from US$ 0.5 billion (19.3 percent of GDP) in 2010 to US$ 1.5 billion (52.3 percent of GDP) in 2011, owing to a rise in imports of machinery for the mining sector. The current account deficit is expected to stabilize at US$ 0.5 billion (13.1 percent of GDP) in 2012 and US$ 0.4 billion (9.3 percent of GDP) in 2013, because of a substantial increase in exports of minerals and cash crops. The total international reserves of Sierra Leone has increased to US$ 260 mn in 2011, from US$ 225 mn in 2010, and further to US$ 350 mn in 2012. Sizeable capital inflows, notably in the mining sector, financed the deficit and contributed to reserves build up. Sierra Leone has reached the completion point under Enhanced HIPC initiative of World Bank and IMF.

Togo

Togo is a narrow strip of land on Africa's west coast with a land area of 54,390 sq. km. Its population stood at an estimated 6.3 mn in 2012. Primary sector is the largest sector in the economy, comprises mainly food crops and cash crops, fishing and forestry, and contributes around 46 percent of GDP, followed by service sector (35 percent) and industry (19 percent) in 2011. The main traditional

Table 2.18: Macroeconomic Indicators of Togo

	2008	2009	2010	2011^{e}	2012^{e}	2013^{f}
GDP (US$ bn)	3.2	3.2	3.2	3.7	3.6	3.8
Real GDP growth (% change)	2.4	3.5	4.0	4.9	5.0	5.3
GDP per-capita (US$)	549	538	527	600	575	586
Consumer price inflation (avg, %)	8.7	1.9	3.2	3.6	2.5	4.2
Population (mn)	5.8	5.9	6.0	6.2	6.3	6.4
Current account balance (US$ bn)	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
Foreign exchange reserves (US$ mn)	582	703	715	774	675	-

Note: ^{e}- estimates; ^{f}- forecasts; '-' denotes not available
Source: IMF, WEO October 2012 and EIU

sectors of the country are cotton and phosphate. Togo is among the leading producers of phosphates in Sub-Saharan Africa. Cotton, coffee and cocoa are the main cash crops of the country. Secondary sector includes phosphates, cement, manufacturing, construction and energy. Presence of oil and gas reserves is indicated by the country's location in the Gulf of Guinea and if these are explored and extracted, the economy is likely to get a major boost.

Togo's real GDP growth increased to an estimated 4.9 percent in 2011 from 4 percent in 2010, driven by better agricultural output and steady industrial activity **(Table 2.18)**. Growth is expected to increase marginally to 5 percent in 2012, supported by new investments in infrastructure, higher government spending, lower debt-servicing costs following debt relief, and continuing structural reforms. The recovery in the cotton sector, the buoyant activity at the Port of Lomé (especially the increase in transit trade), and the public works launched by the government also contribute to country's steady growth performance. Average inflation increased to 3.6 percent in 2011 from 3.2 percent in 2010, owing to higher food and fuel prices, in line with global trends. Inflation is expected to moderate to 2.5 percent in 2012, helped by falling non-oil import prices, a decent harvest, and subsidised fuel retail prices. Togo's current account deficit increased to US$ 0.3 billion (7.2 percent of GDP) in 2011 from US$ 0.2 billion (6.7 percent of GDP) in 2010, as demand for foreign goods and services outstripped the country's earning potential. International reserves of the country has improved to

US$ 774 mn in 2011 from US$ 715 mn in 2010.

The country has reached the completion point under the Enhanced HIPC initiative and the Multilateral Debt Relief Initiative (MDRI). In mid-2011, Togo completed the three-year reform program (2008-2011) backed by an IMF extended credit facility (ECF), under which the country achieved several key targets including significant improvements in fiscal management and reaching the completion point under the heavily indebted poor countries initiative in December 2010, resulting in an 82 percent write-off of its bilateral and multilateral debt.

Financial System in West Africa[6]

The financial market in West Africa is still in an underdeveloped stage. The recent years have seen a remarkable increase in the number of financial reforms in West Africa, with the aim of making the financial sector more competitive. The sector is characterised by very limited interaction between the UEMOA and non-UEMOA sub-markets.

The progress of financial integration is well advanced among the UEMOA countries. UEMOA has a common central bank, the Central Bank of West African States (BCEAO) located in Dakar, Senegal, which conducts monetary policy for the entire sub-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). The common currency of the region, the CFA Franc, is not traded on the foreign exchange markets but is fully convertible into Euros, with the convertibility guaranteed by the French Treasury through a special operations account at the Banque de France. In return, BCEAO is required to deposit 65 percent (changed to 50 percent recently) of its foreign exchange reserves at the Banque de France.

The region has about 90 credit institutions, 70 banks and 20 financial institutions, with Côte d'Ivoire having the largest number of banks, followed by Senegal. The UEMOA banking system is concentrated, with 19 large banks holding the major market share of 62.7 percent; 24 are of medium size and hold 27.6 percent market share; while the remaining 9.7 percent market share is held by 27 small banks. Banks that have been granted a licence to operate in one of the countries can operate in any

[6]African Financial Systems: A Review by F. Allen, Issac Otchere & Lemma W. Senbet and African Development Bank

of the other countries without further administrative formalities.

The Anglophone countries/ non-UEMOA countries do not have a single monetary union; instead each country has its own central bank and its own policies. However, Sierra Leone, the Gambia, Ghana, Guinea and Nigeria are part of the West African Monetary Zone (WAMZ) that plans to introduce a common currency, the Eco by 2015. The eventual goal is for the CFA Franc and Eco to merge, giving all of West Africa a single stable currency. The establishment of a common currency will be the forerunner of a common central bank. A key challenge before West African countries is to advance financial market integration throughout the region. Efforts are required for the integration of legal, regulatory, and payments infrastructure. The integration with Nigeria's financial market alone, considering its size, will be a huge step towards financial integration of West Africa. With this in mind, Nigerian authorities have made financial integration one of the strategic pillars of their Financial Sector Strategy 2020. Efforts are underway to integrate the Nigerian Stock Exchange, BRVM in Abidjan, and the Ghana Stock Exchange, including mutual cross-listing and trading of stocks.

Today, the region is becoming increasingly integrated with the emergence of a large number of local and foreign banks indulging in commerce and investment activities across the region. But the development of the industry has been uneven, with some countries left out of the loop of new technology and connectedness, while others have developed sophisticated systems.

3 TRENDS IN INTERNATIONAL TRADE OF WEST AFRICAN COUNTRIES

The West African region is well endowed with natural resources, including strategic and precious minerals and metals, supplying raw material and energy for industries. These resources play a crucial role in the development of the region. Mineral resources account for around half of the exports of West African countries. The region also has abundant agricultural wealth in terms of the variety and mass of arable land and has significant human resources and technological capabilities. The region, with a combined population of 320 mn and an estimated GDP of US$ 407.6 billion in 2012 represents a huge market for trade. The importance of international trade as a growth facilitator has been recognized by West African countries, which is evident from their growth performances in the recent years. Rise in both exports and imports of these countries have underlined this increase in the total trade of the region. All the countries in the West African region, except for Liberia, are members of WTO. Liberia is currently going through the accession process of WTO.

West Africa is the second largest region in Africa (out of the five regions; Northern Africa, Western Africa, Middle Africa, Southern Africa and Eastern Africa) in terms of total trade, accounting for 22.6 percent of Africa's total trade in 2011. West Africa has around 40 percent of global bauxite reserves, 5 percent of uranium reserves and 4 percent of iron ore reserves. The region is known for holding some of the largest reserves of oil and gas in the world. Nigeria is a leading petroleum producer and exporter. Nigeria also has one of the world's largest proven natural gas and petroleum reserves. Two of the major trade blocs in Africa, viz., ECOWAS and UEMOA, are in the West African region, which helped in increasing the level of regional integration among the countries in the region, along with increasing the trade within the region as well as with other countries.

Total trade of West Africa has increased over four-fold from US$ 47.4 billion in 2002 to US$ 194.2 billion in 2010, and further to US$ 261.9 billion in 2011 **(Chart 3.1 and Table 3.1)**. There exist wide

Table 3.1: Global Trade of West Africa (US$ billion)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Exports	26.9	33.2	46.7	72.4	78.1	87.6	108.0	79.9	109.5	148.4
% Change	*-1.0*	*23.3*	*40.4*	*55.2*	*7.9*	*12.1*	*23.4*	*-26.1*	*37.1*	*35.5*
Imports	20.4	26.5	34.0	45.6	53.6	70.5	84.1	68.6	84.7	113.5
% Change	*-15.6*	*29.7*	*28.5*	*34.0*	*17.5*	*31.5*	*19.4*	*-18.5*	*23.5*	*34.1*
Total Trade	**47.4**	**59.7**	**80.7**	**118.0**	**131.7**	**158.0**	**192.2**	**148.4**	**194.2**	**261.9**
Trade Balance	**6.5**	**6.7**	**12.6**	**26.8**	**24.5**	**17.1**	**23.9**	**11.3**	**24.9**	**34.9**

Source: UnctadStat, UNCTAD

disparities in trade among member countries. For instance, Nigeria alone accounted for 65.8 percent of total trade of the region and the top five member countries, viz., Nigeria, Ghana, Côte d'Ivoire, Senegal and Mali, together accounted for 88.6 percent of total trade of the West African region in 2011.

An important aspect of West African trade is the huge difference in trade balance among the member countries. West Africa generally maintains a trade surplus, which has increased from US$ 6.5 billion in 2002 to US$ 34.9 billion in 2011, the highest surplus in the decade. This can be primarily attributed to the huge trade surplus of US$ 44.3 billion witnessed by Nigeria in 2011. Out of the sixteen countries in the region, only three countries; Côte d'Ivoire, Mauritania and Nigeria witnessed a surplus in 2011. Nigeria recorded the maximum trade surplus at US$ 44.3 billion, followed by Côte d'Ivoire (US$ 4.3 billion) and Mauritania (US$ 0.3 billion) in 2011. Senegal recorded the maximum trade deficit among these countries at US$ 3.4 billion in 2011, followed by Ghana (US$ 2.6 billion) and Sierra Leone (US$ 1.4 billion). Lack of infrastructure facilities and heavy dependence on agricultural imports has resulted in West African countries not being able to fully tap their huge trade potential. The recent political turmoil in a number of West African countries has also affected the region's trade performance.

Exports from West Africa have risen from US$ 26.9 billion in 2002 to reach US$ 109.5 billion in 2010, and further to US$ 148.4 billion in 2011. The increased demand for oil, with the rebound in global economy, supported the export growth of the region, resulting in West Africa's exports reaching a higher level than its pre-crisis levels. The high oil prices and revenue as well as increased non-oil activity in Nigeria and increased rubber export earnings of Liberia, helped the region to recover its exports at a faster rate than the other regions in Africa. The share of West Africa in total African exports has increased from 18.8 percent in 2002 to 25.1 percent in 2011. The main exporters of the region are Nigeria, Ghana, Côte d'Ivoire, Mauritania, Senegal and Mali.

The main export items of West Africa included mineral fuels; cocoa and cocoa preparations; pearls, precious stones, metals and coins; ores, slag and ash; rubber and articles; edible fruit, nuts, peel of citrus fruit, and melons; cotton; ships, boats and floating structures; wood and articles of wood, wood charcoal; and fish, crustaceans and aquatic invertebrates. Côte d'Ivoire is the major exporter of cocoa in the region. The main export destinations of the region are the US, India, Spain, France, Brazil, Germany and the Netherlands. As many economies in the region depends on a single commodity export; cocoa by Côte d'Ivoire, oil by Nigeria, cotton by Burkina Faso, raw cashew nuts by Benin, etc., this makes these countries vulnerable to weather conditions, global demand and price movements.

Imports of West Africa have also risen over four-fold from US$ 20.4 billion in 2002 to reach US$ 84.7 billion in 2010, and further to US$ 113.5 billion in 2011. As a result, share of West Africa in Africa's imports has gone up from 14.9 percent in 2002 to 20 percent in 2011. Nigeria, Ghana, Côte d'Ivoire, Senegal and Mali were the main importers in the region during 2011.

Chart 3.1: Global Trade of West Africa (US$ billion)

Source: UnctadStat, UNCTAD

Most of the West African countries heavily depend on food imports. For instance, the West African region depends on international imports for around half of its rice consumption. Despite the fact that Nigeria is rich in oil, it imports around 80 percent of its fuel needs, which is estimated at around 40 mn liters/day, owing to the poor condition of its four state-owned refineries. The principle imports of the region in 2011 were mineral fuels; ships, boats and other floating structures; machinery and mechanical appliances; electrical and electronic equipment; transport equipment; and food products especially cereals. The main import sources of the region in 2011 were China, South Korea, the Netherlands, the US, France, UK and India.

Mauritania, Liberia, Cape Verde and Togo are highly dependent on

Table 3.2: International Trade of West African Countries, 2011 – Ranked by Value

Rank	Country	Value (US$ billion)			Share in West Africa (%)		
		Exports	Imports	Total Trade	Exports	Imports	Total Trade
1	Nigeria	108.3	63.9	172.2	73.0	56.3	65.8
2	Ghana	12.7	15.3	28.0	8.6	13.5	10.7
3	Côte d'Ivoire	11.0	6.7	17.8	7.4	5.9	6.8
4	Senegal	2.5	5.9	8.5	1.7	5.2	3.2
5	Mali	2.5	3.3	5.7	1.7	2.9	2.2
6	Mauritania	2.8	2.5	5.2	1.9	2.2	2.0
7	Benin	1.8	2.7	4.5	1.2	2.4	1.7
8	Burkina Faso	1.8	2.6	4.4	1.2	2.3	1.7
9	Niger	1.3	2.4	3.7	0.8	2.1	1.4
10	Guinea	1.4	2.1	3.5	1.0	1.9	1.4
11	Togo	1.1	1.7	2.8	0.7	1.5	1.1
12	Sierra Leone	0.3	1.7	2.1	0.2	1.5	0.8
13	Liberia	0.4	1.0	1.4	0.2	0.9	0.5
14	Cape Verde	0.1	0.9	1.0	0.1	0.8	0.4
15	Guinea-Bissau	0.2	0.3	0.6	0.2	0.3	0.2
16	The Gambia	0.1	0.3	0.4	0.1	0.3	0.2
	West Africa	**148.4**	**113.5**	**261.9**	**100.0**	**100.0**	**100.0**
	Africa	**590.8**	**568.3**	**1159.1**			
	Share of West Africa (%)	**25.1**	**20.0**	**22.6**			

Source: UnctadStat, UNCTAD

external sector, with high levels of trade openness ratio (Trade-GDP ratio), while Burkina Faso and Niger are the least open countries in the West African region in this respect, followed by Sierra Leone and Benin **(Table 3.3).** Despite having a better trade openness ratio in 2011 compared to 1991, many of the member countries have a small trade openness ratio, indicating the scope to further increase trade especially within the region.

FOREIGN TRADE OF SELECT WEST AFRICAN COUNTRIES

This section analyses the top 5 countries in West Africa, selected on the basis of their total trade.

Nigeria

The goal of Nigeria's trade policy is to promote the development of a private sector-led growth of the economy and to encourage production and distribution of goods and services for

Table 3.3: Trade Openness of West African Countries, 1991-2011

Country	1991*	2001	2011**
Benin	43.6	43.1	43.0
Burkina Faso	33.8	32.4	37.9
Cape Verde	81.0	92.2	114.8
Côte d'Ivoire	57.0	75.3	84.3
The Gambia	64.1	46.9	62.8
Ghana	42.5	110.0	81.9
Guinea	60.9	57.4	74.1
Guinea-Bissau	47.8	91.6	81.0
Liberia	99.1	58.0	142.9
Mali	52.8	83.6	61.8
Mauritania	75.7	76.0	154.6
Niger	32.8	41.5	39.3
Nigeria	68.6	75.3	68.9
Senegal	54.0	66.5	69.5
Sierra Leone	46.4	50.3	42.8
Togo	75.0	82.3	92.5

Note: *- Data of Liberia is for 1986; ** - Data of Burkina Faso is for 2006, Guinea for 2010, Guinea-Bissau for 2002, Mali for 2007 and Niger for 2005

Source: World Development Indicators 2012, World Bank both the domestic and international markets, with a view to achieving accelerated economic growth and development. Nigeria has the largest population and is the second biggest economy in Africa. Under Vision 20:2020, Nigeria's official development plan, the government aims to make Nigeria one of the world's top 20 economies by 2020. The Federal Ministry of Commerce and Industry has the main responsibility for making and implementing trade policy of Nigeria. Other ministries and agencies also have primary or shared responsibility for trade in some products, such as the Ministry of Energy, which is responsible for trade policy related to hydrocarbons. The Central Bank of Nigeria, the Ministry of Finance and the Ministry of Transport also have roles in trade policy development of the country. The Trade Policy Advisory Council (TPAC) has the overall responsibility for coordinating trade policy among the responsible ministries.

Nigeria's tariff policy is mostly governed by the Common External Tariff (CET) regime of ECOWAS. The CET is a five-band regime with a maximum rate of 35 percent, with the 35 percent tariff applicable to "Specific goods for economic development". The applied simple average MFN tariff of Nigeria was 11.7 percent in 2011. With the government's aim of enhancing food security, the agricultural sector is given a high level of tariff protection compared to the non-agricultural sector.

Nigeria is the largest country in the West African region in terms of total trade. It is the largest exporter and importer among the countries in the region, accounting for 73 percent of total exports and 56.3 percent of total imports of the region. Nigeria's international trade increased almost 8-folds in the last decade, to reach US$ 172.2 billion in 2011 from US$ 22.7 billion in 2002. Total trade of Nigeria has been dominated by exports, increasing from US$ 15.1 billion in 2002 to US$ 108.3 billion in 2011. Imports too have risen at a similar pace but the magnitude of imports is lesser than that of exports, recording US$ 63.9 billion in 2011 **(Chart 3.2)**, as a result Nigeria enjoys a favourable trade blance of more than US$ 44 billion in 2011.

The export basket of Nigeria is largely dominated by mineral fuels, mineral oils and products, bituminous substances and mineral waxes, which accounted for more than 95 percent of total exports in 2011. Although oil accounts for nearly all of exports there was strong growth in exports of agriculture products recently, with agricultural exports dominated by cocoa beans. Imports primarily include capital goods and raw materials, with the rest mainly accounted for by nondurable consumer goods. Nigeria continues to be a net importer of refined petroleum products as its refineries operate below capacity and cannot meet domestic demand fully, while the fuel subsidy encourages greater consumption. Mineral products accounted for around 20 percent of Nigeria's imports in 2011, followed by electrical and electronic equipment (11.1 percent), machinery (11 percent), and transport equipment (8.4 percent).

Nigeria's main export destinations in 2010 *(as per the latest data available)* were the US, India, Brazil and the Netherlands. The US alone accounted for one-third of the total exports of Nigeria, followed by India (10.5 percent), Brazil (7 percent), the Netherlands (4.5 percent), and France (4 percent). Nigeria's main import sources in 2010 *(as per the latest data available)* were the US (accounting for 17.9 percent of total imports), China (16.6 percent), France (5.8 percent), Antigua and Barbuda (5.6 percent), India (5.4 percent), and Italy (4.5 percent).

Ghana

Ghana's main economic policy objective is to achieve a middle-income status by 2015 and become a leading agri-industrial country. This sustainable economic growth is to be private-sector driven, and achieved through a conducive investment

Chart 3.2: Global Trade of Nigeria (US$ billion)

Source: UnctadStat, UNCTAD

environment, macroeconomic stability, and pro-market reforms. The Government of Ghana considers that, in view of Ghana's relatively small domestic market, growth must necessarily come through increased international trade. The Ministry of Trade and Industry has the overall responsibility for the formulation, implementation, and monitoring of Ghana's trade policies. The vision of the Ministry is to establish Ghana as a major manufacturing, value-added, financial and commercial hub in West Africa by 2015. As a member of ECOWAS, Ghana adopted the group's CET in 2008. The average applied MFN tariff of Ghana remained stable over the last few years at 13 percent, with agricultural products having subjected to a higher tariff.

Ghana is the second largest exporter and importer among West African countries, accounting for 8.6 percent of total exports and 13.5 percent of total imports of the region. Total trade of Ghana has increased to US$ 28 billion in 2011 from US$ 4.6 billion in 2002 **(Chart 3.3)**. Ghana's external trade is characterized by a structural trade deficit. The trade deficit of country increased more than 3-fold to US$ 2.6 billion in 2011 from US$ 0.9 billion in 2002.

Ghana's exports grew by a CAGR of 23.5 percent to US$ 12.7 billion in 2011 from US$ 1.9 billion in 2002. The surge in exports was led mainly by firm prices and strong demand for gold by developing countries, especially China and India. Gold production was boosted by continued investments in the industry due to the favorable price of gold in the world market. Rich in natural resources, 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 reserves. Mineral fuels, oils, distillation products, etc was the major export item of Ghana in 2011, accounting for 39.9 percent of total exports of the country. Other principal export items in 2011 included pearls, precious stones, metals and coins (26.4 percent of total exports), cocoa and cocoa preparations (12.5 percent), edible fruits and nuts (3 percent), wood and articles of wood (2.6 percent), edible vegetables and certain roots (2.5 percent), and plastics and articles (1.7 percent).

Togo replaced traditional export partner South Africa as the major export destination of Ghana in 2011. Currently, Togo accounted for 25 percent of total exports of the country. Togo was followed by South Africa (17.1 percent of total exports), France (9.4 percent), Italy (5.7 percent), UAE (5.4 percent), Switzerland (4.7 percent), and India (3.9 percent) in 2011.

Chart 3.3: Global Trade of Ghana (US$ billion)

Source: UnctadStat, UNCTAD

Similarly, total imports of Ghana grew at a CAGR of 21.3 percent over the decade to reach US$ 15.3 billion in 2011, from US$ 2.7 billion in 2002. Traditionally, Ghana is a manufactured goods importer. At two digit HS-code level, vehicles other than railway or tramway were the major import item of Ghana, accounting for 14.1 percent of total imports of the country. Other major import items in 2011 included machinery (13.5 percent), printed books, newspapers and pictures (13.2 percent), electrical and electronic equipment (8.8 percent), cereals (4 percent), and articles of iron or steel (3.6 percent).

UK replaced China and the US as the major import source of Ghana in 2011, contributing 16.5 percent of total imports in 2011. Other major import sources in 2011 included China (15.2 percent of total imports), the US (9.6 percent), Belgium (6 percent), India (4.3 percent), Germany (3.5 percent), and the Netherlands (3.1 percent). The share of India in Ghana's imports remained more or less the same at 4.3 percent in 2011 over the previous years.

Côte d'Ivoire

Côte d'Ivoire initiated a trade liberalization programme in 1994, after three decades of protectionist regime, leading to the abolishment of most of the quantitative restrictions on imports. The simple average applied MFN tariff of the country during 2011 stood at 11.9 percent. The country developed and diversified its agricultural sector through the cultivation of coffee, rubber, fruit, cotton and palm oil, in addition to cocoa. Although the country has taken a number of steps to diversify its exports, agriculture products remain the major export items. Côte d'Ivoire is the world's leading producer of cocoa. The main mining sector exports are petroleum products and gold. Its share of manufacturing exports, centered on the agricultural processing industry, declined sharply during the last decade, but Côte d'Ivoire has considerable potential for increasing the value addition of such exports.

The country heavily relies on imports for the supply of basic foodstuffs such as cereals. Food and energy products account for a substantial share of the total import bill of the country. Export of a single commodity - Cocoa, is by far the largest source of foreign exchange earnings. International petroleum prices are another major factor affecting the trade balance of Côte d'Ivoire, as petroleum products are the leading imports of the country. Thus, pattern of Côte d'Ivoire's foreign trade is highly vulnerable to external factors, namely weather conditions and world commodity prices.

Côte d'Ivoire's total trade increased from US$ 7.9 in 2002 to US$ 18.4 billion in 2010, aided by growth in both exports and imports. The trade witnessed a fall in 2011 to US$ 17.8 billion, due to poor business climate created by the post-electoral crisis in the country **(Chart 3.4)**. Côte d'Ivoire currently accounts for 6.8 percent of total trade of West Africa. Côte d'Ivoire is structurally a trade surplus country, supported by cocoa and oil exports revenues. Total trade surplus of the country has increased from US$ 2.7 billion in 2002 to US$ 4.3 billion in 2011.

Côte d'Ivoire's total exports in 2011 stood at US$ 11 billion, as against US$ 5.3 billion in 2002, mainly on account of increase in exports of oil and cocoa. The country witnessed a record crop in 2011. Cocoa and mineral fuels remain the main foreign exchange earners for Côte d'Ivoire, with cocoa and cocoa preparations accounting for 37.6 percent of total exports of the country, followed by mineral fuels (24.3 percent of total exports), rubber and articles (10.3 percent), pearls, precious stones, metals and coins (5.2 percent), edible fruits and nuts (4.1 percent), animal, vegetable fats and oils (2.8 percent), and wood and articles of wood (1.9 percent). The US was the major export destination of Côte d'Ivoire in 2011, accounting for 11.9 percent of total exports of the country. The US' share in Côte d'Ivoire's exports has witnessed a sharp increase from 6.8 percent in 2007, mainly due to increased cocoa and mineral fuels and oils exports to the country. Other major export destinations of Côte d'Ivoire in 2011 were the Netherlands

Chart 3.4: Global Trade of Côte d'Ivoire (US$ billion)

Source: UnctadStat, UNCTAD

(11.7 percent of total exports), Germany (7.4 percent), Nigeria (6 percent), Canada (5.7 percent), and France (5.7 percent). India's share in Côte d'Ivoire's exports remain more or less unchanged at 2.5 percent in 2011 over the previous years.

Côte d'Ivoire's imports increased around three-fold from US$ 2.6 billion in 2002 to US$ 6.7 billion in 2011, though lower than US$ 7.8 billion recorded in 2010. The decline in imports was driven mainly by lower imports of machinery and instruments, vehicles other than railways, electrical and electronic equipments, and iron and steel. Mineral fuels, oils and distillation products were the largest items in Côte d'Ivoire's import basket in 2011, with a share of 28.6 percent in the country's total imports. Other major import items in 2011 included cereals (11.3 percent), machinery (6.4 percent), marine products (4.9 percent), vehicles (4.8 percent), electrical and electronic equipment (4.4 percent), plastics and articles (4.2 percent), pharmaceutical products (4 percent), and iron and steel (2 percent).

UAE was the primary import source of Côte d'Ivoire in 2011, contributing 23.4 percent of total import needs of the country. Other major import sources included France (11.8 percent of total imports), China (6.9 percent), Thailand (5.2 percent), Colombia (3.9 percent), Vietnam (3 percent), Germany (2.7 percent), and India (2.7 percent).

Senegal

Senegal aims to develop its trade potential through improving and developing value added industries and services. The Ministry of Trade, together with the Ministry of the Economy and Finance, is responsible for Senegal's trade policy. In the discharge of its responsibilities, the Ministry of Trade is assisted by National Committee on International Trade Negotiations (NCITN), set up in 2001. The applied average MFN tariff of Senegal stood at 11.9 percent in 2011.

Senegal has been experiencing a structural trade deficit during the last few years, attributable to the relatively high import dependency of the country. In 2011, trade deficit stood at US$ 3.4 billion, increasing from US$ 2.6 billion in 2010. Total trade has reached its highest of US$ 8.7 billion in 2008, but has experienced a decline in 2009 due to global crisis and had picked up in 2010, and further in 2011 owing to various structural and macroeconomic reforms implemented in the country. Total trade of Senegal has increased from US$ 6.9 billion in 2010 to US$ 8.5 billion in 2011. Exports have grown almost steadily during the last decade, except for a decline in 2009. Exports witnessed an increase over two-fold to US$ 2.5 billion in 2011 from US$ 1.1 billion in 2002. Senegal has recorded an increase in imports during the last decade, growing at a CAGR of 12.6 percent reaching US$ 5.9 billion in 2011 **(Chart 3.5)**. The expansion in imports has more than offset the marked increase in merchandise exports earnings.

Senegal's economy remains vulnerable to external factors; rainfall, international tourist demand and variable commodity prices. Senegal's export basket is fairly diversified, not being dominated by any particular commodity, with tourism as an important foreign exchange earner. However, Senegal's economy is vulnerable to rainfall variation and fluctuations in world commodity prices, particularly that of food and petroleum products. Petroleum products accounted for 14.7 percent of Senegal's exports, followed by inorganic chemicals, precious metal compound, isotopes (13.6 percent), fish and other marine products (11.8 percent), salt, sulphur, lime and cement (11.1 percent), pearls, precious stones and metals (9.8 percent), iron and steel (5.9 percent), and tobacco and manufactured tobacco substitutes (3.9 percent). The main items of imports of Senegal comprise mineral fuels (31.8 percent), cereals (9.8 percent), machinery (7.5 percent), motor vehicles (6.2 percent), electrical and electronic equipment (5.6 percent), and iron and steel (4.1 percent).

Exports of Senegal are fairly diverse among countries. Mali was

Chart 3.5: Global Trade of Senegal (US$ billion)

Source: UnctadStat, UNCTAD

Senegal's largest export destination in 2011, accounting for 17.3 percent of Senegal's total exports. The other main export destinations of Senegal included India (14 percent), Switzerland (8.7 percent), Guinea (5.3 percent), France (4.4 percent), and the Gambia (3.4 percent). India's share in Senegal's exports witnessed a sharp rise from 6.7 percent in 2007 to 14 percent in 2011. In 2011, France was Senegal's largest import source, supplying 17.2 percent of Senegal's import needs. Other major import sources in the same year were Nigeria (9.2 percent), China (6.6 percent), the Netherlands (6.5 percent), UK (5.3 percent), and the US (4.9 percent).

Mali

Mali started liberalizing its trade policies in 1986 by eliminating export and import monopolies, removing export taxation, simplifying and cutting tariffs, replacing licensing system with a registration system, and phasing out Quantitative Restrictions (QRs). The overall objective of Mali's trade policy is to create an environment that fosters the development of exports, imports and investment, in order to achieve economic growth and poverty reduction objectives. The Minister of Industry, Investment and Trade is the principal authority responsible for formulating, evaluating and implementing Mali's industrial and trade policy. The applied average MFN tariff of Mali stood at 11.9 percent in 2011. Although cotton has traditionally been the country's main exports, gold superseded it in recent years. Mali's dependency on exports of two items, namely gold and cotton, renders the country's export earnings vulnerable to global commodity prices, resulting in a strong need for export diversification.

Total trade of Mali has increased steadily from US$ 1.8 billion in 2002 to US$ 5.7 billion in 2011, except for a small fall in 2009. In 2011, total exports increased to US$ 2.5 billion from US$ 2.1 billion in the previous year, supported by increased cotton and gold exports. Gold exports were boosted by higher production at several existing mines, opening of new mines, and higher international prices. Imports also increased albeit at a higher pace from US$ 0.9 billion in 2002 to US$ 3.3 billion in 2011, which can be attributed to increased food imports and rise in oil import bill **(Chart 3.6)**. But in 2011, due to high rate of growth of exports compared to import growth, Mali's trade deficit has declined marginally to US$ 790 mn from US$ 799.4 mn recorded in the previous year.

During 2010 *(as per the latest data available)*, principal exports were pearls, precious stones, metals and coins, accounting for 79.1 percent of total exports of the country, which was almost entirely accounted by gold exports. Other major exports of the country in the same year included cotton (8.5 percent of total imports), livestock (3.5 percent), and fertilizers (1.5 percent). As regards imports, petroleum products accounted for 26 percent of total imports of Mali in 2010 *(as per the latest data available)*. It was followed by machinery (10.8 percent

Chart 3.6: Global Trade of Mali (US$ billion)

Source: UnctadStat, UNCTAD

of imports), pharmaceutical products (7.2 percent), transport equipments (6.8 percent), electrical and electronic equipments (6.3 percent), and salt, sulphur, earth, stone, plaster, lime and cement (4.4 percent).

In 2010 *(as per the latest data available)*, South Africa accounted for 57.1 percent of total exports of Mali, reflecting increased exports of gold to the country. South Africa was followed by Switzerland (12.1 percent), Italy (6 percent), Senegal (4.4 percent), the US (3.2 percent), and Burkina Faso (2.2 percent). As regards imports, the major suppliers in 2010 *(as per the latest data available)* included Senegal (13.6 percent), France (13.4 percent), Benin (9.9 percent), China (9.9 percent), the US (9 percent), and Côte d'Ivoire (7.9 percent).

4 FOREIGN INVESTMENT IN WEST AFRICA: AN ANALYSIS

Today global attention is riveted on Africa. The reasons for this are Africa's growing appetite for industrial investment and its thirst for expanding trade. Africa has now emerged as one of the world's hottest growth regions. Foreign Direct Investment (FDI) as an instrument enhances a country's manufacturing and export competitiveness. It is generally known to be the most stable component of capital flows needed to finance the current account deficit. Moreover, it adds to investible resources, provides access to advanced technologies, assists in gaining production know-how and promotes exports.

The contribution that FDI can make towards economic development and integration into the world economy is widely recognized. For this reason, African countries have made considerable efforts over the past decade to improve their investment climate. Economic growth in Africa has been driven not just because of oil or mineral wealth. Asia's thirst for competitive exports has spread to African continent too. At the same time, the national governments are also modifying their policies and encouraging private investment in viable and profitable projects with a lasting impact on development.

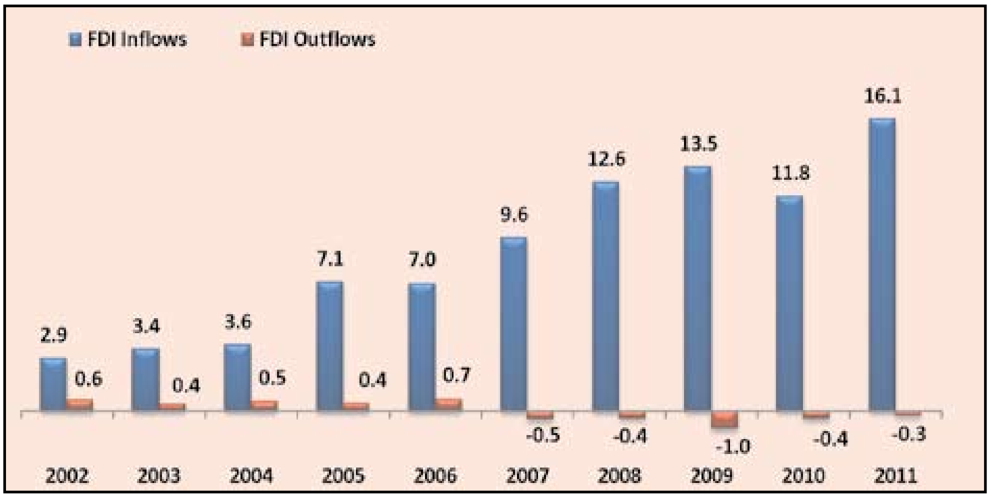
Many African countries offer a wide market area and a big consumer population to investors. The formation of the various regional blocs was an important step towards this purpose. It could be said that the growing attention, paid by many countries, towards Africa is due to increased interest in natural resources, more favourable business climate, and conscious strategy to partner Africa in its economic development. According to United Nations Conference on Trade and Development (UNCTAD), extractive industries accounted for most of the FDI inflows received by Africa. Most of the mergers and acquisitions undertaken by the Asian multinational corporations in Africa have been in oil, gas and mining industries. With a view to enhancing investment flows, many African countries have streamlined their investment laws and have also identified priority sectors for increased investment inflows and development.

Trends in Investment in West Africa

During the last decade, FDI flows have witnessed an upsurge across the world, although there has been an ebb towards the end of the last decade, primarily due to the global financial crisis which surfaced during the latter half of 2008. As far as West Africa is concerned, FDI into the region has increased at a healthy pace during the decade of 2000, having outpaced global investment. West African countries are seen as favourable global investment destinations with their abundant natural resources. Trends in investment during the last decade show pick up in both FDI inflows as well as outflows, with West Africa being the largest recipient of FDI inflows to Africa in 2011 **(Chart 4.1)**. Though the general trend is an increase in FDI flows, there are huge variations within member countries.

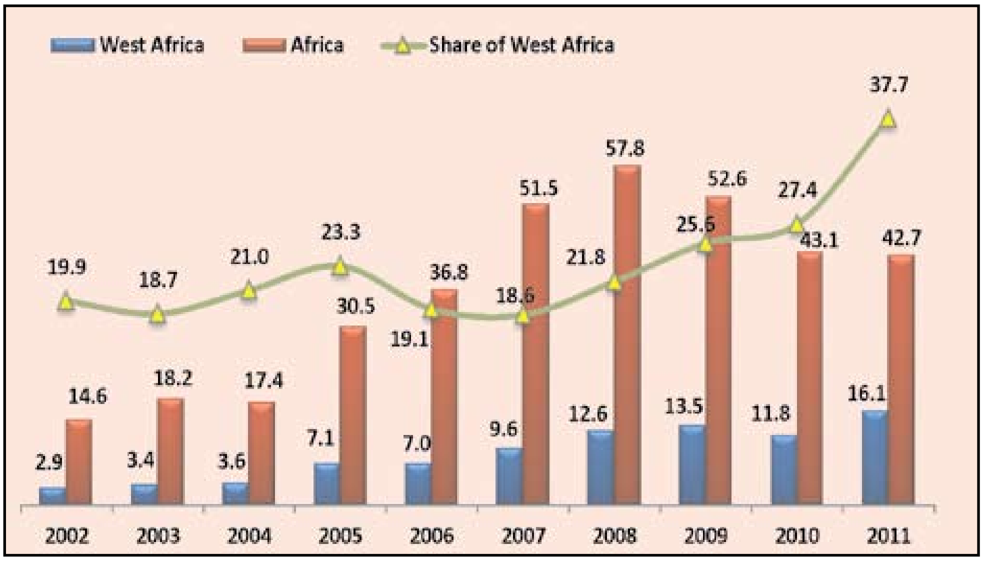
During the period 2002-2011, the FDI inflows to the West Africa recorded a CAGR of 20.9 percent as against 10.4 percent for the world as a whole. The difference in the growth of FDI was more pronounced in 2011, when FDI inflows to West Africa registered a growth of 36.2 percent, twice higher than the world's growth of 16.5 percent. As a consequence, the share of West Africa in total Africa's FDI inflows, increased from 19.9 percent in 2002 to 37.7 percent in 2011 **(Chart 4.2)**. This connotes the increasing capability of the West African countries to attract FDI, in the current global economic scenario.

Chart 4.1: Trends in Investment in West Africa (US$ billion)



Source: UnctadStat, UNCTAD

Chart 4.2: Trends in FDI Inflows in West Africa



Source: UnctadStat, UNCTAD

FDI inflows to the region increased significantly to US$ 13.5 billion in 2009 from US$ 2.9 billion in 2002, but have declined to US$ 11.8 billion in 2010, mainly due to uncertainty over the Petroleum Industry Bill in Nigeria, and the political problems in the Niger Delta. In 2011, FDI inflows again picked up to US$ 16.1 billion, supported by increased inflows to Nigeria and Ghana **(Table 4.1)**. Over the past five years, West African FDI has been driven strongly by commodity related investments. The cumulative FDI flows to the region during 2002-2011 amounted to US$ 87.7 billion.

Nigeria accounted for 61.8 percent of the total FDI receipts to the region over the decade, followed by Ghana, Niger and Côte d'Ivoire. Nigeria was Africa's largest recipient of FDI flows in 2011 with US$ 8.9 billion, accounting for over one fifth of toal inflows to the continent. Nigeria and Ghana together accounted for more than three-quarters of total FDI flows to West Africa in 2011, with the FDI concentrated mostly in the petroleum industry. Around 70 percent of investment in the region goes to oil and gas, while most of the remaining FDI is captured by the real estate and telecommunication sectors.

FDI has been unevenly distributed among the West African countries. Burkina Faso witnessed an estimated decline of 78.6 percent in 2011 to US$ 7.4 mn from US$ 34.6 mn in 2010. Similarly, Mali witnessed a decline of 56.2 percent in 2011 to US$ 177.8 mn from US$ 405.9 mn in 2010. On the other hand, Guinea witnessed a record twelve-fold increase in FDI inflows in 2011 to US$ 1.2 billion, from US$ 101.4 mn in 2010, for the production of alumina and iron ore and for two port extensions. This increasing FDI trend in Guinea is expected to continue in the next few years in view of few large investments in country's bauxite and alumina sectors. Nigeria also witnessed a growth of 46.2 percent in its total FDI inflows from US$ 6.1 billion in 2010 to US$ 8.9 billion in 2011. Ghana, the newest oil producer of Africa, witnessed an increase in FDI to US$ 3.2 billion in 2011, compared to US$ 2.5 billion in the previous year, mainly attracting investments to its newly developed Jubilee oil field, where commercial production started in December 2010.

Table 4.1: Inward FDI Flows, Annual, 2002-2011 (US$ mn)

	2002	2005	2006	2007	2008	2009	2010	2011	Aggregate (2002-11)
Nigeria	2,040.2	4,978.3	4,897.8	6,086.7	8,248.6	8,649.5	6,099.0	8,915.0	54,213.6
Ghana	58.9	145.0	636.0	855.4	1,220.4	1,684.7	2,527.4	3,222.3	10,626.0
Niger	2.4	30.3	50.5	129.0	340.4	790.8	940.3	1,013.6	3,329.2
Côte d'Ivoire	212.6	311.9	318.9	426.8	446.1	377.1	338.9	344.2	3,224.9
Guinea	30.0	105.0	125.0	385.9	381.9	140.9	101.4	1,210.8	2,661.5
Mali	243.8	223.8	83.4	72.8	180.3	748.3	405.9	177.8	2,369.4
Liberia	2.8	82.8	107.9	131.6	283.8	217.8	450.0	508.0	2,232.2
Mauritania	67.4	814.1	154.6	139.4	342.8	-3.1	130.5	45.2	2,184.4
Senegal	78.1	44.6	220.3	297.4	397.6	320.0	266.1	286.1	2,039.8
Benin	13.5	53.0	53.2	255.2	169.8	134.3	176.8	118.5	1,083.0
Cape Verde	38.5	81.6	130.6	190.3	209.1	119.4	111.4	93.1	1,075.6
Burkina Faso	15.0	34.2	33.6	343.5	238.3	100.9	34.6	7.4	851.0
Sierra Leone	10.4	83.2	58.8	96.6	57.6	74.3	86.6	48.7	586.0
Togo	53.4	77.0	77.3	49.2	23.9	48.5	85.8	53.8	562.0
Gambia	42.8	44.7	71.2	76.5	70.1	39.6	37.2	36.0	482.1
Guinea-Bissau	3.5	8.0	17.3	18.6	6.0	17.6	33.2	19.4	136.2
West Africa	**2,913.3**	**7,117.6**	**7,036.5**	**9,555.3**	**12,616.8**	**13,460.7**	**11,825.1**	**16,099.9**	**87,656.8**
Africa	**14,629.8**	**30,504.8**	**36,782.9**	**51,478.9**	**57,841.5**	**52,644.9**	**43,122.1**	**42,651.9**	**365,204.3**
Share of West Africa	**19.9**	**23.3**	**19.1**	**18.6**	**21.8**	**25.6**	**27.4**	**37.7**	**24.0**

Source: UnctadStat, UNCTAD

Table 4.2: Outward FDI Flows, Annual, 2002-2011 (US$ mn) [7]

	2002	2005	2006	2007	2008	2009	2010	2011	Aggregate (2002-11)
Liberia	402.9	436.8	346.4	362.6	381.9	363.6	369.4	371.7	3,512.9
Senegal	34.0	-7.7	9.9	24.7	126.3	77.1	2.2	66.4	348.7
Niger	-1.7	-4.4	-1.0	8.1	24.4	59.3	59.7	48.4	199.8
Guinea	0.5	-	-	-	126.1	-	-	5.2	131.8
Ghana	-2.0	-	-	-	8.8	6.9	7.9	7.9	39.2
Togo	2.4	-14.9	-14.4	-0.7	-15.9	37.4	37.2	20.4	32.6
Mauritania	-	2.0	5.1	3.8	4.1	4.3	4.1	4.2	30.6
Mali	1.6	-0.9	1.2	7.3	0.6	-1.0	7.4	2.4	20.8
Côte d'Ivoire	-4.2	-	-	-	-	-9.5	24.9	8.3	17.2
Burkina Faso	1.7	-0.2	1.0	0.2	8.0	8.5	-3.5	4.1	12.8
Benin	1.4	-0.4	-1.7	-6.1	-4.0	31.2	-17.9	2.9	4.3
Cape Verde	-	-	-	0.4	-0.1	0.2	0.1	0.1	0.6
Guinea-Bissau	1.0	0.7	0.4	-0.3	-	-2.5	5.5	1.1	-1.0
Sierra Leone	-	-7.5	-	-	-	-	5.0	-	-1.5
Nigeria	172.2	14.6	322.5	-875.0	-1058.3	-1542.0	-922.9	-824.0	-4,284.8
Gambia	-	-	-	-	-	-	-	-	-
West Africa	**609.7**	**418.1**	**669.4**	**-474.9**	**-398.2**	**-966.5**	**-421.0**	**-280.9**	**63.8**
Africa	**286.6**	**1819.9**	**8225.2**	**9322.4**	**7896.4**	**3168.6**	**7026.9**	**3512.4**	**45,099.6**

Note: '-' denotes nil or marginal
Source: UnctadStat, UNCTAD

FDI outflows from West Africa were much lower compared to the inflows. Cumulatively during 2002-2011, Liberia had the largest share of the outflows from the region at US$ 3.5 billion **(Table 4.2)**. It was followed by Senegal, Niger and Guinea with outflows of US$ 348.7 mn, US$ 199.8 mn and US$ 131.8 mn, respectively.

Global Competitiveness of West African Countries

The World Economic Forum's Global Competitiveness Index Ranking 2012-13, assesses the competitiveness landscape of 144 economies across the world. This Index measures the ability of a country to provide high levels of prosperity to its citizens based

[7]Negative values of FDI outflows show that the value of direct investment made by domestic investors to external economies was less than the value of repatriated (disinvested) direct investment from external economies

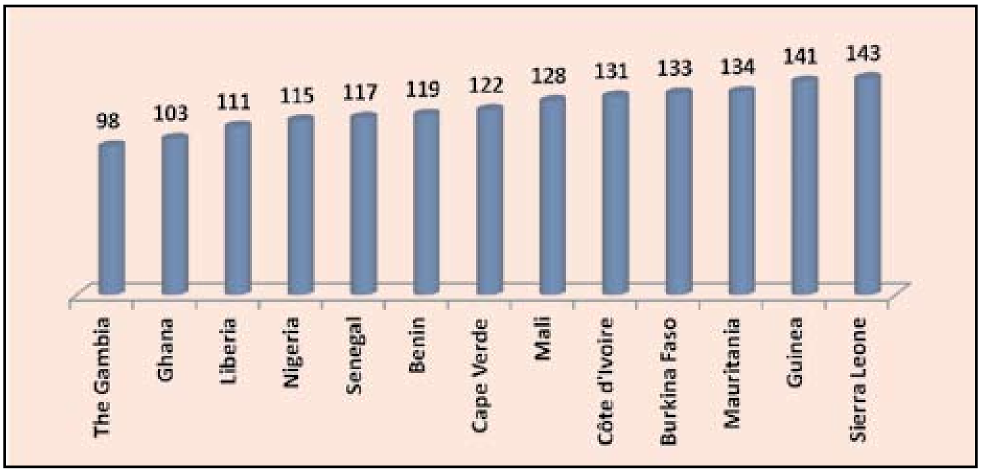
on the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity. Thirteen countries in West Africa are included in the ranking. In Global Competitiveness Index Ranking 2012-13, the Gambia stood first among the countries in the region, followed by Ghana and Liberia **(Chart 4.3).**

Doing Business in West African Countries

In the Doing Business 2013 report of World Bank and International Finance Corporation (IFC), 185 economies across the world are ranked in terms of their ease of doing business with respect to starting a business from 1 to 185. 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. In Doing Business 2013 ranking, Ghana stood first among West African countries, with a global ranking of 64. Ghana was followed by Cape Verde and Nigeria at 122^{nd} and 131^{st} positions **(Chart 4.4).**

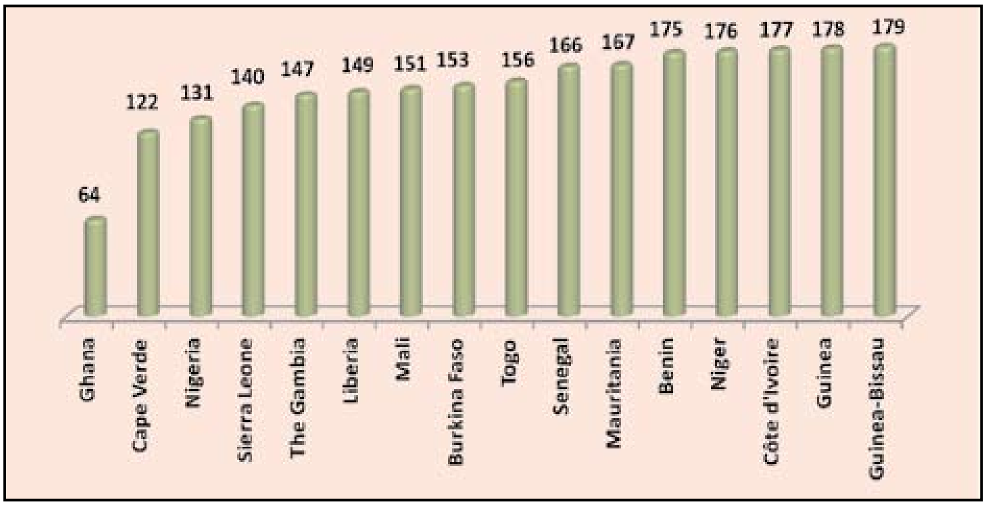
Several West African countries took a number of measures to improve the doing business scenario in their respective countries. A few instances include Benin and Togo simplifying their business registration formalities; Guinea creating a one-stop shop for business start-up, cutting 6 procedures and 5 days from the start-up process etc. To attract more investment, many of the West African countries have introduced various

Chart 4.3: Global Competitiveness Index Ranking, 2012-13



Source: The Global Competitiveness Report 2012-13

Chart 4.4: Ease of Doing Business Ranking, 2013



Source: Doing Business Report 2013

investment incentives in the form of protection against expropriation, repatriation of profits, non-discrimination between foreign and domestic investors, etc. To actively promote foreign investment, these countries have also set up investment promotion agencies, which in most cases serve as a one-stop-shop for all investment related matters. These are:

- Benin - Chambre de Commerce et d'Industrie du Bénin (CCIB)
- Burkina Faso - Chambre de Commerce et d'Industrie du Burkina Faso
- Cape Verde - Agencia Caboverdiana de Promoçao de Investimentos (CI)
- 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 – Office de Promotion des Investissements Privés (OPIP)
- Liberia – National Investment Commission (NIC)
- Mali – Agence pour la Promotion des Investissements au Mali (API-MALI)
- Mauritania – Commissariat à la Promotion des Investissements
- Niger – Centre de Promotion des Investissements (CPI)

- Nigeria – Nigerian Investment Promotion Commission (NIPC)
- Senegal – Investment Promotion and Major Works Agency (APIX)
- Sierra Leone – Sierra Leone Investment & Export Promotion Agency (SLIEPA)
- Togo – Chambre de Commerce et d'Industrie du Togo (CCIT)

INVESTMENT REGIME AND MAJOR INVESTMENT INCENTIVES IN WEST AFRICAN COUNTRIES[8]

BENIN[9]

Investment Code

Benin introduced the Investment Code in 1990 and the sectoral codes for ensuring equal treatment of firms, irrespective of their nationality, and guarantees freedom of management and of repatriation of capital, freedom of entry, stay, travel and exit. The 1990 investment code has been revised and adopted in July 2008. The current investment code establishes the conditions to obtain benefits under different investment regimes and grants extensive discretionary power to the Investment Control Commission of the Ministry of Commerce (MC).

The Government has established a "guichet unique" (single window office) to avoid unnecessary and time-consuming formalities facing investors. It also established a one-stop-shop at the Benin Chamber of Commerce and Industry (CCIB) to facilitate swift registration of new businesses. Using the center, it is possible to register a new company within two weeks. In an attempt to attract increased investment, Government has set up the Presidential Investment Council (PIC) in 2006. The objectives of this organization are to reinforce dialogue between the government and investors and speed the process of identification and implementation of reforms in order to improve the business environment.

Beninese law guarantees the right to own and transfer private property. Secured interests in real and personal property are recognized and enforced. Benin's legal system protects and facilitates acquisition and disposition of property, including land, buildings, and mortgages. Secured interests in property are registered with the Land Office of the Ministry of Finance.

Many opportunities for foreign investment have historically been linked to the privatization of state-owned enterprises. There are no restrictions on the remittance of profit by companies which invest in Benin. Opportunities for foreign investment

[8]U.S. Department of State, 2012 Investment Climate Statement
[9]Deloitte Investment Guide

may arise from privatization of the five remaining parastatals: SBEE (electricity), SONEB (water), SOBEMAP (port cargo handling), Benin Telecoms S.A., and La Poste du Benin S.A. (mail). Foreign companies are invited to bid on privatizations, and the bidding process is open and well-publicized. The government requires that Beninese nationals partly own privatized companies. There are no restrictions on the remittance of profits by companies that invest in Benin. Remittance of profits by individual resident investors is not restricted.

Incentives

Benin's 2008 Investment Code contains several incentives, in the form of tax reductions for investors depending on the level and type of investment. Depending on the amount of the investment, investors do not have to pay taxes on profits, exports of finished products, or imports of industrial equipment for up to one year from the date the business is registered. To obtain these benefits, investors must meet several criteria including employing a minimum number of Beninese nationals, safeguarding the environment, and meeting nationally accepted accounting standards. The Investment Control Commission monitors companies that benefit from these provisions to ensure their compliance with the standards required for receiving incentives.

New or expanding enterprises that contribute to the government's economic and social objectives may be eligible for incentives during a setting-up period of up to 30 months, and 5-9 years of business operations, depending on the location. Enterprises investing at least CFA Franc 500 mn and creating at least 20 new jobs for nationals of Benin can import production plant, machinery and spare parts duty free; export production free from export duties; and are tax exempt on industrial and commercial profits for an approved period. Enterprises investing at least CFA Franc 3 mn may obtain guarantees of a stable tax basis. One-half of profits re-invested in approved projects may be deducted from taxable income. New industrial enterprises or divisions of established corporations may be granted a 5-year income tax exemption. Enterprises licensed to operate in Industrial Free Zones may be granted a 10-year exemption from income tax on industrial and commercial profits, as well as other tax concessions.

BURKINA FASO

Investment Code

The Government of Burkina Faso revised its investment code in 2010, offering tax and customs exemptions as well as exemptions from value added tax (VAT) on operational equipment. The investment code provides additional incentives for investments in the areas of agriculture, silviculture, animal breeding, fish farming and for companies investing at least fifty kilometers outside of the cities of Ouagadougou and Bobo-Dioulasso.

The investment code demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The code provides standardized guarantees to all legally established firms, whether foreign or domestic, operating in Burkina Faso. It contains four investment and operations preference schemes, which are equally applicable to all Greenfield investments, mergers, and acquisitions. Burkina Faso's regulations governing the establishment of businesses include most forms of companies admissible under French business law, including: public corporations, limited liability companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. Within each scheme there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes. Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property, forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

To further encourage business and investment, the government of Burkina Faso created the Presidential Council for Investment in December 2008. It is an advisory body chaired by the head of state to make recommendations on the development and implementation of policies to stimulate investment and economic growth.

To simplify the registration process for companies wishing to establish a presence in Burkina Faso, the government created eight enterprise registration centers called Centres de Formalités des Entreprises (CEFOREs). The CEFOREs are one-stop shops for company registration.

On average, a company can register its business in 13 days with three procedures. The CENFOREs are located in Ouagadougou, Bobo-Dioulasso, Ouahihouya, Tenkodogo, Koudougou, Fada N'Gourma, Kaya, Dedougou and Gaoua. The government also established a Centre for Construction Facilitation (CEFAC) to improve the construction permitting process. The CEFAC has made it possible for companies to obtain and process all the paperwork required for construction permits from one office. The process requires on average 98 days and 12 procedures. Reflecting its new status as a significant mining country, Burkina Faso is revising its 2003 mining code to better capitalize on its mineral resources and create a more favorable climate for the mining industry. Burkina Faso's investment code guarantees foreign investors the right to overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries.

Incentives

The Government of Burkina Faso does not require investors to purchase materials from local sources or to export a certain percentage of output. Foreign investors' access to foreign exchange is not limited to their level of exports. The government does not impose "offset" requirements, which dictate that major procurements be approved only if the foreign supplier invests in Burkinabè manufacturing, research and development, or service facilities in areas related to the items being procured. The government generally encourages companies to hire Burkinabè employees, but this is not a requirement.

All investment specific incentives are outlined in the revised investment code, act number 007-2010/AN. The incentives are applied uniformly to both domestic and foreign investors. Additionally, all companies that use at least 50 percent locally supplied raw materials are exempted from trading taxes and receive a 50 percent reduction in customs taxes in addition to the elimination of other duties. These companies are also eligible to waive excise duties on production equipment and spare parts.

CAPE VERDE

The Government of Cape Verde encourages foreign investment, particularly in tourism, fishing, light manufacturing, communications and transportation. Sectors such as construction (major infrastructure), maritime security, and energy are becoming areas of major investments. All sectors of the economy are open to foreign investment, although approval is required. Both residents and non-residents may hold foreign exchange accounts, subject to government approval and regulations. Most payments and transfers are subject to controls. It also allows undisputed repatriation of dividends, profits and capital from foreign investment operations. The regulatory legislation specifies that for the initial five years of operation, dividends may be freely expatriated without tax and that for the next fifteen years dividends may be expatriated with a flat tax of ten percent. Incentives for outward investment in developing countries are not included in the legislation, but they have been provided on an ad hoc basis.

Government's efforts to streamline bureaucracy and to increase transparency have made it easier to establish a business in Cape Verde. Bureaucratic procedures have been simplified in a number of cases. The Center for Tourism, Investment and Export Promotion, PROMEX, has become a one-stop shop for external investors.

Performance Requirements and Incentives

The government offers local and foreign investors the same incentives. The incentives do not carry performance requirements. Instead, the government favors investments that are either export-oriented or diversify geographically and technologically the country's industrial base. Through existing international agreements, exporters have preferential access to the markets of Europe, West Africa and the United States. In order to benefit from these advantages, the investor has to qualify for a Foreign "Investor Status" through Cabo Verde Investimentos. Incentives to firms that export their entire output (free-zone enterprises) are the most generous, but all foreign firms investing in Cape Verde, regardless of the location of their markets, can benefit from the following incentives:

Fiscal Incentives:

- Entitlement to a full exemption from fiscal obligations applicable to all dividends and profits, generated during the first five years of operation, on condition that foreign capital is reinvested;
- Provision of tax-exemptions on amortizations and interests accruing from foreign investment related financial transactions;
- Standardization of the Fiscal regime (10 percent of Sole Personal Income (IUR)), after the sixth year of activity, considering the bilateral clauses, stipulated in agreements observed by Cape Verde and the foreign investor's country;
- Tax-exemptions on dividends and profit taxations shared by stakeholders during the first five-year period of production activity;
- Tax-exemptions on dividends which are reinvested; and
- Tax-exemptions on amortizations and interests.

Sectors Specific Incentives

Industry:

- Exemption from corporate taxes, consumer tax, and general customs emoluments over imports of goods, equipment and listed materials;

- Exemption of Sole Personal Income (IUR) over incomes generated in each new industrial establishment, that has been previously registered within a three-year period;
- Free export of goods; and
- Tax deduction on profits reinvested.

Tourism:

- Exemption from general customs duties over imports of materials used for exclusive construction or installation of tourism facilities;
- Exemption from real estate transfer and property taxes;
- 100 percent fiscal exemption for the first five-year period;
- For the ten years following the first five, the fiscal imposition shall be 50 percent;
- Tax deduction on profits reinvested in similar activities;
- Tax deduction for expenses incurred in training the local workforce;
- Tourism Utility Act (Law Decree 11/ 94 of February 14, 1994);
- Duty-free imports, customs emoluments of goods and materials required for export products; and
- Free export of good (Law Decree 42 / IV / 92, of April 6, 1992).

CÔTE D'IVOIRE[10]

The Government of Côte d'Ivoire encourages FDI, especially that contributes to the country's economic development. It provides exemption from tax and custom duties for such investors. There are no significant limits on foreign investment in general, nor are there differences in treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment. The government does not screen investments and has no strategy discriminating against foreign-owned firms. There are no laws specifically authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation, or control. There is a Petroleum Investment Code and a Mining Investment Code, which were revised in mid-1990s to further promote foreign investment in these sectors by exempting them from income and other taxes. These are currently being revised.

Banks and insurance companies are subject to licensing requirements, but there are no restrictions aimed at limiting foreign ownership or on the establishment of subsidiaries

[10]Deloitte Investment Guide

of foreign companies in this sector. There are no restrictions on foreign investment in computer services, or education and training services. However, there are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies. Investments in these sectors are subject to prior approval; require association with an Ivorian partner(s); and appropriate licenses.

CEPICI (Centre for Promotion of Investments in Côte d'Ivoire)

CEPICI is the investment promotion center, which provides investment information and assistance to entrepreneurs interested in starting a business or foreign enterprises interested in investing in Côte d'Ivoire. CEPICI provides a "one-stop-shop" for investors, an outreach program to match opportunities with potential investors, and a public-private liaison program. CEPICI also maintains a file of projects seeking foreign investment.

The Investment Code

The National Assembly adopted the investment code in its session of July 28, 1995. The investment code was designed to boost private sector investment and increase national production. The code includes incentives, such as tax breaks, for large investments and for investments outside of Abidjan and other urban industrial areas. The Government of Côte d'Ivoire is planning to revise the investment code to further encourage the creation of local processing industries, particularly in the cocoa and coffee sector. The new code should offer incentives including tax breaks for private investors that would process locally high value added products before exports. Under the code, three new industrial zones will be created as well as a court for commercial litigation.

Incentives

There are no general performance requirements applied to investments, nor does the government or the investment authority generally place conditions on location, local content, equity ownership, import substitution, export requirements, host country employment, technology transfer, or local financing. Cellular telephone operating companies must meet technology and performance requirements to maintain their licenses. Foreign investors generally have access to all forms of remunerative activity on terms equal to those enjoyed by Ivoirians. The government encourages foreign investment in the privatization of state-owned and parastatal firms, though in most cases the state reserves an equity stake in the new company.

Plant, machinery and equipment that is used exclusively in manufacturing, agriculture, transportation and storage and that have an expected life of more than 5 years may be granted capital allowances up to twice the normal rates. Enterprises investing at least CFA Franc 10 mn may apply for a reduction in the tax on industrial and commercial profits. Other incentives include a 5 to 8 year exemption from the tax on industrial or commercial profits, business licence duty, property tax and import tax, depending on the location of the investment. Special tax incentives may be granted to enterprises involved in mining (a 5-year tax exemption) petroleum and certain construction activities.

Guarantees

The Investment Code offers following guarantees to investors:

- National and foreign investors are treated on equal footing;
- Free repatriation of profits of any kind generated from the investment or at the time of liquidation, out of Côte d'Ivoire;
- It assures the investor of judicial, arbitrational or administrative appeal for settling any legal issues that may arise in the course of his business; and
- It also provides for an administrative remedy directly from a commission specially created for this purpose, the National Commission for Investment Promotion (COM-INVEST). The task of this Commission is to oversee the provisions of the Investment Code and deadlines in particular.

THE GAMBIA[11]

The Government of the Gambia maintains formal restrictions on private-sector investment only in sensitive areas like television broadcasting and defence. There is no legal distinction between the treatment of foreign and domestic investors. The Gambia Investment Promotion and Free Zones Agency (GIPFZA) is the government agency mandated to promote foreign investment. The government merged two legislative instruments - the Gambia Investment Promotion Act and the Gambia Free Zones Act to establish GIPFZA. GIPFZA serves as the link between investors and national authorities connected with business registration, administration of incentives and other support facilities associated with investing in the Gambia. The Agency has instituted a one-stop-shop service to provide all the information and assistance needs of investors

[11] Deloitte Investment Guide

at the initial stage of establishment, and thereafter to continue rendering assistance in order to ensure the smooth functioning and sustainability of such business ventures.

In July 2010, GIPFZA was restructured and transformed into the Gambia Investment and Export Promotion Agency (GIEPA) with an extended mandate to include export promotion and support for small and micro enterprise (SME) development. Under the GIEPA Act 2010, the former free zones are called Export Processing Zones (EPZ) and the incentives that were provided under the now repealed GIPFZA laws have been enhanced to attract more investors. Other laws affecting foreign investment are the Companies Act of 1955 and the Business Registration Act of 2005.

There are no economic or industrial strategies that have discriminatory effects on foreign investors neither at the time of the initial investment nor after the investment have been made. There are no limits on foreign ownership or control of businesses, except in the operations of foreign exchange bureaus, television broad-casting, and defence industries; the latter two sectors closed to all private sector participation irrespective of nationality. There is also an embargo on the setting up of private security companies, although existing firms are allowed to continue operating. There is no mandatory screening of foreign investment, but such screening may be conducted if there is suspicion of money laundering or terrorism financing.

As part of the country's privatization program, foreign investors are treated equally with local investors. The only tax that specifically applies to foreign investors is the Payroll Tax, which is paid for every expatriate employee of the company. There are no laws or regulations that limit or prohibit foreign investment, participation, or control. There is also no restriction on the repatriation of profits so long as it is done through the banking system.

Incentives

Investments must fulfill the following criteria to qualify for special investment certificates:

- Investment outlay in fixed assets of at least US$ 250,000 (within two years) or its equivalent in Gambian Dalasis or other freely convertible currencies at the time of application;
- Investment activities targeted in one of the priority sectors as specified in Schedule 1 of the GIEPA Act, which include: agriculture, fisheries, tourism,

forestry, manufacturing, energy, skills development, financial and off-shore services, health and veterinary, river and air transportation, information technology, minerals exploration and exploitation, and communications;

- Utilization of local materials, supplies and services;
- Introduction of advanced technology or upgrading of indigenous technology;
- Creation of employment opportunities in the Gambia; and
- Contribution to locally or regionally balanced socio-economic development.

The GIEPA Act establishes two priority investment categories namely; a) priority sectors, which consist of the list of sectors specified in schedule 1 of the Act, and b) priority areas, which consist of geographical areas specified in schedule 11, considered by Government to be in urgent need of development. Special Investment Certificate (SIC) applicants shall be granted incentives, if engaged within any priority investment category as specified under the GIEPA Act. Such investments will be entitled to the following incentives:

- Exemption from corporate tax, turnover tax, depreciation allowance, withholding tax on dividends for five years in the case of priority sector and for a maximum of eight years in the case of priority area; and
- Investors in qualifying industries such as mining, petroleum exploration and the agriculture sector are usually granted a 5-year tax exemption Certificate.

A newly established investment enterprise that falls within a priority investment category under section 61 shall be granted import sales tax waiver in respect of the importation of:

- Its manufacturing plant, construction materials, and spare parts for a period of five years from the date of signing of the investment agreement;
- Raw and intermediate inputs, for a period of five years from the date of commencement of operation; and
- The products listed in the third schedule to the Custom and Excise Acts.

A preferential treatment for the allocation of land for the site of the proposed investment and infrastructure facilities (utilities and telephone) is also provided.

GHANA

The encouragement of foreign investment in Ghana is considered as an integral part of the country's economic policy. The Government of Ghana recognizes that attracting FDI requires an enabling legal environment. The Government passed laws to encourage foreign investment and replaced regulations perceived as unfriendly to investors. The Ghana Investment Promotion Center (GIPC) Act, 1994 (Act 478), governs investment in all sectors of the economy except minerals and mining, oil and gas, and the Free Zones. Sector-specific laws further regulate banking, non-banking financial institutions, insurance, fishing, securities, telecommunications, energy, and real estate. Foreign investors are required to satisfy the provisions of the investment act as well as the provisions of sector-specific laws. In general, the GIPC has streamlined procedures and reduced delays.

The GIPC regulates foreign investment in acquisitions, mergers, takeovers and new investments, as well as portfolio investment in stocks, bonds, and other securities traded on the Ghana Stock Exchange. The GIPC law specifies areas of investment reserved for Ghanaians, which include small-scale trading, operation of taxi and rental services (except when a non-Ghanaian operator has a fleet of at least 10 vehicles), pool-betting businesses and lotteries (except soccer pools), and the operation of beauty salons and barber shops. The law further delineates incentives and guarantees that relate to taxation, transfer of capital, profits and dividends, and guarantees against expropriation. The GIPC registers investments and provides assistance to enable investors to take advantage of relevant incentives. The Government of Ghana has no overall economic or industrial strategy that discriminates against foreign-owned businesses. In some cases a foreign investment may enjoy additional incentives if the project is deemed critical to the country's development.

Performance Requirements and Incentives

In the case of banks, the opening of branches requires approval from the central bank. Investors are not required to purchase from local sources. Investors are not required to export a specified percentage of their output, except for Free Zone enterprises operating under the Free Zone Act, which must export 70 percent of their products. Foreign investors are not required by law to have local partners except in fishing, insurance, and extractive industries. There is compulsory local participation in the extractive sector. By law, the Government of Ghana acquires an automatic 10 percent carried interest of all interests in mining, oil and gas ventures. The 2006 Minerals and Mining Law also allows the Government of Ghana to negotiate any other form of participation. There are no requirements on physical location of investments. However, there are tax incentives to encourage investment in specific geographic locations, primarily in areas outside the main urban centers. There are also no import substitution restrictions.

Investment incentives differ slightly depending upon the law under which an investor operates. For example, while all investors operating under the Free Zone Act are entitled to a ten-year corporate tax holiday, investors operating under the GIPC law are not automatically entitled to a tax holiday. Tax incentives vary depending upon the sector in which the investor is operating.

All investment-specific laws contain some incentives. The GIPC law allows for import and tax exemptions for plant inputs, machinery and parts, that are imported for the purpose of the investment. The law also guarantees an investor all the tax incentives provided for under Ghanaian law. Tax rebates are also offered in the form of incentives based on location. A capital allowance in the form of accelerated depreciation is applicable in all sectors except banking, finance, commerce, insurance, mining, and petroleum.

GUINEA

Guinea's Investment Code of 1987 guarantees the right of all individuals (of both Guinean and foreign nationality) to undertake any economic activity in accordance with current laws and regulations. Foreign ownership of up to 100 percent is permitted in commercial, industrial, mining, agricultural and service sectors. However, some industries, such as radio, television, and print media, are legally restricted from having a majority foreign ownership. Revised in 1992, the Investment Code authorizes private investment of all types: foreign private, mixed foreign and local, and mixed public and private. The Guinean government provides a guarantee in the Investment Code that it will not, except for reasons of public interest, take any steps to expropriate or nationalize foreign or locally held assets or businesses.

On September 9, 2011, Guinea's Transitional National Council (CNT) approved a new mining code, which establishes the legal framework for current and future mining projects in Guinea, replacing the previous law established in 1995. The new code significantly increases the share of state ownership in the mining industry, extending a 15 percent share of future mining projects to the government, without financial compensation. The government also has the option to purchase up to an additional 20 percent of each project. New tax breaks and other financial incentives encourage projects to include a processing facility such as an alumina refinery, aluminum smelter, or steel mill. Although much of the 2011 code outlines the conditions under which future mining projects will be established, it also contains provisions that apply to companies already operating in Guinea.

Performance Requirements/ Incentives

The Investment Code revised in 1992, provides tax advantages for certain priority investments. The government's priority investments are: promotion of small and medium-sized Guinean businesses, development of non-traditional exports, processing of local natural resources and local raw materials, and establishment of activities in less economically developed regions. Priority activities include agricultural promotion, especially of food, and rural development; commercial farming involving processing and packaging; livestock, especially when coupled with veterinary services; fisheries; fertilizer production, chemical or mechanical preparation and processing industries for vegetable, animal, or mineral products; health and education businesses; tourism facilities and hotel operations; real estate development with social benefit; and investment banks or any credit institutions settled outside specified population centers. Under the 2011 Mining Code mining companies are required to hire Guinean citizens as a certain percentage of their staff and to award a certain percentage of contracts to Guinean-owned firms; the percentage varies based on employment category and the chronological phase of the project.

GUINEA-BISSAU[12]

Investment code in Guinea-Bissau was framed in 1991, and later modified in 1996. It addresses all investors and physical entities of any nationality. In order to enhance and attract greater investment, the investment code offers a number of incentives under three distinct categories:

- Investment promotion;
- Export promotion; and
- Research and professional training promotion.

Guarantees

- Non-discriminatory treatment for any project (national and foreign societies or public and private societies);

[12]Guinea-Bissau Investment LDA (GBI)

- Guarantee against nationalization and confiscation;
- Labor and management freedom;
- Guarantee for the transfer of profits and capital;
- Guarantee against legislation adverse to this Law; and
- Investors can benefit from guarantees granted by the terms of the convention that the Multilateral Investment Guarantee Agency (MIGA) creates, and other treaties to which Guinea-Bissau is a signatory.

Under the Investment code, there is no restriction on sector of activity for foreign investment, and no obligation to recruit local personnel. The country has quite some capacity for tourism industry. The sector has potential that include deep-sea fishing and scuba diving operations on the Bijagos archipelago. The country also has numerous historical and architectural interest. The sector is yet to be fully developed.

By investing in an important field of business for development of Guinea-Bissau, the companies can benefit tax reduction of 50 percent for 6 years. Business investment oriented in exportation gets back 10 percent of total value of goods exported in a business year, for 6 years from the government. Also, business increasing national production of goods to reduce the importation of such goods from abroad is beneficiary of the same percentage for the mentioned 6 years. Business investing in know-how and human resources, business protecting the environment, and business investment in infrastructure in other small cities (not in the capital) of Guinea-Bissau are investment in important fields for the development of Guinea-Bissau. There are state agency, Private Investment Promotion Directorate (DPIP) and financial institution, Guinean Foundation for Industrial Entrepreneurship Development (FUNDEI) to support private investments.

The objectives of DPIP:

- Full streamlining of bureaucratic procedures regarding the setting-up and granting of licenses for firms through the implementation of its one-stop shop;
- Provide potential investors with quality information through its information and communication service, in parallel with the research and promotion service;
- To draw funding; and
- To sponsor other incentives.

Activities of FUNDEI:

FUNDEI is open to all national citizens and those originating from countries that are partners of Guinea-

Bissau in the context of its political and economic international relations. FUNDEI

- Promotes and Funds Investment Projects;
- Supports dissemination of technology;
- Promotes training actions; and
- Provide technical assistance to promoters.

In 2011, the Government of Guinea-Bissau has approved the creation of the Guinean Agency for Investment Promotion, 'Guinea-Bissau Investimentos', aimed to set up conditions to implement national and foreign investment projects and promote the country as a direct investment destination. This will result in closing down the Directorate-General for Promotion of Private Investment, which also includes the services of the Centre for Formalisation of Companies. The agency will be the only intermediary for investors, representing all the administrative bodies for matters of investment.

LIBERIA

The Government of Liberia seeks to empower domestic businesses and support Liberian entrepreneurs by constraining foreign investment in some sectors. The Investment Act of 2010 repealed and replaced the Investment Incentive Act of 1973. In 1998, the government promulgated a "Liberianization Policy," that set aside 26 business activities exclusively for Liberians. But the revised Investment Act of 2010 reduced the number of Liberian-reserved activities to 16 businesses and set a threshold on 12 others.

Ownership of the following business activities or enterprises shall be reserved exclusively for Liberians; supply of sand; block making; peddling; travel agencies; retail sale of rice and cement; ice making and sale of ice; tire repair shops; auto repair shops with investments of less than US$ 550,000; shoe repair shops; retail sale of timber and planks; operation of gas stations; video clubs; operation of taxis; importation or sale of second-hand or used clothing; distribution of locally manufactured products in Liberia; and importation/ sale of used cars (except authorized dealership which may deal in certified used vehicles of their make).

Foreign investors are allowed to invest in the following business activities; production and supply of stone and granite; ice manufacturing; commercial printing; advertising agencies, graphics and commercial artists; cinemas; production of poultry and poultry products; operation of water purification or bottling plant;

entertainment centers not connected with a hotel establishment; sale of animal and poultry feed; operation of heavy duty trucks; bakeries; and sale of pharmaceuticals, provided the investment is not less than US$ 500,000. If a Liberian partner maintains at least a 25 percent equity stake, the foreign investors need only to invest US$ 300,000.

The Investment Act of 2010 officially eliminated the mandate that foreign-owned companies must employ qualified Liberians at all levels, including upper management of foreign owned companies. The Investment Incentive Code allows the transfer of funds associated with investments, including profits. There are no restrictions on converting or transferring investment funds.

Performance Requirements/ Incentives

In an effort to attract foreign investment, the Investment Act of 2010 prohibits nationalization of private enterprises. As part of its efforts to make Liberia a more attractive place for investors, the government in 2010 carried out a thorough review of the incentives offered under the Investment Incentives Act of 1973. The revised incentive code brings Liberia in line with international best practices, by granting foreign investors the same rights and subjecting them to the same duties and obligations as those that apply to domestic investors.

In the Investment Act of 2010, incentives are available to foreign and domestic investors for approved investment projects in the following priority areas, as defined by the government: tourism carried out through tourist resorts, hotels, and cultural sites; manufacturing of finished products having at least 60 percent local raw material content; energy; hospitals and medical clinics; low and medium income housing; air, sea, rail and road transport infrastructure; high impact information and communications technology; and banking in non-bank areas in the southeastern region of the country. Under the revised investment code, economically viable and strategically located investments up to, or in excess of US$ 20 mn are eligible for special incentive packages. Capital assets and other goods to be used in the project are exempted from import duty up to 100 percent of their dutiable value. Liberia's Incentive Act of 2010 introduces a clear, standardized, and transparent system for awarding concessions and provides guarantees against unfair expropriation. It also ensures the ability of investors to repatriate capital and profits and obliges the government to protect intellectual property rights.

MALI[13]

The Malian government has instituted policies promoting direct investment and export-oriented businesses. Foreign investors go through the same screening process as domestic investors. In Mali, the investment code gives the same incentives to both domestic and foreign companies for licensing, procurement, tax and customs duty deferrals, export and import policies, and export zone status, if all production is to be exported. Export taxes and import duties have been reduced or eliminated as part of the ongoing economic reforms.

The 1991 investment code offers certain incentives, mostly in the form of tax holidays of five to ten years to companies prepared to invest in certain areas. In the three free zones, any company, domestic or foreign, that plans to export at least 80 percent of its production is free of all taxes for a period of 30 years, but must sell 20 percent of their production on the national market, subject to the same taxation as other similar imported products. Foreign and national investors are treated equally by law.

Criteria for the Appraisal of Project Applications and Incentives

Criteria for granting authorization for investment by foreign investors under the 2005 investment code include the size of capital investment, the use of locally produced raw materials, and the level of job creation. The incentives added in 2005 include exemptions from duties on imported equipment and machinery. Investors may also get tax exemptions on the use of local raw materials. Companies that use at least 65 percent of locally produced raw materials are eligible for certain tax exonerations. The investment code encourages the establishment of new businesses in areas other than capital. Incentives include income tax exemptions for 5-8 year periods, reduced-energy prices, and the installation of water supply, electric power and telecommunication lines to areas lacking public utility services. In addition, specific incentives may be negotiated on a case by case basis. Foreign investors can own 100 percent of any businesses they create. The repatriation of capital and profit is guaranteed. The investment code offers incentives to companies that reinvest profits to expand existing businesses or diversify into another relevant sector.

In 2009, the Malian government re-launched a one-stop shop for prospective investors, the Agence pour la Promotion de l'Investissement (API-Mali), with support from the Foreign Investment Advisory Service (FIAS) and the U.S. Agency for International Development

[13]www.ambamali.jp

(USAID). Mali has also created, with World Bank support, a Presidential Investment Council, aimed at improving the business climate in Mali and identifying best prospects for investment.

Foreign Trade Zones/Free Ports

There is no discrimination between foreign-owned firms and host country entities in terms of investment opportunities. Companies (domestic or foreign) that export at least 80 percent of their production are entitled to the status of "zone franche" (tax-free status). As such, they benefit from duty free-status on all equipment and other inputs they need for their operations.

The government has identified

Table 4.3: Investment Regime in Mali

Level of Investment	Regimes	Benefits
Below CFA Franc 100 mn	Regime A	- Exemption for 5 years from tax on business profit and license fees; - Exemption for 5 years from tax on estate revenue for new constructions and for 10 years for real estate agencies; and - Payment of the registration fees on the companies' deeds is spread over 3 years and exemption from the same in case of increase in the paid up capital.
Greater than or equal to CFA Franc 100 mn	Regime B	- Exemption for 8 years from tax on business profit and license fees; - Exemption for 5 years from tax on estate revenue for new constructions and for 10 years for real estate agencies; and - Payment of the registration fees on the companies' deeds is spread over 3 years and exemption from the same in case of increase in the paid up capital.
	Regime for Free Zones	- Full and permanent exemption from duties and taxes related to the operations. However, they are authorized to sell 20 percent of their output in the domestic market by paying the duties and taxes normally levied.

Source: www.ambamali.jp

priority sectors, wherein investors are accorded special incentives:

- Agribusiness;
- Fishing and fish processing;
- Livestock and forestry;
- Mining and metallurgical industries;
- Water and energy generation industries;
- Tourism and hotel industries;
- Communication;
- Housing development;
- Transportation;
- Human and animal health promotion enterprises;
- Vocational and technical training enterprises; and
- Cultural promotion enterprises.

MAURITANIA

Mauritania's economy has been liberalized and is conducive to foreign investment. The Commisariat for Investment Promotion (CPI) has initiated a project to improve the business climate and transparency with the support of the World Bank. The aim is to apply international standards to administrative procedures and encourage economic activity. The Mauritanian Chamber of Commerce, Industry and Agriculture has a useful database on economic activity for investors. Mauritania's encouraging performance stems from extensive reforms in many sectors of the economy, including a new monetary policy, liberalization of the financial and banking sector and openness to foreign investment.

The 1989 Investment Code of Mauritania is designed to encourage direct investment, facilitate administrative procedures, and enhance investment security. It guarantees equal and free movement of capital in and out of Mauritania, in all sectors. Mauritania is in the process of redrafting the Investment Code to regulate foreign direct investment, which should offer a much greater degree of clarity regarding the legal framework. With the exception of sectors where public companies hold monopolies such as water and electricity distribution, Mauritania has no discriminatory policies against foreign investment, imports, or exports. The mining, fishing, agricultural, banking, petroleum, and technology sectors are actively seeking foreign direct investment. There are no limits to foreign ownership or control.

The Mauritanian government has historically practiced mandatory screening of foreign investments to ensure compliance with the country's laws. Screening mechanisms are routine and non-discriminatory, and until recently were conducted through the Consolidated Office for Investment within the Ministry of Economic Affairs and Development, a "one-stop shop" for all sectors except petroleum, mining, and fishing. This office was dissolved in early 2011 and no replacement institution has yet been named. Nominally, the Ministry of Economic Affairs and Development still performs the screening process. The Investment Promotion Office, also closed in early 2011, was charged with implementing the regulations set forth in the current Investment Code, including those dealing with market liberalization and competition. No other office has taken over this function; however the responsibility continues to rest with the Ministry of Economic Affairs and Development. Mauritania continues to attract significant foreign direct investment in oil, energy, and mines sectors, which remain vital to the country's economy.

Performance Requirements and Incentives

The government has offered tax benefits, including exemptions in some instances, to enterprises in priority sectors listed in its Investment Code. Under the Investment Code, investors are required to purchase from local sources, if the good or service is available locally and is of the same quality as could be purchased abroad. There are some rules governing the percentage of host country nationals employed, but the government is flexible on this point. If imported "dumped" goods are deemed to be competing unfairly with a priority enterprise, the government will respond to industry requests for tariff surcharges, thus providing some potential protection from competition. Performance requirements are sometimes imposed as a condition for establishing, maintaining, or expanding an investment, or for access to tax and investment incentives. The Investment Code outlines certain investment incentives, but foreign investors may negotiate directly with the government. There is no requirement for investors to export a certain percentage of output or only have access to foreign exchange in relation to their exports.

NIGER

To facilitate economic development through investment, the government has adopted and implemented an Investment Code. The Investment Code offers advantages to sectors, the government of Niger deems key to economic development: energy production, mineral exploration and mining, agriculture, food processing, forestry, fishing, low-cost housing construction, handicrafts, hotels, schools, health centers, and transportation.

The government allows full foreign ownership in all sectors except energy, mineral resources, and those restricted for national security purposes, such as arms and ammunitions and private security forces, which require special arrangement. Under the Investment Code, industrial investments enjoy tax and customs exemptions, and in some cases exemptions from value added tax (VAT). The country has a Guichet Unique or one-stop-shop, at the Chamber of Commerce. Within the Chamber of Commerce, there is also a division called Centre de Promotion des Investissements (CPI, Center for Investment Promotion) that directs, advises, and assists national and foreign entrepreneurs/investors with a view to promoting private investment in Niger.

Performance Requirements and Incentives

Performance requirements are not imposed as a condition for establishing, maintaining, or expanding foreign direct investments. Niger does offer incentives that increase as the size of the investment and number of jobs created increase. The Investment Code offers generous, VAT-inclusive tax exemptions, depending on the size of the business. Potential tax exemptions include start-up costs; property, industrial and commercial profits; services and materials required for production; and energy use. Exemption periods range from ten to fifteen years and include waivers of duties and license fees. Further advantages accrue to those investing in small-scale enterprise. There are no restrictions on foreign companies opening a local office in Niger, though they must obtain a business certificate from the Ministry of Commerce.

The Investment Code lays down three special schemes. The advantages of the schemes apply to any physical or moral persons of any nationality, undertaking or willing to undertake an activity in one of the above-mentioned sectors.

Particular schemes are dedicated to craft industries, film production, construction of schools and health care centers, technological innovations, and public transport in goods and passengers. The duration of the above regimes is five years. However, the duration is extended by three years to firms operating in the regions of Agadez, Diffa, Tahoua and Zinder. The government has also introduced a new employment code aimed at relaxation of the recruitment and dismissal procedures.

NIGERIA[14]

The Investment Code that created the Nigerian Investment Promotion Commission (NIPC) (Decree No. 16 of January 16, 1995) and the Foreign Exchange (Monitoring and Miscellaneous Provision) also enacted in 1995 give full legal backing for FDI in the country. Nigeria Government actively promotes FDI into the country. In particular, the Government had implemented the IMF monitored-liberalization of its economy, welcomes foreign investors in the manufacturing sector, offers a number of incentives for the

Table 4.4: Investment Regime in Niger

Regimes		Benefits	
Type	**Minimum Capital**	**Investment Realization Stage**	**Project Execution Stage**
A	CFA Franc 25 mn	- Full exemption from state-levied duties and taxes, excluding the license fees but including the VAT on the materials and equipment imported in case of non-availability of the local equivalent. - Full exemption from state-levied duties and taxes, including the VAT on services.	- Full exemption from licenses, tax on business profits, the basic minimum tax and tax on land.
B	CFA Franc 50 mn	- Full exemption from state-levied duties and taxes, excluding the license fees but including the VAT on the materials and equipment imported in case of non-availability of the local equivalent. - Full exemption from state-levied duties and taxes, including the VAT on services.	- Full exemption from licenses, tax on business profits, the basic minimum tax, property or land tax. - Full exemption from duties and taxes, excluding the license fees and the VAT on raw materials, perishable goods and packing materials, manufactured locally or imported in case of non-availability of the local equivalent.
B	CFA Franc 2 billion	Same as in Regime B + 50 percent exemption on the rate of tax & duty on petrol and any other source of energy used in fixed plants.	

[14] Organisation for Economic Co-operation and Development (OECD)

ownership in all industries, except for petroleum and certain key industries such as military equipment, created a number of Export Processing Zones and actively participates in a number of regional integration schemes. Authorities have loosened controls over foreign investment, and repealed or amended decrees inhibiting competition or conferring monopoly powers on public enterprises.

NIPC Decree allows 100 percent foreign ownership of firms outside the oil and gas sector, where investment stays limited to joint ventures or production-sharing agreements. Laws restrict industries to domestic investors, if they are considered crucial to national security, such as firearms, ammunition, and military and paramilitary apparel. Foreign investors must register with the NIPC after incorporation under the Companies and Allied Matters Decree of 1990. The decree prohibits the nationalization or expropriation of foreign enterprises except in cases of national interest. Nigerian laws apply equally to domestic and foreign investors. The Government of Nigeria enacted the Nigerian Content Act (NCA) in 2010 to support domestic production. The NCA requires oil and gas production and service companies to use local resources for the delivery of some goods and services currently sourced from outside the country.

Performance Requirements/ Incentives

Foreign investors must register with the NIPC, incorporate as a limited liability company (private or public) with the Corporate Affairs Commission, procure appropriate business permits, and register with the Securities and Exchange Commission (when applicable) to conduct business in Nigeria. Manufacturing companies sometimes must meet local content requirements.

The incentives that are available to investors include tax relief, legislative provisions pertaining to taxes and repatriation of foreign capital investment at any time of capital appreciation of the investment. No import or export licenses are required and up to 100 percent foreign ownership of enterprises is allowed. Additional concessions are also available in the local raw material development, local value-added, labor-intensive or export-oriented activities that involve significant training. Nigeria’s investment law allows an appropriate treatment and protection of foreign investment. It has provisions for capital assets depreciation allowance, provides against nationalization, expropriation and compulsory purchase of company assets.

The Industrial Development/Income Tax Relief Act Number 22 of 1971, amended in 1988, provides incentives to pioneer industries deemed beneficial to Nigeria's economic development and to labor-intensive industries, such as apparel. Companies that receive pioneer status may benefit from a non-renewable, 100 percent tax holiday of five years (seven years, if the company is located in an economically-disadvantaged area). Industries that use 60 to 80 percent of local raw materials in production may benefit from a 30 percent tax concession for five years, and investments employing labor-intensive modes of production may enjoy a 15 percent tax concession for five years. Additional incentives exist for the natural gas sector, including allowances for capital investments and tax-deductible interest on loans. The government encourages foreign investment in agriculture, mining and mineral extraction (non-oil), oil and gas, and the export sector.

In line with IMF monitored Structural Adjustment Programmes, starting from the 1980s, Nigeria undertook a far-reaching privatization programme. Public enterprises in several sectors have been privatized and most of the remaining ones are up for sales. Nigeria has also established Export Processing Free Zones' Scheme (EPFZS). This scheme allows for interested persons to set up industries and businesses within demarcated zones known as Export Processing Zones (EPZs), principally with the objective of exporting the goods and services manufactured or produced within the zones. The scheme is targeted to promote the diversification of the export base of the nation through the acceleration of export business with loaded incentives. It includes industrial production, offshore banking, insurance and re-insurance, international stock, commodities and mercantile exchanges, commercial industrial research, agriculture and agro-allied industry, mineral processing, as well as international tourist resort development and operations.

SENEGAL[15]

Senegal's 2004 Investment Code is the main body of law regulating foreign investments and it applies to most activities. But trading activities, which are defined as activities of resale in their existing state of products bought from outside the enterprise, are specifically excluded from the area of application from the present Code. Activities eligible under the Specific Code or under the statute of free export enterprise are also excluded from the area of

[15] APIX

application of the present Code. Materials benefiting from specific regimes are also excluded from investment programmes approved under the Investment Code. Locally acquired second hand materials cannot be included while estimating the amount of tax credit agreed by the Investment Code. Several customs, tax and social benefits can be granted to an enterprise during the period of investment and of its operation. There is a "one stop" service for investment in Senegal; Senegal's Investment Promotion Agency (APIX), for registration and obtaining other approvals needed to secure a business license, which can now be completed in approximately eight days.

Benefits in the Investment Realization Phase

These cover a period of 3 years and are defined as follows:

- Exemption from customs duties imposed at the time of import of materials not produced or manufactured in Senegal and which are specifically intended to serve in production or operations within the framework of the approved programme.
- The details of exemption for spare parts, tourist vehicles, when they are specified in the agreed programme, and for utility vehicles will be determined by Decree.
- Suspension of VAT, payable on entry, for materials that are not produced or manufactured in Senegal and which are specifically intended to serve in production or in operations within the framework of the programme, according to methods defined by Decree.
- Suspension of VAT included in bills by local providers of goods, services and works, which are necessary for the realization of the approved programme, according to methods defined by Decree.

Benefits in the Operation Phase

These benefits are divided into the following different tax regimes.

- **The regime for new enterprises:**

a. *Exemption from the Employer's Fixed Contribution (CFCE) for 5 years:* If the number of jobs created within the framework of the approved programme of investment is more than 200, or if at least 90 percent of jobs created are based out of the Dakar region, this exemption can be extended up to 8 years.

b. *Particular benefits concerning the Profit Tax:* In the area of profit tax, the new approved enterprises are authorized to deduct from the amount of taxable profit a part of their investment, whose nature will be defined by Decree. For new enterprises, the amount of authorized deductions is fixed at 40 percent of the amount of retained investment. For any fiscal year, the amount of deductions cannot exceed 50 percent of taxable profit. These deductions can extend over 5 successive fiscal years, at the end of which, the remainder of the tax credit that has been authorized but not used, is neither taxable nor reimbursable.

- **The regime for projects of extension:**

a. *Exemption from the Employer's Fixed Contribution (CFCE) during 5 years:* If the number of jobs created within the framework of the agreed programme of investment is more than 100, or if at least 90 percent of the jobs are based outside the Dakar region, this exemption can be extended up to 8 years.

b. *In the area of Profit Tax:* The approved projects for extension are authorized to deduct from the amount of taxable profit a part of their investment, whose nature will be defined by the Decree. For the approved projects for extension, the amount of authorized deductions is fixed at 40 percent of the amount of retained investment.

c. *For each fiscal year, the amount of deductions cannot exceed 25 percent of taxable profits:* These deductions can extend over 5 successive fiscal years, at the end of which, the remainder of the tax credit that has been authorized but not used, is neither taxable nor reimbursable. Concerning individuals (physical persons), the reduction provided for in the present Article is not additional to the regime for the reduction of taxes on the re-investment of profits, provided for in the General Tax Code.

- **Other benefits:**

Both for new enterprises and for projects for extension, the workers recruited, from the effective date of the benefits of operation, following the notification by the investor that he has begun his activities, will be regarded, for the purposes of labour legislation, as workers taken on as additional to the labour force to undertake work that is due to an increase in activity. As a consequence of this, enterprises may make agreements with the workers so recruited, from the date of approval, for fixed term labour contracts for a period not exceeding 5 years.

Guarantees

The Investment Code offers following guarantees to investors:

- Guarantees and protection of property rights;
- Guarantee of the provision of foreign exchange;
- Guarantee of transfers of capital;
- Guarantee of the transfer of earnings;
- Guarantee of access to raw materials; and
- Equality of treatment.

SIERRA LEONE

The Investment Code 2005 of Sierra Leone was designed to provide more protection for companies investing in Sierra Leone and to promote production and value-added activities. The code directs government to encourage joint ventures and allow full foreign ownership. The code ensures that there is no discriminatory economic or industrial strategy against foreign investors and no limit is imposed on foreign ownership or control. The Government of Sierra Leone has established no performance requirements prescribing mandatory percentages of exports, domestic content, required domestic inputs, or limiting access to foreign exchange. There is no requirement that investors purchase from local sources or export a certain percentage of output, and there are no legal limits on access to foreign exchange. There is no requirement that nationals own shares or that the share of foreign equity is reduced over time. There is also no requirement that technology is transferred on certain terms. There are no offset requirements or conditions on permission to invest.

Investment Incentives

Among the incentives available to investors are:

General:

- Three year exemption on import duty for plant, machinery and equipment;
- Reduced duty rate of 3 percent on the import of raw materials;
- 100 percent tax loss carry forward can be utilized in any year;
- 125 percent tax deduction on R&D and training spending;
- 125 percent tax deduction on expenses for export promotion activities; and
- Three year income tax exemption for skilled expatriate staff, where bilateral treaties permit.

Agribusiness:

- Exemption on import duty for farm machinery and equipment, and agrochemicals;

- Income tax exemption till 2020 for companies, individuals and partnerships; and
- 50 percent of dividends paid from companies engaged in agricultural activity are exempt from withholding taxes.

Infrastructure:

- Projects in excess of US$ 1,000,000 will be exempt from income taxes for the earlier of 10 years from start-up or the year 2020; and
- Additional incentives are available for investments in pioneer industries, such as pharmaceuticals and solar energy.

Mining:

- Tax rate reduced from 35 to 30 percent for all companies with audited accounts;
- Losses can be carried forward for 10 years following the date of initial production;
- Capital allowance of 100 percent in the first year for prospecting and exploration expenses. For production rights and other expenditures, investors will be allowed an initial allowance of 40 percent in the year of expenditure, followed by an annual allowance of 20 percent a year for the next three years following the date of initial production; and
- Reclamation, rehabilitation, and mine closure costs can be deducted in the year incurred.

Tourism:

Investments in hotels meeting certain eligibility criteria will attract the following benefits:

- Income tax exemption that expires in 5 years, 2015, or when the amount qualifying under the tax holiday exceeds 150 percent of original invested capital; and
- Three year exemption from import duties for key building materials and other inputs.

TOGO[16]

The Investment Code of 1990 is an instrument of investment promotion, particularly in the production and processing industries. A new investment code was adopted by the National Assembly on January 20, 2012. The priority sectors identified under the new code include health, education and training, installation and maintenance of industrial equipment, mounting of consumer items, technical information and communication technology, industrial parks, tourist areas and handicraft centers. The purpose of the new code is to attract

[16]Togo Business Intelligence Report

investment that creates employment and enables the adaptation of modern technology, as well as transfer of technology. The code is expected to provide for equal treatment between Togolese and international investors; free management and circulation of capital for foreign investors; respect of private property; protection of private investment against expropriation; and investment dispute resolution regulation.

The CCIT (Chamber of Commerce and Industry of Togo) provides information on economic, commercial, legal, financial and tourist related matters. The SAZOF, Administrative Board of Free Zones, controls the companies in the Free Trade Zones. These two organs are responsible for investment promotion in Togo and manage a window each.

The investment code permits investment in the following sectors:

- Agriculture, animal husbandry, fishing, forestry, and activities related to the transformation of vegetable and animal products;
- Manufacturing;
- Exploration, extraction, and conversion of minerals;
- Low-cost housing;
- Hotels and tourist infrastructure;
- Agricultural storage;
- Applied research laboratories; and
- Socio-cultural activities.

The code requires new investments of at least CFA Franc 25 mn (about US$ 50,000) for foreign companies and CFA Franc 5 mn (about US$ 10,000) for Togolese companies. A new capital investment in an existing company must be at least half the value of the existing company. At least 60 percent of the company's payroll must go to Togolese citizens. According to the Code, applications for approval of the investment must be submitted to the planning ministry, which, in consultation with the national investment commission, approves or rejects the applications within 30 days. The government decree granting approval explains the conditions of the investment.

Guarantees to Investors

The Investment Code offers following guarantees to investors:

- Equal treatment to companies of all nationalities;
- Freedom of repatriation of capital;
- Freedom of entry, exit, stay and travel;
- Settlement of legal issues through arbitration or reconciliation; and
- Freedom of commercial management.

5 INDIA'S ENGAGEMENTS IN WEST AFRICAN COUNTRIES

India is increasingly expanding its trade with energy rich West African countries, namely Nigeria, Côte d'Ivoire and Ghana, as a part of Government of India's policy of diversifying its energy sources. West African region with its huge reserves of oil is crucial to India's quest for energy security. This chapter discusses trends in India's bilateral trade with select West African countries, major trading partners and the major items of bilateral trade. This chapter also discusses trends in investment flows between India and West African countries.

Trends in India –West Africa Trade

The potential for further expansion of India's trade with West Africa is huge due to the large consumer markets in West Africa and India. India's total trade with West African countries has risen more than fifteen-folds from US$ 1.5 billion to US$ 22.9 billion during the decade 2002-03 to 2011-12, with India's exports to the region amounting to US$ 5.8 billion, and India's imports from the region aggregating US$ 17.1 billion in 2011-12 **(Chart 5.1 and Table 5.1)**. The region accounted for 23.7 percent of India's total exports to Africa, and 1.9 percent of India's global exports in 2011-12. With a view to enhance bilateral trade between India and West Africa, India has set a target of US$ 40 billion trade turnover by 2015, focusing on investment in the oil and gas sectors.

Nigeria is India's largest trading partner among the countries in West African region. While Nigeria and Ghana are the traditional and large trading partners for India, other countries in the region, including Benin, Senegal, Togo, and Côte d'Ivoire, are also emerging as important trading partners in recent years. India also has strong economic ties with Economic Community of West African States (ECOWAS), a REC, comprising 15 West African countries.

The growth in India's imports from Africa and especially West Africa, is largely driven by large unmet domestic demand for natural resources, especially petroleum products. The geographic distribution of sources of India's imports from Africa is highly concentrated on the few oil exporting countries. The increasing imports from Africa and especially West Africa has been supported by the 'Duty Free Tariff Preference Scheme' announced by the Government of India in April 2008, where India provides preferential market access for exports from the 48 Least Developed Countries, 33 of which are in Africa and 12 in West Africa. The recent trade trends indicate that India has become a major market for West African products. West Africa's increase in share of India's imports has been more pronounced and dramatic, than the increase in share in India's exports. India's total imports from West Africa, as a percentage share of India's total global imports, accounted for 3.5 percent during 2011-12, up from 0.8 percent in 2002-03. Countries such as Nigeria, Ghana, Senegal, and Liberia, among others, are not only important trading partners for India, but also major destinations for India's global overseas investments. The trade balance between both the regions has sharply swung in favour of West Africa, from 2006-07 onwards.

India's exports to West African countries increased at a robust CAGR of 22.1 percent during the period 2002-03 to 2011-12, while India's imports from West Africa grew at a CAGR of 47.8 percent during the same period. On account of increased imports from the region, India's trade balance with the region started experiencing a deficit from 2006-07 onwards, and continued to increase to US$ 11.3 billion in 2011-12, higher than the deficit of US$ 8 billion recorded in 2010-11.

India has good relations with the African Union, and its member countries, which include West African countries. India's relations with various African Regional Economic

Table 5.1: India's Trade with West Africa (US$ billion)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Exports	1.0	1.2	1.5	1.7	2.2	3.2	3.0	2.8	3.9	5.8
% Change	*-1.6*	*20.8*	*28.9*	*11.4*	*30.6*	*45.1*	*-5.4*	*-6.5*	*37.2*	*50.6*
Imports	0.5	0.5	0.7	1.1	8.0	9.3	10.5	8.7	11.9	17.1
% Change	*11.6*	*6.5*	*37.9*	*42.3*	*651.6*	*16.5*	*12.6*	*-16.7*	*36.0*	*44.0*
Total Trade	**1.5**	**1.7**	**2.3**	**2.8**	**10.2**	**12.5**	**13.5**	**11.6**	**15.8**	**22.9**
Trade Balance	**0.5**	**0.6**	**0.8**	**0.6**	**-5.8**	**-6.1**	**-7.5**	**-5.9**	**-8.0**	**-11.3**

Note: Imports include oil imports from 2006-07 onwards

Source: Ministry of Commerce and Industry (MOCI), Government of India (GOI)

Communities (RECs) has improved recently which will help strengthening the trade relations between India and African countries and especially countries in West Africa. As part of the continuing engagement between India and Africa on an institutional basis, the first ever meeting between India and the RECs was held in New Delhi during November 14-16, 2010.

India's Trade with West African Countries

India's trade with West African countries has been increasing throughout the last few years. The trade is highly concentrated among few countries. Nigeria alone accounts for three quarters of India's total trade with West African countries and one quarter of India's total trade with African countries, mainly due to imports of crude oil by India from Nigeria. Globally, Nigeria is the 27th largest export destination and 11th largest import source of India during 2011-12. There is ample scope for growing bilateral trade relations with the rest of the West African countries.

Nigeria is India's leading export destination among West African countries, accounting for 46.2 percent of India's total exports to West Africa, and 0.9 percent of India's global exports in 2011-12. The other major export destinations in West Africa during the same year were Ghana (13.6 percent of exports to West Africa), Benin (11.2 percent), Senegal

Chart 5.1: India's Trade with West Africa (US$ billion)

Note: Imports include oil imports from 2006-07 onwards

Source: MOCI, GOI

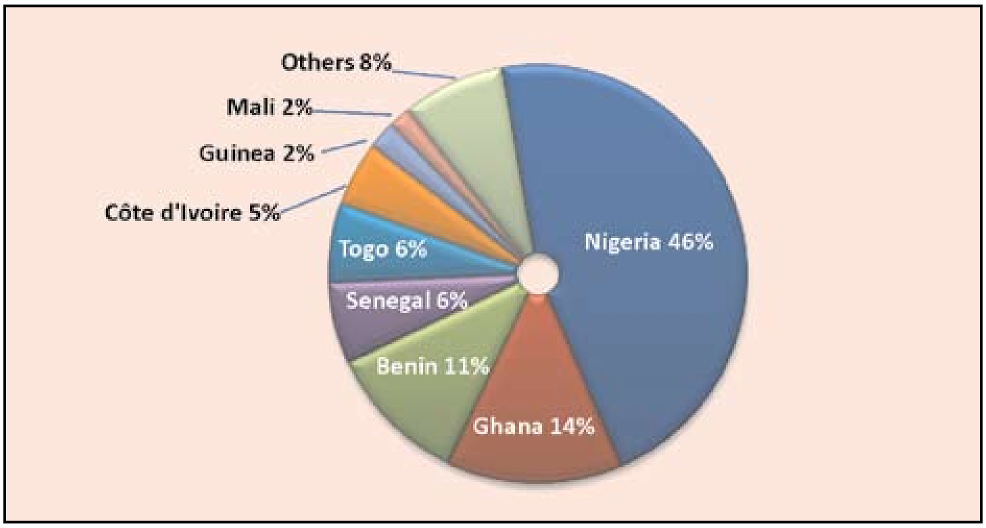
(6.2 percent), and Togo (6 percent) **(Chart 5.2 and Table 5.2)**. India's exports to Benin, Côte d'Ivoire, Guinea-Bissau, Niger, Senegal and Togo have shown a sharp rise compared to its 2010-11 exports levels.

As far as imports are concerned, Nigeria is again the largest supplier to India among the West African countries, accounting for 85.5 percent of India's total imports from the region in 2011-12, reflecting significant imports of crude petroleum from the country. Côte d'Ivoire (2.9 percent of imports), Senegal (2.5 percent), Ghana (2.4 percent), and Guinea-Bissau (1.7 percent) are the other important import sources among the West African countries in the same year **(Chart 5.3 and Table 5.3)**. India's imports from Niger, Senegal, Côte d'Ivoire, Guinea and Ghana have registered sharp rise in the last decade. Most of the West African countries are rich in primary products like oil, cashew nuts, cotton etc. Hence, the significance of these countries in meeting India's imports needs cannot be ignored.

Commodity Composition of Bilateral Trade

The nature of export commodities from India to West Africa has changed in the last decade. The demand for capital goods is rising in West Africa for various projects for infrastructure development, supported by development agencies.

Chart 5.2: India's Exports to West African Countries (% Share, 2011-12)



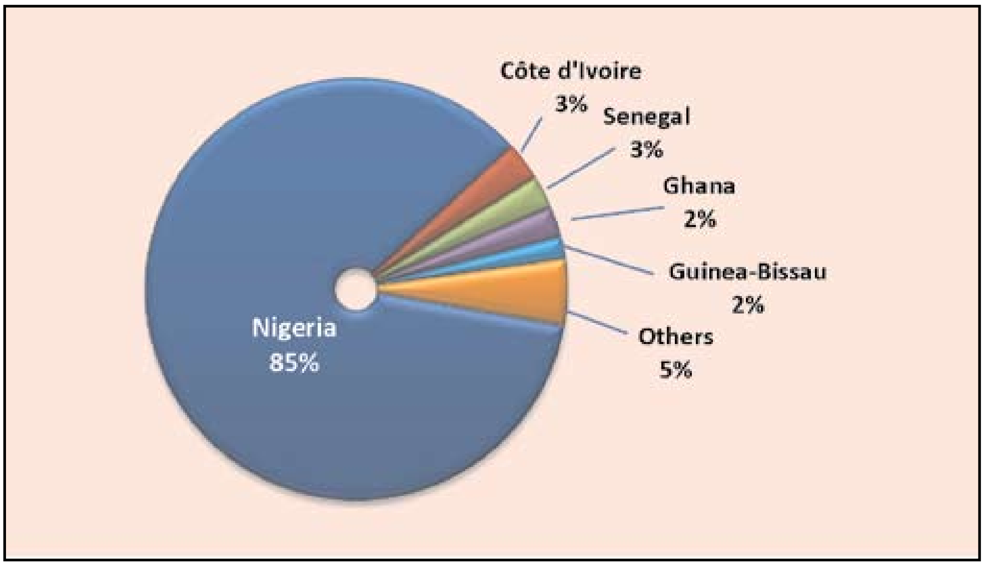
Source: MOCI, GOI

Table 5.2: India's Exports to West African Countries (US$ mn)

	2002-03	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Nigeria	449.1	902.8	1085.4	1529.3	1408.7	2098.9	2700.2
Ghana	105.6	465.2	795.1	537.9	390.5	579.8	797.5
Benin	64.4	151.4	276.3	204.4	221.8	263.7	655.0
Senegal	51.4	152.2	198.2	144.8	188.7	210.2	365.1
Togo	71.7	122.0	225.8	143.4	163.5	204.9	353.0
Côte d'Ivoire	48.9	141.7	258.0	94.8	122.3	94.2	284.3
Guinea	34.4	79.8	130.3	78.5	79.4	96.4	131.9
Mali	22.6	63.7	32.1	39.2	42.2	65.5	98.4
Niger	53.0	14.3	47.4	26.0	37.9	47.1	88.5
Sierra Leone	11.0	20.8	30.2	49.2	37.2	54.3	86.1
Burkina Faso	16.1	15.0	32.4	48.3	36.5	45.9	85.2
Liberia	4.5	24.0	22.9	29.3	29.6	44.0	78.5
The Gambia	14.1	27.7	30.2	30.5	37.0	41.7	64.2
Mauritania	20.5	21.7	28.7	35.8	30.6	33.5	46.5
Guinea-Bissau	5.2	0.7	4.3	33.9	3.2	3.1	12.4
Cape Verde	0.1	0.2	0.4	0.4	0.7	0.5	0.5
West Africa	**972.9**	**2205.0**	**3199.5**	**3025.8**	**2829.7**	**3883.5**	**5847.2**
India's Global Exports	**52719.4**	**126414.0**	**163132.2**	**185295.4**	**178751.4**	**251136.2**	**304623.5**
% Share in India's Global Exports	**1.8**	**1.7**	**2.0**	**1.6**	**1.6**	**1.5**	**1.9**

Source: MOCI, GOI

Chart 5.3: India's Imports from West African Countries (% Share, 2011-12)



Source: MOCI, GOI

Likewise, demand for pharmaceutical products from India is also very high. Major items in India's export basket to West African countries in 2011-12 included non-basmati rice (accounting for 13.6 percent of India's total exports to West Africa), pharmaceuticals & fine chemicals (12 percent), machinery & instruments (9.7 percent), transport equipment (8.9 percent), manufactures of metals (7 percent), electronic goods (6.2 percent), petroleum products (5.3 percent), cotton yarn fabrics madeups (5.3 percent), primary & semi-finished iron & steel (4.7 percent), and plastic & linoleum products (4.4 percent). India's top three export destinations of non-basmati rice comprise three West African countries (Nigeria, Senegal and Côte d'Ivoire), together accounting for 33.8 percent of India's total exports of the same.

The West African region is an important source for India's imports of several items. There has been a shift in the composition of India's imports from West African countries. India's imports from West African countries became more concentrated in the recent years compared to 2002-03, as evident from the fact that the top two items alone account for 92 percent of total imports from the region in 2011-12.

India's major imports from West African countries in 2011-12 included crude petroleum (87.2 percent of

Table 5.3: India's Imports from West African Countries (US$ mn)

	2002-03	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Nigeria	78.1	7009.2	7612.0	8900.4	7287.9	10787.7	14622.6
Côte d'Ivoire	86.0	179.4	198.5	321.6	298.2	250.8	492.4
Senegal	172.4	73.2	149.8	216.3	237.0	205.7	429.1
Ghana	18.6	103.2	140.6	172.6	147.0	159.8	403.6
Guinea-Bissau	47.4	49.3	64.0	102.9	184.2	59.5	298.1
Benin	38.2	80.2	71.6	112.6	123.8	153.4	285.5
Guinea	14.9	342.6	685.8	288.8	320.2	103.2	262.0
Togo	12.8	76.1	61.0	135.2	69.4	91.9	146.8
Niger	0.1	5.3	0.7	0.2	0.3	10.5	73.7
The Gambia	4.5	17.6	15.1	28.4	28.9	14.7	40.1
Burkina Faso	9.6	5.6	19.4	40.1	6.1	4.1	18.2
Liberia	2.2	46.6	239.8	145.2	19.1	17.8	10.9
Mali	19.8	2.8	4.0	9.0	3.9	3.3	6.2
Sierra Leone	4.2	2.4	51.2	7.6	4.2	6.7	4.8
Mauritania	0.02	0.6	1.2	4.5	1.6	2.0	4.1
Cape Verde	-	0.2	-	0.3	0.1	2.1	3.3
West Africa	**508.8**	**7994.5**	**9314.5**	**10485.7**	**8731.9**	**11873.2**	**17101.3**
India's Global Imports	**61412.1**	**185735.2**	**251654.0**	**303696.3**	**288372.9**	**369769.1**	**489181.3**
% Share in India's Global Imports	**0.8**	**4.3**	**3.7**	**3.5**	**3.0**	**3.2**	**3.5**

Note: '-' denotes marginal or nil; include oil imports from 2006-07 onwards
Source: MOCI, GOI

India's total imports from West Africa), raw cashew nuts (5.3 percent), inorganic chemicals (2.3 percent), metaliferrous ores & metal scrap (2.1 percent), wood & wood products (0.9 percent), and crude fertiliser (0.6 percent). India's top four import sources of raw cashew nuts are four West African countries (Côte d'Ivoire, Guinea-Bissau, Benin and Ghana), together accounting for as much as 69 percent of India's imports of the same. Inorganic chemicals were India's major import items from West Africa during 2002-03, accounting for 29.9 percent of total imports. Nigeria was the largest African crude-oil supplier to India in 2011-12, supplying 9.2 percent of India's total oil imports. West Africa is also among the leading exporters of wood and wood products, cotton and cashew nuts among the African regions. The region is developing into a significant producer of cashew nut. More than 90 percent of the cashew nuts are being exported to India where it gets processed and exported worldwide.

India's oil and natural gas imports from West Africa are expected to rise in the next few years. As per the report of the International Energy Agency, in 2012 India was the fourth largest consumer of crude oil and petroleum products after the US, China and Japan, and the demand is expected to double over the next 20 years supported by the country's high growth and booming population.

India's Bilateral Trade with Select West African Countries

Nigeria

The importance of bilateral trade between India and Nigeria has been assuming increased significance in recent years. Nigeria is India's largest trade partner, largest export destination and largest import source among the West African countries. Nigeria accounted for 75.5 percent of total trade, 46.2 percent of total exports and 85.5 percent of total imports of India among the West African countries in 2011-12. India currently has a trade deficit with Nigeria, with the deficit reaching US$ 11.9 billion in 2011-12 from a surplus of US$ 371 mn in 2002-03, driven by India's growing crude petroleum imports from the country.

During the last decade, India's exports to Nigeria have shown a steady rise, a 6-fold increase from US$ 449.1 mn in 2002-03 to US$ 2.7 billion in 2011-12, except for a 7.9 percent decrease in 2009-10. India's exports to Nigeria are dominated by non-basmati rice, accounting for 13.6 percent of India's exports to the country in 2011-12 **(Table 5.4)**. India banned exports of non-basmati rice in 2008 to ensure rice stocks were full, but has lifted the ban on its exports in September 2011, to dispense surplus rice stocks in the country. Nigeria is the largest destination for India's global exports of non-basmati rice, which accounted for 20.5 percent of India's total exports of the same during 2011-12. Other main items in India's export basket to Nigeria in 2011-12 included transport equipment (12.8 percent of total exports), machinery & instruments (12 percent), pharmaceuticals & fine chemicals (11.4 percent), electronic goods (10.5 percent), manufactures of metals (7.9 percent), plastic & linoleum products (5.3 percent), and paper/wood products (3.5 percent). Nigeria is the second largest export destination of Indian pharmaceutical products to Africa, next to South Africa.

During the last decade, India's imports from Nigeria have shown a steady rise, increased sharply from US$ 78.1 mn in 2002-03 to US$ 14.6 billion in 2011-12, except for a 18.1 percent decrease in 2009-10. Thus, it is discernable that Nigeria has remained a more attractive import source for India as compared to India's export destination. India's imports from Nigeria are highly concentrated with a single import commodity, crude petroleum, accounting for 98.9 percent of India's total imports from the country. During 2011-12, Nigeria was also the fifth largest source of India's global imports of the same, accounting for 9.2 percent of India's total imports of crude petroleum. Other imported commodities include non-ferrous metals (0.2 percent of total

Table 5.4: India's Major Exports to Nigeria (% Share)

Commodities	2002-03	2006-07	2011-12
Non-basmati rice	5.7	15.4	13.6
Transport equipment	7.1	3.7	12.8
Machinery & instruments	14.3	17.4	12.0
Pharmaceuticals & fine chemicals	16.9	15.4	11.4
Electronic goods	1.6	2.8	10.5
Manufactures of metals	9.8	10.6	7.9
Plastic & linoleum products	4.1	4.8	5.3
Paper/wood products	4.7	5.6	3.5
Primary & semi-finished iron & steel	5.1	2.1	2.7
Inorganic/organic/agro chemicals	1.6	3.3	1.9

Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S), MOCI, GOI imports), metaliferrous ores & metal scrap (0.2 percent), wood & wood products (0.2 percent), raw cashew nuts (0.1 percent), and inorganic chemicals (0.1 percent) **(Table 5.5).**

Ghana

Ghana is the second largest trading partner, second largest export destination and fourth largest import partner of India among West African countries. Ghana accounted for 5.2 percent of total trade, 13.6 percent of total exports and 2.4 percent of total imports of India from West Africa. India continued to have a trade surplus with Ghana throughout the last decade, with trade surplus reaching US$ 393.9 mn in 2011-12. India's exports to Ghana has increased by a CAGR of 25.2 percent over the last decade, to reach US$ 797.5 mn in 2011-12 from US$ 105.6 mn in 2002-03. India's exports to Ghana is dominated by pharmaceuticals & fine chemicals, accounting for 18.6 percent of India's exports to the country in 2011-12. Other main items in India's export basket to Ghana in 2011-12 included machinery and instruments (12.4 percent of total exports), primary & semi-finished iron & steel (9.4 percent), transport equipment (8 percent), and manufactures of metals (7.5 percent) **(Table 5.6)**. Petroleum products dominated India's exports to Ghana during 2006-07. But its share became negligible from 2009-10 onwards, partly due to Ghana starting oil production in January 2010 in its Jubilee oil fields.

Table 5.5: India's Major Imports from Nigeria (% Share)

Commodities	2002-03	2006-07	2011-12
Petroleum crude	-	98.9	98.9
Non-ferrous metals	0.4	0.4	0.2
Metaliferrous ores & metal scrap	13.0	0.2	0.2
Wood & wood products	32.9	0.1	0.2
Raw cashew nuts	-	-	0.1
Inorganic chemicals	0.6	-	0.1
Project goods	10.0	-	-
Organic chemicals	6.3	0.001	0.01
Raw cotton	5.5	0.02	0.02

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

India's imports from Ghana increased by a CAGR of 40.7 percent over the decade to reach US$ 403.6 mn in 2011-12 from US$ 18.6 mn in 2002-03. With regard to India's import items from Ghana, there has been a major shift in the commodity composition. Raw cashew nuts dominate India's imports from Ghana with a share of 41.8 percent in total imports **(Table 5.7)**. Currently, Ghana is the fourth largest source of India's imports of cashew nuts, accounting for 14.8 percent of total imports of the commodity. Other principal import items from Ghana included metaliferrous ores & metal scrap (20.8 percent of total imports), wood & wood products (13.5 percent), and inorganic chemicals (4.3 percent). The importance of wood and wood products from Ghana in India's imports has witnessed a drastic change in the recent years. At present, Ghana is the sixth largest source of India's imports of wood and wood products, accounting for 2.1 percent of India's total imports of the same.

Benin

Benin is the third largest trade partner, third largest export destination and sixth largest import source of India among West African countries. Total trade between both countries has reached US$ 940.5 mn in 2011-12 from US$ 102.5 mn in 2002-03. India's trade with Benin has shown dynamism both in terms of exports

Table 5.6: India's Major Exports to Ghana (% Share)

Commodities	2002-03	2006-07	2011-12
Pharmaceuticals & fine chemicals	18.4	10.7	18.6
Machinery & instruments	10.8	10.4	12.4
Primary & semi-finished iron & steel	6.1	9.3	9.4
Transport equipment	1.4	8.4	8.0
Manufactures of metals	9.0	4.6	7.5
Plastic & linoleum products	3.9	2.4	5.0
Spirit & beverages	0.05	0.5	5.0
Electronic goods	0.5	0.5	4.1
Paper/wood products	3.3	2.0	3.1
Non-basmati rice	6.5	0.01	2.9
Petroleum products	-	31.7	0.9
Cotton yarn fabrics madeups	14.2	3.2	1.4

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

and imports. India's exports to Benin have made a quantum jump from US$ 64.4 mn in 2002-03 to US$ 655 mn in 2011-12, growing at a CAGR of 29.4 percent. Petroleum products accounted for 33.1 percent of total exports of India to the country in 2011-12 **(Table 5.8)**. Other major export commodities in the same year included non-basmati rice (14.7 percent of exports), manufactures of metals(12.3percent),pharmaceuticals & fine chemicals (10.8 percent), and manmade yarn fabrics madeups (7.7 percent). Benin is India's sixth largest export destination of non-basmati rice, accounting for 5.2 percent of India's global exports of the same.

India's imports from Benin also displayed a greater dynamism rising from US$ 38.2 mn in 2002-03 to US$ 285.5 mn in 2011-12, growing at a CAGR of 25 percent. Major imported items of India from Benin in 2011-12 included raw cashew nuts (60.5 percent of total imports), metaliferrous ores & metal scrap (21.1 percent), wood & wood products (8.2 percent), vegetable oils (edible) (3.1 percent), and petroleum crude (2.9 percent) **(Table 5.9)**. Benin is the third largest source of India's imports of raw cashew nuts, after Côte d'Ivoire and Guinea-Bissau, accounting for 14.8 percent of India's global imports of the same.

Senegal

India's total trade with Senegal witnessed a CAGR of 15.1 percent over the last decade from US$ 223.8 mn in 2002-03 to US$ 794.2 mn in 2011-12. Senegal is India's fourth largest export destination in the West African region, with total exports amounting to US$ 365.1 mn in 2011-12, increasing from US$ 51.4 mn in 2002-03. Non-basmati rice alone accounted for 33.1 percent of total exports, showing a sharp pick up in

Table 5.7: India's Major Imports from Ghana (% Share)

Commodities	2002-03	2006-07	2011-12
Raw cashew nuts	-	-	41.8
Metaliferrous ores & metal scrap	31.3	6.7	20.8
Wood & wood products	34.2	29.2	13.5
Inorganic chemicals	-	-	4.3
Non-ferrous metals	-	1.7	2.5
Oilseeds	7.34	18.0	1.9

Note: '-' denotes marginal or nil
Source: DGCIS, MOCI, GOI

Table 5.8: India's Major Exports to Benin (% Share)

Commodities	2002-03	2006-07	2011-12
Petroleum products	0.03	-	33.1
Non-basmati rice	2.6	18.3	14.7
Manufactures of metals	18.5	20.0	12.3
Pharmaceuticals & fine chemicals	22.6	12.5	10.8
Manmade yarn fabrics madeups	9.0	8.8	7.7
Cotton yarn fabrics madeups	38.2	14.8	5.6
Machinery & instruments	1.02	6.3	4.8
Primary & semi-finished iron & steel	0.8	2.3	1.8
Plastic & linoleum products	0.7	2.1	1.8

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

2011-12 over the previous years. Senegal is also the second largest export destination of non-basmati rice from India, accounting for 6.8 percent of India's global exports of the same. Other major exported items in 2011-12 included cotton yarn fabrics madeups (14.6 percent of total exports), machinery & instruments (9.3 percent), and transport equipment (7 percent). Trends in India's exports to Senegal are presented in **Table 5.10.**

With regards to India's imports from Senegal, which is the third largest import source for India in the region, total imports amounted to US$ 429.1 mn in 2011-12, increasing from US$ 172.4 mn in 2002-03. The import basket from Senegal is dominated by inorganic chemicals, accounting for 83.1 percent of India's total imports from the country during 2011-12. Senegal is the sixth largest source of India's imports of inorganic chemicals, accounting for 6.5 percent of total imports of the commodity. Other major import commodities from Senegal included metaliferrous ores & metal scrap (8.8 percent), raw cashew nuts (5.6 percent), and project goods (0.3 percent) **(Table 5.11)**.

Côte d'Ivoire

Côte d'Ivoire is the fifth largest trading partner of India among West African countries, with a share of 3.4 percent in 2011-12. India-Côte d'Ivoire trade witnessed a sharp increase in the recent years, growing at a CAGR of 21.5 percent to reach US$ 776.6 mn in 2011-12 from US$ 135 mn in

Table 5.9: India's Major Imports from Benin (% Share)

Commodities	2002-03	2006-07	2011-12
Raw cashew nuts	-	-	60.5
Metaliferrous ores & metal scrap	0.5	15.5	21.1
Wood & wood products	14.7	22.4	8.2
Vegetable oils (edible)	-	-	3.1
Petroleum crude	-	-	2.9
Cotton raw	26.7	-	-

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

Table 5.10: India's Major Exports to Senegal (% Share)

Commodities	2002-03	2006-07	2011-12
Non-basmati rice	47.0	17.3	33.1
Cotton yarn fabrics madeups	13.4	18.0	14.6
Machinery & instruments	4.4	20.5	9.3
Transport equipment	1.6	13.9	7.0
Primary & semi-finished iron & steel	3.0	3.7	6.5
Electronic goods	0.1	0.8	4.4
Meat & preparations	1.0	7.2	3.2
Manufactures of metals	6.1	1.9	3.2
Manmade yarn fabrics madeups	2.7	5.1	2.9
Pharmaceuticals & fine chemicals	-	3.3	2.8

Note: '-' denotes marginal or nil
Source: DGCIS, MOCI, GOI

Table 5.11: India's Major Imports from Senegal (% Share)

Commodities	2002-03	2006-07	2011-12
Inorganic chemicals	88.0	76.2	83.1
Metaliferrous ores & metal scrap	0.1	11.8	8.8
Raw cashew nuts	-	-	5.6
Project goods	-	-	0.3

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

2002-03. Consequent to India's large scale imports from Côte d'Ivoire compared to its exports, India has its third largest trade deficit with Côte d'Ivoire among the West African countries, after Nigeria and Guinea-Bissau. India's trade deficit with Côte d'Ivoire increased to US$ 208.1 mn in 2011-12 as compared to a deficit of US$ 37.1 mn in 2002-03.

Côte d'Ivoire is the sixth largest export destination of India among West African countries, accounting for 4.9 percent of India's total exports to the region. India's exports to Côte d'Ivoire increased by a CAGR of 21.6 percent to stand at US$ 284.3 mn in 2011-12, up from US$ 48.9 mn in 2002-03. Major commodities in India's export basket to Côte d'Ivoire in 2011-12 included non-basmati rice, accounting for 40.1 percent of total exports to the country, followed by primary & semi-finished iron & steel (8 percent), plastic & linoleum products (7.3 percent), and pharmaceuticals & fine chemicals (6.6 percent) **(Table 5.12).** Côte d'Ivoire is the third largest export destination of non-basmati rice from India, accounting for 6.5 percent of India's global exports of the same.

Côte d'Ivoire was the second largest source of imports for India among West African countries, with a share of 2.9 percent of India's total imports from West Africa. India's imports from Côte d'Ivoire increased by a CAGR of 21.4 percent to reach US$ 492.4 mn in 2011-12 from US$ 86 mn in 2002-03. As regards India's import composition from Côte d'Ivoire, raw cashew nuts dominate the import basket, accounting for 44.5 percent of India's total imports from Côte d'Ivoire. Other major items in India's import basket from Côte d'Ivoire in 2011-12 include petroleum crude (34.5 percent of total imports), wood & wood products (8.1 percent), and metaliferrous ores & metal scrap (4.2 percent) **(Table 5.13)**. Côte d'Ivoire is India's largest global source of raw cashew nuts, and tenth largest global source of wood & wood products.

Table 5.12: India's Major Exports to Côte d'Ivoire (% Share)

Commodities	2002-03	2006-07	2011-12
Non-basmati rice	12.5	54.9	40.1
Primary & semi-finished iron & steel	1.7	3.1	8.0
Plastic & linoleum products	7.3	6.1	7.3
Pharmaceuticals & fine chemicals	4.8	3.4	6.6
Transport equipment	12.4	2.3	4.9
Rubber manufactured products	4.6	3.6	4.7
Cotton yarn fabrics madeups	32.0	1.9	3.6
Inorganic/organic/agro chemicals	1.6	0.8	3.2
Jute hessian	-	1.1	2.6
Machinery & instruments	1.1	4.2	2.4

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

Table 5.13: India's Major Imports from Côte d'Ivoire (% Share)

Commodities	2002-03	2006-07	2011-12
Raw cashew nuts	-	-	44.5
Petroleum crude	-	-	34.5
Wood & wood products	26.8	21.8	8.1
Metaliferrous ores & metal scrap	2.0	4.8	4.2
Cotton raw	12.2	0.2	-

Note: '-' denotes marginal or nil

Source: DGCIS, MOCI, GOI

Togo

Trade relations between India and Togo have witnessed a significant rise, during the last decade, with India's total trade (exports plus imports) with Togo rising from US$ 84.5 mn in 2002-03 to US$ 499.8 mn in 2011-12. This buoyant trend has been supported by both rise in India's exports to and imports from Togo, with India's imports showing a higher CAGR as compared to India's exports to Togo. In 2011-12, Togo was India's sixth largest trading partner among West African countries, with a share of 2.2 percent of India's total trade with West African countries. India has a positive trade balance with Togo which increased from US$ 58.8 mn in 2002-03 to US$ 206.3 mn in 2011-12.

During 2011-12, Togo was the fifth largest export destination of India, with a share of 6 percent of India's total exports to West Africa. India's exports to Togo increased by a CAGR of 19.4 percent to reach US$ 353 mn in 2011-12 from US$ 71.7 mn in 2002-03, due to rise in exports of petroleum products, pharmaceuticals & fine chemicals and primary & semi-finished iron & steel to Togo. Cotton yarn fabrics madeups accounted for 23.8 percent of total exports of India to Togo in 2011-12, followed by manmade yarn fabrics madeups (20 percent), petroleum products (12.4 percent), and non-basmati rice (9 percent) **(Table 5.14).**

Togo was the eighth largest source of imports for India among West African countries, with a share of 0.9

Table 5.14: India's Major Exports to Togo (% Share)

Commodities	2002-03	2006-07	2011-12
Cotton yarn fabrics madeups	44.6	21.4	23.8
Manmade yarn fabrics madeups	16.8	16.3	20.0
Petroleum products	0.0	0.1	12.4
Non-basmati rice	22.2	19.5	9.0
Pharmaceuticals & fine chemicals	0.8	3.7	5.7
Primary & semi-finished iron & steel	0.8	4.4	5.5
Plastic & linoleum products	0.3	0.5	3.8
Machinery & instruments	3.2	6.3	3.0
Misc. processed items	0.2	3.3	3.0
Transport equipment	0.8	8.8	2.6

Source: DGCIS, MOCI, GOI

percent of India's total imports from West Africa. India's imports from Togo increased by a CAGR of 31.1 percent to reach US$ 146.8 mn in 2011-12 from US$ 12.8 mn in 2002-03. As regards India's import composition from Togo, crude fertiliser dominate the import basket, accounting for as much as 74.3 percent of India's total imports from Togo. In 2011-12, Togo was the fourth largest source of imports of crude fertiliser for India, accounting for 6.6 percent of India's total imports of crude fertiliser. Other major Indian imports from Togo comprised metaliferrous ores & metal scrap, wood & wood products, as well as raw cashew nuts **(Table 5.15)**.

TRENDS IN INDIA - WEST AFRICA INVESTMENT

West African countries have recognized the importance of FDI in sustaining the growth levels and technology transfer. West Africa remained a significant investment partner for India over the past many years. Integration of the Indian economy with West Africa is evident from the increased investment flows into the West Africa the recent years.

FDI Inflows to India

As far as cumulative inflows of foreign direct investments into India is concerned, during April 2000 to December 2012, the largest investment flowed in from Liberia to the tune of US$ 14.6 mn, accounting for 48.5 percent of total investment flow into India from West Africa during the period. Nigeria is the second largest FDI source of India among West African countries at US$ 10.4 mn, contributing 34.6 percent of FDI inflow from the region. The other main

Table 5.15: India's Major Imports from Togo (% Share)

Commodities	2002-03	2006-07	2011-12
Crude fertiliser	56.6	62.1	74.3
Metaliferrous ores & metal scrap	0.6	16.3	8.6
Wood & wood products	30.2	20.6	5.9
Raw cashew nuts	-	-	4.1
Electronic goods	-	-	0.5
Non-electrical machinery	-	-	0.5
Cotton raw	12.6	-	-

Note: '-' denotes marginal or nil
Source: DGCIS, MOCI, GOI

sources of investment flow from West Africa into India include Ghana and Togo **(Table 5.16)**.

Among the West African countries, as on July 2012, India entered into Bilateral Investment Promotion and Protection Agreements (BIPA) for the reciprocal encouragement, promotion and protection of investments in each other's territories by the companies based in either country, with Senegal and signed BIPA with Ghana which is yet to come into force, the details of which are provided in **Table 5.17**. The purpose of BIPA is to create such conditions which are favourable for fostering greater investments by the investors of one country in the territory of the other country. Such agreements are beneficial for both the countries because they stimulate their business initiatives, and thus enhance their prosperity.

FDI Outflows from India

Cumulatively, during April 1996 to January 2013, the Indian direct investments in the West African region in joint ventures (JVs) and wholly owned subsidiaries (WOS), in equity, loan and guarantees issued amounted to US$ 423.3 mn, accounting for 0.2 percent of India's global overseas investments during the period **(Table 5.18)**. Liberia attracted US$ 191.7 mn worth investments from India (45.3 percent of India's total investments to the region) during the same period, followed by Nigeria (23.1 percent) and Ghana (12.7 percent).

During 2011-12, FDI outflows to West Africa reached US$ 37 mn, increasing from US$ 21.6 mn recorded during 2010-11. Of these 65 percent were in the form of WOS. Out of the total FDI outflows from India to West

Table 5.16: FDI Inflows into India from West Africa (US$ mn)

Country	2010-11	2011-12	Apr 2000 to Dec 2012
Liberia	1.4	-	14.6
Nigeria	0.1	3.4	10.4
Ghana	-	-	4.5
Togo	0.2	-	0.6
Total West Africa	**1.8**	**3.4**	**30.1**
Total India	**21,383**	**35,121**	**187,804**
Share of West Africa	**0.01**	**0.01**	**0.02**

Note: '-' denotes marginal or nil
Source: Department of Industrial Policy & Promotion (DIPP), Government of India.

Table 5.17: India's BIPA with West African Countries

Reporting Country	Partner Country	Date of Agreement	Date of Enforcement
India	Senegal	July 3, 2008	October 17, 2009
India	Ghana	August 5, 2002	-

Note: '-' denotes yet to enter into force
Source: Ministry of Finance (MOF), GOI

Africa during 2011-12, 32.1 percent was through equity investment, 28.9 percent was loan investments and the rest guarantees issued.

The favourable business environment and availability of natural resources, has made Liberia, Ghana and Nigeria favourable investment destinations for Indian corporates in West Africa. Indian investments in select West African countries for the fiscal 2011-12[17]are:

Ghana

- Rajkumar Impex Pvt. Ltd. in Manufacturing sector for US$ 8 mn;
- Parle Biscuits Pvt. Ltd. in Manufacturing sector for US$ 4.4 mn;
- Foods, Fertilizers Fats, Ltd. in Wholesale, retail trade, restaurants and hotels sector for US$ 2.5 mn;
- S.G.P. Exim Pvt. Ltd. in Community, social and personal services for US$ 1.1 mn;
- Abellon Cleanenergy Ltd. in Electricity, gas and water sector for US$ 0.3 mn;
- Muskaan Tradex Pvt. Ltd. in Manufacturing sector for US$ 0.19 mn;
- NSL Energy Ventures Pvt. Ltd. in Electricity, gas and water sector for US$ 0.12 mn;
- NSL Sugars Ltd. in Manufacturing sector for US$ 0.1 mn;
- Regal Tradelinks in Wholesale, retail trade, restaurants and hotels sector for US$ 0.55 mn;
- Vasudhaika Software Solutions Pvt. Ltd. in Financial, insurance, real estate and business services sector for US$ 0.06 mn;
- Panchtatva Associates in Wholesale, retail trade, restaurants and hotels sector for US$ 0.05 mn;

[17]Reserve Bank of India (RBI)

Table 5.18: FDI Outflows from India to West Africa (US$ mn)

S.No	Country	Apr 1996 to Mar 2007	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Apr-Jan)	Total
1	Liberia	155.2	17.7	18.0	-	-	0.4	0.3	191.7
2	Nigeria	36.4	27.2	1.4	1.4	8.9	16.3	6.3	97.9
3	Ghana	2.7	1.1	7.6	4.5	11.6	17.4	8.8	53.7
4	The Gambia	-	-	1.5	28.2	0.9	-	-	30.6
5	Senegal	23.2	0.03	-	-	-	-	1.1	24.3
6	Côte d'Ivoire	14.5	0.3	0.5	0.3	-	-	-	15.6
7	Mauritania	-	-	1.6	0.03	-	1.4	2.6	5.7
8	Mali	-		-	0.3	0.003	1.2	1.0	2.5
9	Niger	0.01		-	0.5	0.2	0.2	0.01	0.9
10	Guinea	-	-	-	-	-	0.1	0.2	0.3
11	Benin	-		0.1	-	-	-	-	0.1
12	Burkina Faso	0.1	-	-	-	-	-	-	0.1
13	Sierra Leone	0.02	-	-	-	-	-	-	0.02
	West Africa	**232.1**	**46.3**	**30.7**	**35.2**	**21.6**	**37.0**	**20.3**	**423.3**
	India	**31273.6**	**23,071.6**	**17,147.4**	**17,987.2**	**43,929.0**	**30,862.9**	**23,326.0**	**187,597.7**
	% Share in India's FDI Outflows	**0.7**	**0.2**	**0.2**	**0.2**	**0.05**	**0.1**	**0.1**	**0.2**

Note: '-' denotes marginal or nil; FDI outflows include equity, loans and guarantees issued

Source: RBI; MOF, GOI and Exim Bank Research

- Ronak Exim Pvt. Ltd. in Wholesale, retail trade, restaurants and hotels sector for US$ 0.05 mn; and
- Usha Shipping & Logistics Pvt. Ltd. in Transport, storage and communication services for US$ 0.05 mn.

Nigeria

- Top Metals Ltd. in Manufacturing sector for US$ 7.6 mn;
- Indian Oil Corporation Ltd. in Manufacturing sector for US$ 4.3 mn;
- Tech Mahindra Ltd. in Financial, insurance, real estate and business services for US$ 1.9 mn;
- Glenmark Pharmaceuticals Pvt. Ltd. in Manufacturing sector for US$ 1.1 mn;
- Parle Biscuits Pvt. Ltd. in Manufacturing sector for US$ 0.6 mn;
- Crest Steel & Power Pvt. Ltd. in Manufacturing sector for US$ 0.5 mn;
- Centum Learning Ltd. in

Community, social and personal services for US$ 0.07 mn;

- Comviva Technologies Ltd. in Financial, insurance, real estate and business services for US$ 0.07 mn;
- One 97 Communications Ltd. in Financial, insurance, real estate and business services for US$ 0.07 mn;
- Radha Madhav Exim Pvt. Ltd. in Manufacturing sector for US$ 0.05 mn;
- S M Creative Electronics Ltd. in Construction sector for US$ 0.03 mn;
- Jayachandran Alloys Pvt. Ltd. in Manufacturing sector for US$ 0.01 mn; and
- Anadariya Aadithya Agro Pvt. Ltd in Agriculture, hunting, forestry and fishing for US$ 0.01 mn.

Mauritania

- Varam Resources Pvt. Ltd. in Agriculture and mining sector for US$ 1.4 mn.

Mali

- Sunshine Global Mining Pvt. Ltd. in Agriculture and mining sector for US$ 0.8 mn;
- MYM Mining in Agriculture and mining sector for US$ 0.3 mn;
- MYM Aurum Mining in Agriculture and mining sector for US$ 0.2 mn;
- Angelique International Ltd. in Agriculture and mining sector for US$ 0.1 mn; and
- Universal Empire Infrastructure Ltd. in Community, social and personal services for US$ 0.01 mn.

Liberia

- Four M Maritime Pvt. Ltd. in Manufacturing sector for US$ 0.4 mn.

Niger

- Dharni Sampda Pvt. Ltd. in Agriculture, mining and allied activities for US$ 0.2 mn.

Guinea

- Desai Cashew and Allied Products Pvt. Ltd. in Manufacturing Sector for US$ 0.1 mn; and
- Welspun Mineral Resources Pvt. Ltd. in Agriculture and mining sector for US$ 0.06 mn.

6 POTENTIAL FOR ENHANCING INDIA - WEST AFRICA BILATERAL TRADE AND INVESTMENT

As highlighted in the previous chapter, both imports and exports of West African countries have shown an overall increasing trend in recent times. Bilateral trade relations between India and West African countries has witnessed a robust rising trend in recent years, with total trade between the two having risen from US$ 1.5 billion to US$ 22.9 billion during 2002-03 to 2011-12, with India's exports to the region amounting to US$ 5.8 billion, and India's imports from the region aggregating US$ 17.1 billion in 2011-12. Both regions are characterized by large markets and large work force. Hence, there is large scope and potential for expanding bilateral trade and investment relations among India and West African countries. This chapter focuses on the various target sectors for enhancing India's bilateral trade and investment relations with West African countries.

POTENTIAL FOR ENHANCING INDIA'S TRADE WITH WEST AFRICA

Identification of Potential Commodities

Certain criteria were considered to identify the commodities (HS 2 Digit) which have export potential from India to the West African countries.

Criteria 1 - Identification of major items in West African countries' import basket, and share of India in each product line (based on HS-code);

Criteria 2 - Commodities where India has a comparative advantage in global exports based on India's share in global trade;

Criteria 3 - Commodities exported by India to the global markets that have registered high growth rates in the recent years; and

Criteria 4 - Selection of potential items, based on relatively low share of India in West African countries' import basket of major commodities.

Export Potential in Select West African Countries[18]

India's export potential in select West African countries is given in this section. Countries are selected on the basis of their global imports, exceeding US$ 1 billion in 2011.

NIGERIA

Nigeria is India's top trading partner, largest export destination and import source among West African countries. Nigeria accounted for 75.5 percent of total trade, 46.2 percent of total exports and 85.5 percent of total imports of India among West African countries in 2011-12. Bilateral trade between both countries increased almost thirty three-folds during the last decade from US$ 527.2 mn in 2002-03 to US$ 17.3 billion in 2011-12. **Table 6.1** presents Nigeria's major import items, in terms of 2-digit HS code, and India's share in Nigeria's global imports of these items, along with India's global exports. As can be seen from the table, despite India's global export capability, India's share in some of Nigeria's major imports is still low, which highlights the potential for enhancing these exports to Nigeria.

Based on the above criteria, potential items of India's exports to Nigeria would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Machinery, boilers, etc (HS - 84);
- Ships, boats and other floating structures (HS - 89);
- Animal, vegetable fats and oils (HS - 15);
- Miscellaneous chemical products (HS - 38);
- Sugars and sugar confectionery (HS - 17);
- Fish, crustaceans, molluscs, aquatic invertebrates (HS - 03);
- Essential oils, perfumes, cosmetics, toiletries (HS - 33); and
- Optical, photo, technical, medical, etc apparatus (HS - 90).

GHANA

While Ghana is one of India's leading market in the West African region, accounting for as much as 13.6

[18]Data for trade given in this chapter are sourced from Trade Map, ITC Geneva, and therefore, may not be strictly comparable with the data given in previous chapters, which are sourced from UNCTAD and Ministry of Commerce and Industry, Government of India.

Table 6.1: Nigeria's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Nigeria's Imports from World (US$ mn)	Nigeria's Imports from India (US$ mn)	India's Share in Nigeria's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**47165.9**	**2557.1**	**5.4**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	9388.3	36.3	0.4	56556.8
85	**Electrical, electronic equipment**	**5212.6**	**417.6**	**8.0**	**11744.3**
84	Machinery, boilers, etc	5192.8	238.9	4.6	10752.3
87	**Vehicles other than railway, tramway**	**3963.2**	**319.9**	**8.1**	**10280.6**
10	**Cereals**	**2474.2**	**216.7**	**8.8**	**5371.0**
89	Ships, boats and other floating structures	1784.0	0.01	0.001	7048.3
39	**Plastics and articles**	**1583.4**	**133.3**	**8.4**	**5465.3**
72	**Iron and steel**	**1244.2**	**101.6**	**8.2**	**7925.6**
73	**Articles of iron or steel**	**1184.4**	**125.2**	**10.6**	**6501.2**
30	**Pharmaceutical products**	**858.7**	**257.8**	**30.0**	**8259.9**
15	Animal, vegetable fats and oils	805.8	0.7	0.1	1048.6
38	Miscellaneous chemical products	797.1	39.2	4.9	2521.0
76	**Aluminium and articles**	**740.7**	**48.9**	**6.6**	**1423.4**
17	Sugars and sugar confectionery	691.7	2.9	0.4	2075.1
40	**Rubber and articles**	**687.9**	**49.1**	**7.1**	**2583.7**
03	Fish, crustaceans, molluscs, aquatic invertebrates	666.6	0.1	0.02	3211.8
48	**Paper and paperboard, articles of pulp**	**636.3**	**65.3**	**10.3**	**907.0**
29	**Organic chemicals**	**547.2**	**61.5**	**11.2**	**11145.9**
33	Essential oils, perfumes, cosmetics, toileteries	473.1	13.6	2.9	1234.9
90	Optical, photo, technical, medical, etc apparatus	400.9	16.4	4.1	1794.9

Source: Trade Map, ITC Geneva, and Exim Bank Research

Table 6.2: Ghana's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Ghana's Imports from World (US$ mn)	Ghana's Imports from India (US$ mn)	India's Share in Ghana's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**13573.3**	**578.7**	**4.3**	**301483.3**
87	Vehicles other than railway, tramway	1910.0	35.9	1.9	10280.6
84	Machinery, boilers, etc	1835.4	55.2	3.0	10752.3
85	**Electrical, electronic equipment**	**1195.9**	**95.9**	**8.0**	**11744.3**
10	Cereals	546.7	0.1	0.02	5371.0
73	Articles of iron or steel	494.1	19.8	4.0	6501.2
38	Miscellaneous chemical products	464.5	11.0	2.4	2521.0
39	**Plastics and articles**	**419.8**	**30.7**	**7.3**	**5465.3**
72	**Iron and steel**	**400.1**	**56.5**	**14.1**	**7925.6**
25	Salt, sulphur, earth, stone, plaster, lime and cement	366.6	0.5	0.1	1599.5
03	Fish, crustaceans, molluscs, aquatic invertebrates	241.1	0.02	0.01	3211.8
02	Meat and edible meat offal	223.1	8.0	3.6	2686.7
40	**Rubber and articles**	**205.9**	**14.7**	**7.2**	**2583.7**
17	**Sugars and sugar confectionery**	**205.6**	**16.2**	**7.9**	**2075.1**
48	**Paper and paperboard, articles of pulp**	**166.7**	**15.1**	**9.1**	**907.0**
90	Optical, photo, technical, medical, etc apparatus	160.0	5.8	3.6	1794.9
30	**Pharmaceutical products**	**150.2**	**56.6**	**37.7**	**8259.9**
28	Inorganic chemicals, precious metal compound, isotopes	139.9	3.1	2.2	1409.3
63	**Other made textile articles, sets, etc**	**132.1**	**30.6**	**23.1**	**3850.5**
15	Animal, vegetable fats and oils	122.3	0.1	0.1	1048.6

Source: Trade Map, ITC Geneva, and Exim Bank Research

percent of India's total exports to the region, potential exist to further enhance India's exports, based on import demand in Ghana, and India's export capability. Ghana's major import items, in terms of 2-digit HS code, and India's share in Ghana's global imports of these items, along with India's global exports are presented in **Table 6.2.** As can be seen from the table, despite India's global export capability, India's share in Ghana's major imports is still low in select items, which highlights the potential for enhancing these exports to Ghana.

Based on the above criteria, India's potential export items to Ghana at the 2-digit level would include the following:

- Vehicles other than railway, tramway (HS - 87);
- Machinery, boilers, etc (HS - 84);
- Cereals (HS - 10);
- Articles of iron or steel (HS - 73);
- Miscellaneous chemical products (HS - 38);
- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Fish, crustaceans, molluscs, aquatic invertebrates (HS - 03);
- Meat and edible meat offal (HS - 02);
- Optical, photo, technical, medical, etc apparatus (HS - 90);
- Inorganic chemicals, precious metal compound, isotopes (HS - 28); and
- Animal, vegetable fats and oils (HS - 15).

BENIN

Bilateral trade between India and Benin witnessed a robust rising trend in recent years, with total trade between the two having risen nine-folds during the last decade. Potential exists to further enhance trade based on demand in the Benin's market and India's export capability **(Table 6.3)**.

Based on the above criteria, potential items of India's exports to Benin would include:

- Cotton (HS - 52);
- Vehicles other than railway, tramway (HS - 87);
- Animal, vegetable fats and oils (HS - 15);
- Meat and edible meat offal (HS - 02);
- Miscellaneous chemical products (HS - 38);
- Machinery, boilers, etc (HS - 84);
- Footwear, gaiters and the like, parts (HS - 64); and
- Other made textile articles, sets, etc (HS - 63).

Table 6.3: Benin's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Benin's Imports from World (US$ mn)	Benin's Imports from India (US$ mn)	India's Share in Benin's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**9593.2**	**602.4**	**6.3**	**301483.3**
27	**Mineral fuels, oils, distillation products, etc**	**3175.1**	**218.9**	**6.9**	**56556.8**
52	Cotton	988.6	41.4	4.2	7795.5
87	Vehicles other than railway, tramway	808.3	1.3	0.2	10280.6
85	**Electrical, electronic equipment**	**496.2**	**32.5**	**6.6**	**11744.3**
15	Animal, vegetable fats and oils	400.5	0.01	0.003	1048.6
54	**Manmade filaments**	**358.1**	**36.8**	**10.3**	**2645.2**
02	Meat and edible meat offal	262.9	0.8	0.3	2686.7
38	Miscellaneous chemical products	210.5	0.4	0.2	2521.0
55	**Manmade staple fibres**	**206.7**	**20.1**	**9.7**	**2245.8**
10	**Cereals**	**196.2**	**40.4**	**20.6**	**5371.0**
73	**Articles of iron or steel**	**185.1**	**77.3**	**41.7**	**6501.2**
30	**Pharmaceutical products**	**172.6**	**65.2**	**37.8**	**8259.9**
84	Machinery, boilers, etc	170.0	4.0	2.3	10752.3
64	Footwear, gaiters and the like, parts	145.9	0.1	0.05	2090.5
63	Other made textile articles, sets, etc	138.7	1.2	0.8	3850.5
39	**Plastics and articles**	**109.5**	**10.4**	**9.5**	**5465.3**
72	**Iron and steel**	**102.2**	**9.2**	**9.0**	**7925.6**
17	**Sugars and sugar confectionery**	**96.8**	**5.8**	**6.0**	**2075.1**

Source: Trade Map, ITC Geneva, and Exim Bank Research

SENEGAL

While Senegal is one of India's leading markets in West Africa, accounting for as much as 6.2 percent of India's total exports to the region, potential exist to further enhance the trade between both countries **(Table 6.4)**.

Based on the above criteria, potential items of India's exports to Senegal would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Cereals (HS - 10);
- Machinery, boilers, etc (HS - 84);
- Vehicles other than railway, tramway (HS - 87);
- Iron and steel (HS - 72);
- Pharmaceutical products (HS - 30);
- Animal, vegetable fats and oils (HS - 15);
- Sugars and sugar confectionery (HS - 17);
- Paper and paperboard, articles of pulp (HS - 48);
- Miscellaneous chemical products (HS - 38);
- Edible vegetables and certain roots and tubers (HS - 07);
- Optical, photo, technical, medical, etc apparatus (HS - 90);
- Organic chemicals (HS - 29);
- Furniture, lighting, signs, prefabricated buildings (HS - 94); and
- Rubber and articles (HS - 40).

CÔTE D'IVOIRE

Table 6.5 indicates Côte d'Ivoire's major global exports and India's share in these imports in 2011. While India is a major supplier of pharmaceutical products, iron and steel and other made textile articles, sets, etc, to Côte d'Ivoire, with a significant share in Côte d'Ivoire's global imports, scope exists to enhance exports of other items based on demand in the country and India's export capability.

Towards this end, potential items of India's exports to Côte d'Ivoire would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Cereals (HS - 10);
- Machinery, boilers, etc (HS - 84);
- Fish, crustaceans, molluscs, aquatic invertebrates (HS - 03);
- Vehicles other than railway, tramway (HS - 87);
- Electrical, electronic equipment (HS - 85);
- Paper and paperboard, articles of pulp (HS - 48);

Table 6.4: Senegal's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Senegal's Imports from World (US$ mn)	Senegal's Imports from India (US$ mn)	India's Share in Senegal's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**5908.9**	**118.6**	**2.0**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	1877.2	7.5	0.4	56556.8
10	Cereals	581.5	4.5	0.8	5371.0
84	Machinery, boilers, etc	440.6	14.6	3.3	10752.3
87	Vehicles other than railway, tramway	366.1	9.7	2.7	10280.6
85	**Electrical, electronic equipment**	**329.1**	**16.6**	**5.0**	**11744.3**
72	Iron and steel	241.0	7.1	3.0	7925.6
30	Pharmaceutical products	168.3	5.9	3.5	8259.9
15	Animal, vegetable fats and oils	152.0	0.4	0.2	1048.6
39	**Plastics and articles**	**138.1**	**5.8**	**4.2**	**5465.3**
17	Sugars and sugar confectionery	124.2	2.6	2.1	2075.1
73	**Articles of iron or steel**	**85.9**	**5.4**	**6.3**	**6501.2**
48	Paper and paperboard, articles of pulp	69.6	1.2	1.8	907.0
38	Miscellaneous chemical products	59.5	1.3	2.2	2521.0
07	Edible vegetables and certain roots and tubers	47.8	0.3	0.6	1009.0
90	Optical, photo, technical, medical, etc apparatus	43.5	0.8	1.9	1794.9
63	**Other made textile articles, sets, etc**	**41.7**	**2.0**	**4.8**	**3850.5**
29	Organic chemicals	38.1	0.9	2.4	11145.9
94	Furniture, lighting, signs, prefabricated buildings	36.5	0.8	2.2	901.1
40	Rubber and articles	35.0	0.6	1.8	2583.7

Source: Trade Map, ITC Geneva, and Exim Bank Research

Table 6.5: Côte d'Ivoire's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Côte d'Ivoire's Imports from World (US$ mn)	Côte d'Ivoire's Imports from India (US$ mn)	India's Share in Côte d'Ivoire's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**6720.0**	**179.1**	**2.7**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	1924.4	5.9	0.3	56556.8
10	Cereals	756.6	5.3	0.7	5371.0
84	Machinery, boilers, etc	433.3	6.8	1.6	10752.3
03	Fish, crustaceans, molluscs, aquatic invertebrates	329.4	1.0	0.3	3211.8
87	Vehicles other than railway, tramway	322.9	10.0	3.1	10280.6
85	Electrical, electronic equipment	297.1	3.2	1.1	11744.3
39	**Plastics and articles**	**279.0**	**16.6**	**6.0**	**5465.3**
30	**Pharmaceutical products**	**266.0**	**46.5**	**17.5**	**8259.9**
72	**Iron and steel**	**134.7**	**13.3**	**9.8**	**7925.6**
48	Paper and paperboard, articles of pulp	123.9	2.4	1.9	907.0
25	Salt, sulphur, earth, stone, plaster, lime and cement	122.9	0.5	0.4	1599.5
24	**Tobacco and manufactured tobacco substitutes**	**119.2**	**14.1**	**11.8**	**797.9**
29	**Organic chemicals**	**105.5**	**7.9**	**7.5**	**11145.9**
38	Miscellaneous chemical products	94.2	4.0	4.3	2521.0
40	**Rubber and articles**	**73.7**	**4.8**	**6.5**	**2583.7**
73	Articles of iron or steel	71.9	1.5	2.1	6501.2
02	**Meat and edible meat offal**	**70.4**	**5.8**	**8.3**	**2686.7**
33	Essential oils, perfumes, cosmetics, toiletries	68.4	0.6	0.8	1234.9
63	**Other made textile articles, sets, etc**	**55.9**	**7.7**	**13.8**	**3850.5**

Source: Trade Map, ITC Geneva, and Exim Bank Research

- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Miscellaneous chemical products (HS - 38);
- Articles of iron or steel (HS - 73); and
- Essential oils, perfumes, cosmetics, toiletries (HS - 33).

TOGO

The synergy in Indo-Togo trade relations can be accessed from the fact that while Togo is the fifth largest destination for India's exports in the West Africa, India is also one of Togo's major import sources **(Table 6.6)**. Potential exists to further enhance trade relations based on demand in the Togo's market and India's export capability.

Towards this end, potential items of India's exports to Togo would include:

- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Vehicles other than railway, tramway (HS - 87);
- Electrical, electronic equipment (HS - 85);
- Machinery, boilers, etc (HS - 84);
- Cereals (HS - 10);
- Other made textile articles, sets, etc (HS - 63);
- Footwear, gaiters and the like (HS - 64);
- Paper and paperboard, articles of pulp (HS - 48);
- Furniture, lighting, signs, prefabricated buildings (HS - 94);
- Animal, vegetable fats and oils (HS - 15);
- Articles of apparel, accessories, knit or crochet (HS - 61);
- Sugars and sugar confectionery (HS - 17); and
- Rubber and articles (HS - 40).

GUINEA

Guinea is an important destination for India's exports in West Africa, and imports from India accounts for around 5 percent of Guinea's total imports **(Table 6.7)**. India's cordial relations with Guinea indicate the potential for further improvement in trade between both countries.

In line with India's export capability and demand in the Guinea's market, potential items of India's exports to Guinea would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Machinery, boilers, etc (HS - 84);
- Electrical, electronic equipment (HS - 85);

Table 6.6: Togo's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Togo's Imports from World (US$ mn)	Togo's Imports from India (US$ mn)	India's Share in Togo's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**1207.7**	**32.1**	**2.7**	**301483.3**
27	**Mineral fuels, oils, distillation products, etc**	**186.7**	**7.9**	**4.2**	**56556.8**
25	Salt, sulphur, earth, stone, plaster, lime and cement	110.2	0.1	0.1	1599.5
87	Vehicles other than railway, tramway	105.0	0.2	0.2	10280.6
85	Electrical, electronic equipment	82.0	1.1	1.4	11744.3
84	Machinery, boilers, etc	79.9	2.1	2.6	10752.3
72	**Iron and steel**	**63.6**	**6.7**	**10.5**	**7925.6**
30	**Pharmaceutical products**	**55.6**	**6.1**	**11.0**	**8259.9**
10	Cereals	45.8	0.1	0.2	5371.0
52	**Cotton**	**32.1**	**1.4**	**4.5**	**7795.5**
63	Other made textile articles, sets, etc	31.1	0.2	0.7	3850.5
73	**Articles of iron or steel**	**22.7**	**1.8**	**7.7**	**6501.2**
64	Footwear, gaiters and the like, parts	19.7	0.01	0.1	2090.5
48	Paper and paperboard, articles of pulp	19.5	0.2	0.9	907.0
94	Furniture, lighting, signs, prefabricated buildings	18.3	0.1	0.3	901.1
15	Animal, vegetable fats and oils	17.6	0.04	0.2	1048.6
61	Articles of apparel, accessories, knit or crochet	13.8	0.1	0.5	5807.3
17	Sugars and sugar confectionery	13.8	0.2	1.8	2075.1
55	**Manmade staple fibres**	**13.5**	**0.6**	**4.7**	**2245.8**
40	Rubber and articles	13.4	0.1	0.4	2583.7
19	**Cereal, flour, starch, milk preparations and products**	**12.9**	**0.9**	**6.6**	**368.4**

Source: Trade Map, ITC Geneva, and Exim Bank Research

- Plastics and articles (HS - 39);
- Footwear, gaiters and the like, parts (HS - 64);
- Cereals (HS - 10);
- Articles of iron or steel (HS - 73);
- Animal, vegetable fats and oils (HS - 15);
- Other made textile articles, sets etc (HS - 63);
- Tobacco and manufactured tobacco substitutes (HS - 24); and
- Optical, photo, technical, medical, etc apparatus (HS - 90).

NIGER

Niger is an important market for India in West Africa. While India accounts for a significant share in Niger's global imports of pharmaceutical products and sugars and sugar confectionery, potential exists to enhance exports of other products to Niger, in line with demand in the country **(Table 6.8).**

In this regards, potential items of India's exports to Niger would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Machinery, boilers, etc (HS - 84);
- Electrical, electronic equipment (HS - 85);
- Vehicles other than railway, tramway (HS - 87);
- Articles of iron or steel (HS - 73);
- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Cereals (HS - 10);
- Other made textile articles, sets, etc (HS - 63);
- Tobacco and manufactured tobacco substitutes (HS - 24);
- Optical, photo, technical, medical, etc apparatus (HS - 90);
- Iron and steel (HS - 72);
- Cotton (HS - 52);
- Plastics and articles (HS - 39);
- Inorganic chemicals, precious metal compound, isotopes (HS - 28); and
- Furniture, lighting, signs, prefabricated buildings (HS - 94).

MALI

The synergy in Indo-Mali trade can be assessed from the fact that while Mali is one of the largest destination for India's exports in the West Africa, India is also one of Mali's major import sources accounting for 3.7 percent of Mali's total imports in 2011 **(Table 6.9)**.

Table 6.7: Guinea's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Guinea's Imports from World (US$ mn)	Guinea's Imports from India (US$ mn)	India's Share in Guinea's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**2921.9**	**138.2**	**4.7**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	496.1	0.2	0.04	56556.8
84	Machinery, boilers, etc	313.7	4.2	1.3	10752.3
87	**Vehicles other than railway, tramway**	**250.6**	**14.7**	**5.9**	**10280.6**
85	Electrical, electronic equipment	186.7	7.5	4.0	11744.3
72	**Iron and steel**	**120.2**	**15.9**	**13.2**	**7925.6**
39	Plastics and articles	109.4	4.8	4.4	5465.3
64	Footwear, gaiters and the like, parts	98.2	0.1	0.1	2090.5
17	**Sugars and sugar confectionery**	**83.8**	**23.7**	**28.3**	**2075.1**
10	Cereals	82.7	2.2	2.7	5371.0
73	Articles of iron or steel	81.6	1.8	2.2	6501.2
30	**Pharmaceutical products**	**78.6**	**21.7**	**27.6**	**8259.9**
15	Animal, vegetable fats and oils	64.6	0.04	0.1	1048.6
52	**Cotton**	**55.3**	**4.1**	**7.3**	**7795.5**
40	**Rubber and articles**	**48.3**	**4.3**	**8.8**	**2583.7**
63	Other made textile articles, sets etc	40.7	1.8	4.3	3850.5
24	Tobacco and manufactured tobacco substitutes	35.4	0.4	1.1	797.9
19	**Cereal, flour, starch, milk preparations and products**	**32.6**	**3.3**	**10.2**	**368.4**
90	Optical, photo, technical, medical, etc apparatus	30.0	1.0	3.3	1794.9

Source: Trade Map, ITC Geneva, and Exim Bank Research

Table 6.8: Niger's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Niger's Imports from World (US$ mn)	Niger's Imports from India (US$ mn)	India's Share in Niger's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**1902.1**	**24.1**	**1.3**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	338.7	5.4	1.6	56556.8
84	Machinery, boilers, etc	266.4	0.9	0.3	10752.3
85	Electrical, electronic equipment	186.8	4.3	2.3	11744.3
87	Vehicles other than railway, tramway	162.3	0.03	0.02	10280.6
30	**Pharmaceutical products**	**114.7**	**6.4**	**5.6**	**8259.9**
73	Articles of iron or steel	102.3	0.1	0.1	6501.2
25	Salt, sulphur, earth, stone, plaster, lime and cement	89.8	1.6	1.8	1599.5
10	Cereals	69.0	1.5	2.2	5371.0
63	Other made textile articles, sets, etc	52.4	0.1	0.2	3850.5
24	Tobacco and manufactured tobacco substitutes	46.1	0.2	0.3	797.9
90	Optical, photo, technical, medical, etc apparatus	32.7	0.2	0.6	1794.9
72	Iron and steel	30.2	-	-	7925.6
17	**Sugars and sugar confectionery**	**23.8**	**1.8**	**7.6**	**2075.1**
52	Cotton	22.9	0.02	0.1	7795.5
39	Plastics and articles	22.2	0.1	0.4	5465.3
28	Inorganic chemicals, precious metal compound, isotopes	19.9	0.05	0.2	1409.3
94	Furniture, lighting, signs, prefabricated buildings	19.6	0.003	0.02	901.1

Note: '-' denotes marginal or nil

Source: Trade Map, ITC Geneva, and Exim Bank Research

Potential exists to further enhance trade based on demand in Mali and India's export capability. Towards this end, potential items of India's exports to Mali would include:

- Machinery, boilers, etc (HS - 84);
- Vehicles other than railway, tramway (HS - 87);
- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Mineral fuels, oils, distillation products, etc (HS - 27);
- Cotton (HS - 52);
- Cereals (HS - 10);
- Iron and steel (HS - 72);
- Plastics and articles (HS - 39);
- Animal, vegetable fats and oils (HS - 15);
- Coffee, tea, mate and spices (HS - 09); and
- Tobacco and manufactured tobacco substitutes (HS - 24).

BURKINA FASO

Burkina Faso is an important market for India in West Africa. While India accounts for a significant share in Burkina Faso's global imports of pharmaceuticals, iron and steel, sugars and sugar confectionery and miscellaneous chemical products, potential exists to enhance exports of other products to Burkina Faso, in line with demand in the country **(Table 6.10).**

In this regards, potential items of India's exports to Burkina Faso would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Machinery, boilers, etc (HS - 84);
- Vehicles other than railway, tramway (HS - 87);
- Electrical, electronic equipment (HS - 85);
- Cereals (HS - 10);
- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Articles of iron or steel (HS - 73);
- Plastics and articles (HS - 39);
- Tobacco and manufactured tobacco substitutes (HS - 24);
- Paper and paperboard, articles of pulp, paper and board (HS - 48);
- Rubber and articles (HS - 40);
- Optical, photo, technical, medical, etc apparatus (HS - 90); and
- Inorganic chemicals, precious metal compound, isotopes (HS - 28).

Table 6.9: Mali's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Mali's Imports from World (US$ mn)	Mali's Imports from India (US$ mn)	India's Share in Mali's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**2539.8**	**92.9**	**3.7**	**301483.3**
84	Machinery, boilers, etc	345.9	11.0	3.2	10752.3
85	**Electrical, electronic equipment**	**216.9**	**11.0**	**5.1**	**11744.3**
87	Vehicles other than railway, tramway	214.3	8.9	4.1	10280.6
25	Salt, sulphur, earth, stone, plaster, lime and cement	205.0	-	-	1599.5
30	**Pharmaceutical products**	**176.3**	**25.9**	**14.7**	**8259.9**
27	Mineral fuels, oils, distillation products, etc	167.9	0.002	0.001	56556.8
52	Cotton	133.3	3.2	2.4	7795.5
73	**Articles of iron or steel**	**79.3**	**8.6**	**10.9**	**6501.2**
10	Cereals	74.2	0.002	0.003	5371.0
72	Iron and steel	74.1	0.3	0.4	7925.6
39	Plastics and articles	72.6	0.8	1.1	5465.3
38	**Miscellaneous chemical products**	**41.3**	**4.9**	**11.9**	**2521.0**
15	Animal, vegetable fats and oils	41.1	-	-	1048.6
40	**Rubber and articles**	**36.7**	**4.9**	**13.3**	**2583.7**
09	Coffee, tea, mate and spices	29.2	-	-	2972.2
24	Tobacco and manufactured tobacco substitutes	26.6	0.01	0.02	797.9

Note: '-' denotes marginal or nil

Source: Trade Map, ITC Geneva, and Exim Bank Research

Table 6.10: Burkina Faso's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Burkina Faso's Imports from World (US$ mn)	Burkina Faso's Imports from India (US$ mn)	India's Share in Burkina Faso's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**2406.4**	**89.3**	**3.7**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	575.7	7.9	1.4	56556.8
84	Machinery, boilers, etc	192.7	7.3	3.8	10752.3
87	Vehicles other than railway, tramway	173.0	4.2	2.4	10280.6
85	Electrical, electronic equipment	144.0	4.8	3.4	11744.3
30	**Pharmaceutical products**	**141.6**	**30.3**	**21.4**	**8259.9**
10	Cereals	121.7	-	-	5371.0
25	Salt, sulphur, earth, stone, plaster, lime and cement	89.8	0.01	0.02	1599.5
72	**Iron and steel**	**89.4**	**15.8**	**17.7**	**7925.6**
73	Articles of iron or steel	74.5	1.2	1.6	6501.2
39	Plastics and articles	60.7	0.6	1.0	5465.3
24	Tobacco and manufactured tobacco substitutes	48.0	-	-	797.9
17	**Sugars and sugar confectionery**	**36.2**	**2.4**	**6.6**	**2075.1**
48	Paper and paperboard, articles of pulp, paper and board	35.5	0.8	2.1	907.0
40	Rubber and articles	33.1	1.5	4.5	2583.7
38	**Miscellaneous chemical products**	**31.4**	**2.0**	**6.3**	**2521.0**
90	Optical, photo, technical, medical, etc apparatus	29.5	1.0	3.2	1794.9
28	Inorganic chemicals, precious metal compound, isotopes	25.5	0.2	0.8	1409.3

Note: '-' denotes marginal or nil
Source: Trade Map, ITC Geneva, and Exim Bank Research

SIERRA LEONE

Bilateral trade between India and Sierra Leone have witnessed a robust rising trend in the last decade, with total trade increasing by 6-folds over the period. Though India accounts for a significant 5.8 percent of total imports of Sierra Leone, there exists potential in further enhancing exports to the country **(Table 6.11)**.

Based on the above criteria, potential items of export to Sierra Leone would broadly include the following categories of exports:

- Machinery, boilers, etc (HS - 84);
- Electrical, electronic equipment (HS - 85);
- Cereals (HS - 10);
- Mineral fuels, oils, distillation products, etc (HS - 27);
- Ships, boats and other floating structures (HS - 89);
- Rubber and articles (HS - 40);
- Animal, vegetable fats and oils (HS - 15);
- Furniture, lighting, signs, prefabricated buildings (HS - 94); and
- Tools, implements, cutlery, etc of base metal (HS - 82).

LIBERIA

Liberia is an important investment partner of India. India is a major source for the country's imports of iron and steel, pharmaceutical products, plastics and articles, beverages, meat and edible meat offal, dairy products and cereals **(Table 6.12)**. But altogether, India accounts for less than one percent of country's total imports, indicating further potential in enhancing exports to the country.

Other items with export potential to Liberia, based on import demand, would include:

- Ships, boats and other floating structures (HS - 89);
- Mineral fuels, oils, distillation products, etc (HS - 27);
- Articles of iron or steel (HS - 73);
- Machinery, boilers, etc (HS - 84);
- Electrical, electronic equipment (HS - 85);
- Other made textile articles, sets, etc (HS - 63);
- Vehicles other than railway, tramway (HS - 87);
- Optical, photo, technical, medical, etc apparatus (HS - 90);
- Animal, vegetable fats and oils (HS - 15);
- Salt, sulphur, earth, stone, plaster, lime and cement (HS - 25);
- Miscellaneous edible preparations (HS - 21); and
- Tanning, dyeing extracts, tannins, derivs, pigments etc (HS - 32).

Table 6.11: Sierra Leone's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Sierra Leone's Imports from World (US$ mn)	Sierra Leone's Imports from India (US$ mn)	India's Share in Sierra Leone's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**1380.8**	**80.2**	**5.8**	**301483.3**
84	Machinery, boilers, etc	224.9	9.1	4.1	10752.3
85	Electrical, electronic equipment	138.8	6.4	4.6	11744.3
87	**Vehicles other than railway, tramway**	**129.6**	**8.2**	**6.3**	**10280.6**
73	**Articles of iron or steel**	**83.3**	**10.5**	**12.6**	**6501.2**
10	Cereals	83.2	2.6	3.1	5371.0
27	Mineral fuels, oils, distillation products, etc	81.6	0.3	0.4	56556.8
30	**Pharmaceutical products**	**51.4**	**9.0**	**17.5**	**8259.9**
39	**Plastics and articles**	**46.0**	**3.2**	**7.1**	**5465.3**
89	Ships, boats and other floating structures	40.1	-	-	7048.3
72	**Iron and steel**	**29.4**	**11.3**	**38.2**	**7925.6**
90	**Optical, photo, technical, medical, etc apparatus**	**21.1**	**1.4**	**6.7**	**1794.9**
22	**Beverages, spirits and vinegar**	**20.2**	**4.5**	**22.2**	**274.7**
63	**Other made textile articles, sets, etc**	**19.8**	**1.6**	**8.1**	**3850.5**
40	Rubber and articles	18.3	0.2	1.0	2583.7
17	**Sugars and sugar confectionery**	**18.3**	**0.9**	**5.0**	**2075.1**
15	Animal, vegetable fats and oils	18.0	-	-	1048.6
19	**Cereal, flour, starch, milk preparations and products**	**16.8**	**1.2**	**7.1**	**368.4**
94	Furniture, lighting, signs, prefabricated buildings	16.2	0.4	2.7	901.1
82	Tools, implements, cutlery, etc of base metal	15.6	0.03	0.2	856.6

Note: '-' denotes marginal or nil

Source: Trade Map, ITC Geneva, and Exim Bank Research

MAURITANIA

India accounts for a marginal 0.4 percent of Mauritania's global imports **(Table 6.13)**. While India is a major supplier of pharmaceuticals and cotton to Mauritania, with a significant share in Mauritania's global imports, scope exists to enhance exports of other items based on demand in the country and India's export capability.

Towards this end, potential items of India's exports to Mauritania would include:

- Mineral fuels, oils, distillation products, etc (HS - 27);
- Machinery, boilers, etc (HS - 84);
- Vehicles other than railway, tramway (HS - 87);
- Cereals (HS - 10);
- Electrical, electronic equipment (HS - 85);
- Articles of iron or steel (HS - 73);
- Ships, boats and other floating structures (HS - 89);
- Iron and steel (HS - 72);
- Animal, vegetable fats and oils (HS - 15);
- Rubber and articles (HS - 40);
- Plastics and articles (HS - 39);
- Tobacco and manufactured tobacco substitutes (HS - 24);
- Sugars and sugar confectionery (HS - 17);
- Optical, photo, technical, medical, etc apparatus (HS - 90);
- Edible vegetables and certain roots and tubers (HS - 07);
- Paper and paperboard, articles of pulp (HS - 48); and
- Inorganic chemicals, precious metal compound, isotopes (HS - 28).

POTENTIAL FOR ENHANCING INDIA'S INVESTMENTS WITH WEST AFRICA

FDI in the West African region is directed mainly towards sectors such as mining especially gold, bauxite, diamonds, iron, alumina, oil exploration, electricity, transport and telecommunication, agro-processing and tourism. To build an environment conducive for FDI inflows, policy reforms are being implemented in Benin, Guinea, Niger and Togo. Guinea has adopted a new Mining Code and Togo, a new Investment Code. With a view to enhancing investment inflows, the West African countries have streamlined their investment laws and have also identified priority sectors for increased investment inflows and development. In line with these priority sectors as also resources available in these countries, potential sector for Indian

Table 6.12: Liberia's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Liberia's Imports from World (US$ mn)	Liberia's Imports from India (US$ mn)	India's Share in Liberia's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**17892.5**	**69.9**	**0.4**	**301483.3**
89	Ships, boats and other floating structures	15302.3	-	-	7048.3
27	Mineral fuels, oils, distillation products, etc	901.8	1.4	0.2	56556.8
73	Articles of iron or steel	296.1	0.8	0.3	6501.2
84	Machinery, boilers, etc	272.2	5.9	2.2	10752.3
85	Electrical, electronic equipment	176.0	6.2	3.5	11744.3
63	Other made textile articles, sets, etc	135.8	0.3	0.2	3850.5
87	Vehicles other than railway, tramway	110.1	5.1	4.6	10280.6
10	**Cereals**	**108.4**	**8.6**	**7.9**	**5371.0**
02	**Meat and edible meat offal**	**34.6**	**2.2**	**6.5**	**2686.7**
72	**Iron and steel**	**31.8**	**10.4**	**32.8**	**7925.6**
90	Optical, photo, technical, medical, etc apparatus	31.7	0.8	2.6	1794.9
39	**Plastics and articles**	**30.5**	**2.7**	**9.0**	**5465.3**
15	Animal, vegetable fats and oils	27.6	0.1	0.3	1048.6
19	**Cereal, flour, starch, milk preparations and products**	**25.8**	**2.8**	**10.9**	**368.4**
30	**Pharmaceutical products**	**25.1**	**7.6**	**30.4**	**8259.9**
25	Salt, sulphur, earth, stone, plaster, lime and cement	17.9	0.8	4.5	1599.5
21	Miscellaneous edible preparations	17.8	0.1	0.4	430.5
04	**Dairy products, eggs, honey, edible animal product**	**17.0**	**2.2**	**13.0**	**222.5**
32	Tanning, dyeing extracts, tannins, derivs, pigments etc	16.8	0.6	3.8	1918.2
22	**Beverages, spirits and vinegar**	**16.2**	**3.6**	**22.5**	**274.7**

Note: '-' denotes marginal or nil

Source: Trade Map, ITC Geneva, and Exim Bank Research

Table 6.13: Mauritania's Major Import Items, Imports from India and India's Share, 2011

HS Code	Product Label	Mauritania's Imports from World (US$ mn)	Mauritania's Imports from India (US$ mn)	India's Share in Mauritania's World Imports (%)	India's Exports to World (US$ mn)
Total	**All Products**	**2452.7**	**11.0**	**0.4**	**301483.3**
27	Mineral fuels, oils, distillation products, etc	684.5	-	-	56556.8
84	Machinery, boilers, etc	533.2	0.3	0.1	10752.3
87	Vehicles other than railway, tramway	173.1	0.4	0.2	10280.6
10	Cereals	130.8	0.1	0.1	5371.0
85	Electrical, electronic equipment	129.6	0.03	0.02	11744.3
73	Articles of iron or steel	114.5	0.04	0.03	6501.2
89	Ships, boats and other floating structures	84.6	0.04	0.1	7048.3
72	Iron and steel	47.0	0.2	0.5	7925.6
25	**Salt, sulphur, earth, stone, plaster, lime and cement**	**44.7**	**2.5**	**5.6**	**1599.5**
15	Animal, vegetable fats and oils	39.1	0.02	0.1	1048.6
40	Rubber and articles	33.6	0.1	0.4	2583.7
39	Plastics and articles	32.7	0.9	2.8	5465.3
24	Tobacco and manufactured tobacco substitutes	25.3	0.2	0.6	797.9
17	Sugars and sugar confectionery	25.1	0.02	0.1	2075.1
90	Optical, photo, technical, medical, etc apparatus	16.0	0.02	0.1	1794.9
07	Edible vegetables and certain roots and tubers	15.8	-	-	1009.0
48	Paper and paperboard, articles of pulp	15.0	0.04	0.2	907.0
30	**Pharmaceutical products**	**14.5**	**2.4**	**16.5**	**8259.9**
28	Inorganic chemicals, precious metal compound, isotopes	14.5	0.1	0.5	1409.3
52	**Cotton**	**12.4**	**1.4**	**11.2**	**7795.5**

Note: '-' denotes marginal or nil

Source: Trade Map, ITC Geneva, and Exim Bank Research

investments have been identified. Major sectors having opportunities for investment across West African region for Indian companies are infrastructure, transportation, construction, oil & gas, mining & minerals, tourism, pharmaceuticals, computer software and accessories, agribusiness, banking and financial services.

BENIN

Potential sectors for investment could include: electricity generation; commercial cultivation of cotton, which is the country's major export; processing of local agricultural and mining products; infrastructure; and development of the tourism sector. The Port of Cotonou is fast booming into a major trade hub. Benin recently reduced the time required to trade across borders by implementing an electronic single-window system integrating customs, control agencies, port authorities and other service providers at the Cotonou port.

BURKINA FASO

Burkina Faso offers huge opportunities for investments. Sectors which present potential for investment could include: primary production and processing of agricultural and mining sectors; cotton cultivation; electricity generation and distribution; road building and water supply; and services sector especially ICT, hotel and tourism.

CAPE VERDE

In Cape Verde, the government looks to private investment as the engine for the country's future economic growth. It strongly seeks to attract investment that will stimulate business activities and modernize the country's economic structure. Government aims to globalize the economy of Cape Verde through foreign investment in export-oriented activities. Potential areas for investment are light manufacturing; tourism; fisheries; floriculture; horticulture; civil construction; transport, communication and energy; and financial services.

CÔTE D'IVOIRE

Côte d'Ivoire is among the largest recipients of investment among the West African countries. In 2011, FDI inflows to Côte d'Ivoire amounted to US$ 344.2 mn. Côte d'Ivoire actively encourages foreign investment through mergers, acquisitions, joint ventures and start-ups. Potential sectors for investment in the country could include: telecommunication and transportation sectors; cocoa, coffee, rubber and palm oil production; computer services; construction; education and training services; and financial services.

THE GAMBIA

The Government of the Gambia has targeted several sectors for development. These offer potential opportunities for investment. Some of these are agriculture, especially in horticulture, floriculture, animal husbandry, fruit/vegetable processing and canning; manufacturing especially light pharmaceutical industry and light engineering for manufacturing; fisheries and forestry exploitation; food and drink processing; energy and mining; transport; financial sector; tourism and travel; and IT.

GHANA

In order to facilitate both intra regional trade and to open up rural areas for investment, productivity enhancement and job creation, introduce/deepen competition and create an enabling environment for the private sector to spearhead the country's development, the Government of Ghana is specially focussing on agriculture and agro-processing; sea food processing; floriculture; cotton textiles; fine & custom jewellery; ceramics; transport services; tourism; property development; energy; financial services; and information technology.

GUINEA

Priority sectors identified are agriculture production, especially food crops and rural development; agro-industry including food processing & transformation phases; animal breeding including preservation & transformation facilities; mechanical or chemical preparation / processing of mineral or plant or animal products; health & education; tourism; housing construction; and development of banks & credit institutions.

GUINEA-BISSAU

Investment inflows to Guinea-Bissau are marginal as compared to the inflows to other West African countries. In 2011, FDI inflows into Guinea-Bissau amounted to US$ 19.4 mn. Cashew nuts processing; construction; transportation; and education sectors would present potential for investment in the country. The government has identified tourism as one of the most potential economic activities in the country. Power sector is another area with huge investment potential. Guinea-Bissau is facing structural deficit in electricity generation and distribution. It is currently generating about 4 MW of power on a regular basis, while the unrestricted demand for power in the country has been estimated at about 30 MW.

LIBERIA

In 2012, the National Investment Commission of Liberia has identified three sectors with the greatest investment potential. These sectors include fisheries; transport (mainly marine); and horticulture. Other areas of investment potential in the country include agriculture especially rubber and oil palm; mining (mainly iron ore, gold and diamonds); African attire, jewels and other cultural items; tourism; electricity; telecommunication and construction sectors.

MALI

The Government of Mali has identified certain priority industrial sectors for furthering economic development of the country. Sectors which present potential for investment in Mali could include: cotton ginning; mining particularly gold; textile sector; oil prospecting and exploration; cement; agri-business; fishing and fish processing; tourism and hotel industries; vocational and technical training enterprises; and energy generation industries. Modernization of dairy farming, poultry farming, cultivation of rice, maize and vegetables, modern processing techniques of agricultural products, etc are some promising areas of investment in Mali. Government of Mali is keen to undertake exploration and exploitation of their mineral resources and has formally offered the rights on lease to Government of India or Government designated companies.

MAURITANIA

Mauritania has an ideal geographical location at the crossroad between Maghreb and Sub-Saharan Africa. The country has established privatization policies, with equal treatment between foreign and domestic investors. Investment opportunities exists in a number of sectors in Mauritania including oil and gas industries; mining; fishing industry; transport and infrastructure sector especially construction of container terminals, airports, railways etc; agriculture and livestock; telecommunication; tourism; and banking and financial services sector.

NIGER

Niger presents one of the most exciting investment opportunities in West Africa with its significant natural resources. Among the West African countries, Niger attracted the third largest foreign investment, which amounted to US$ 1 billion in 2011. Sectors which offer potential for investment include: mining particularly uranium and gold; agri-business; oil and gas exploration; electricity generation; privatization of state enterprises; financial sector; hotel and tourism industries; infrastructure; transport; ICT; and health sector.

NIGERIA

Nigeria is the largest investment destination among the West African countries, with FDI inflows recording US$ 8.9 billion in 2011. The government has identified four priority areas of development, viz., metallurgical / engineering industries (industrial projects such as foundries & forges); metal fabrication / machine tools; pharmaceuticals; rubber & plastic; leather & leather products; textiles & weaving apparels; cement; other non-metallic material building materials; bricks, ceramic glass); agriculture-forest based and agro-allied activities (food processing; sugar, confectioneries & beverages; cereal & grain milling; fruits, vegetables, vegetable oils, oil seeds, roots & tubers); chemical / petrochemical sector; and construction sector.

SENEGAL

In 2011, FDI inflows to Senegal amounted to US$ 286.1 mn, up from US$ 266.1 mn in the previous year. The Africa Infrastructure Country Diagnostics (AICD) estimates that Senegal needs to spend US$ 1.79 billion a year on public infrastructure over the next decade to catch up with similar developing countries. Potential sectors for investment in Senegal could include: oil and gas exploration; mineral exploration and mining; fishing and animal rearing; transport; and hotels and tourism industries. The government also gives priority to industries with a high value-added and exports potential, such as chemicals, textiles, agro-processing, leather goods, metalworking and mechanical industries.

SIERRA LEONE

Sierra Leone has enormous potential for attracting investors from India. Potential sectors for investment would include retail trading; food processing; marine resource development; mining sector; tourism; infrastructure; construction; energy and financial services.

TOGO

Togo has implemented a number of institutional reforms including a new investment code, improving ease of doing business, joining the Extractive Industries Transparency Initiative etc. Potential sectors for investment in Togo could include: hydroelectric and hydrocarbon sector; oil exploration; mining particularly phosphate; hotels and tourism infrastructure; port facilities and construction; financial sector; and agri-business and storage facilities.

7 EXPORT-IMPORT BANK OF INDIA IN WEST AFRICA

Export-Import Bank of India (Exim Bank) is India's leading trade and investment promotion, financing and advisory institution. It provides a comprehensive range of financing, advisory and support programmes to promote and facilitate India's trade and investment relations in Africa and especially in West Africa. Since its commencement in 1982, Exim Bank plays the role of a catalyst for investments in West Africa, by extending loans to Indian companies for investments in the region and entering into various collaborative programmes.

Exim Bank has three representative offices in Africa in Dakar, Senegal (covering West Africa); Addis Ababa, Ethiopia; and Johannesburg, South Africa; which play a key role in facilitating economic cooperation with the African region. The representative offices interface with various institutions such as African Development Bank; ECOWAS Bank for Investment and Development (EBID); West African Development Bank (BOAD); African Export-Import Bank (Afreximbank); and Eastern and Southern African Trade and Development Bank (PTA Bank); as well as Indian missions in the region, thereby being closely associated with the Bank's initiatives in the African region.

The Bank has extended Lines of Credit (LOCs) in the region at competitive rates. LOCs enable buyers in those countries 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. It has also signed Memorandum of Understanding (MOUs) and Memorandum of Cooperation (MOCs) with a number of governments and institutions in West Africa to promote trade and investment. It has also financed various Indian joint ventures in the region.

FINANCING PROGRAMMES

Lines of Credit

Exim Bank extends Lines of Credit (LOCs) 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 buyers' 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.

In West Africa, as on January 31, 2013, Exim Bank has 44 GOI-supported operative LOCs valued at US$ 1,517.1 mn, covering twelve countries and EBID. The details of which are given below.

- **Government of Benin** – two LOCs for purchasing railway equipment, agricultural equipment and financing cyber city; and financing tractor assembly plant and farm equipment manufacturing unit;

- **Government of Burkina Faso**- three LOCs for agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment; rural electrification; and low cost housing and economical buildings project;

- **Government of Côte d'Ivoire** – four LOCs for renewal of urban transport system in Abidjan and for agricultural projects in the field of vegetable oil extraction, fruits and vegetable chips production, production of cocoa, coffee etc; Mahatma Gandhi IT and biotechnology park, fisheries processing plant and coconut fibre processing plant; electricity interconnection project between Côte d'Ivoire and Mali; and rice production programme;

- **Government of the Gambia** – three LOCs for tractor assembly plant project; and construction and completion of National Assembly Building Complex;

- **Government of Ghana** – six LOCs for rural electrification projects; agriculture, communication and transportation projects; construction of office and seat of President; track materials, tools and equipment, procurement of 60 high capacity mineral wagons and spares, procurement of 30 covered wagons, spares of low capacity mineral wagons, Tata flat trucks/buses and foundry materials, Communication and Technology (ICT) and good governance project and agro processing plant; sugar plant; improved fish harvesting and fish processing project and waste management equipment and management support project;

- **Government of Guinea-Bissau**-one LOC for electricity project, mango juice and tomato paste processing unit and purchase of tractors and water pumps for development of the agricultural sector;

- **Government of Mali** - six LOCs for rural electrification and setting up of agro machinery and tractor assembly plant; electricity transmission and distribution project from Côte d'Ivoire to Mali; completion of Mali-Ivory Coast Interconnection Link for integrating the national power grids of the two countries; agriculture and food processing projects; and power transmission project connecting Bamako and Sikasso via Bougouni;

- **Government of Mauritania** - one LOC for potable water project and agricultural development project;

- **Government of Niger** - two LOCs for acquisition of buses, trucks, tractors, motor pumps and flourmills; rehabilitation of six-power stations, purchase of three power transformers; and rehabilitation as well as erection of power lines between various places in Niger;

- **Government of Senegal** – eight LOCs for supply of buses and spares by Tata International (Tata Motors) from India to Senegal; irrigation project; women poverty alleviation programme and acquisition of vehicles from India; IT training projects; rural electrification project and fishing industry development project; and supply of medical equipments, furniture and other accessories to 4 hospitals;

- **Government of Senegal and Mali (combined)** – one LOC for acquisition of railway coaches and locomotives from India;

- **Government of Sierra Leone** – two LOCs for procurement of tractors and connected implements, harvesters, rice threshers, rice mills, maize shellers and pesticide soarat equipment; and rehabilitation of existing facilities and addition of new infrastructure to supply potable water;

- **Government of Togo** – two LOCs for rural electrification project and farming and cultivation of rice, maize and sorghum; and

- **ECOWAS Bank for Investment and Development (EBID)** – three 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$ 60 mn including:

- **Afreximbank** – one LOC for general purpose;
- **Banque Ouest Africaine de Developpement (West African Development Bank)** - one LOC for general purpose; and
- **Nigerian Exim Bank** – one LOC for general purpose.

Support for Project Exports

Exim Bank plays an important role in financing and promoting Indian exporters in international markets. The Bank extends both funded and non-funded facilities to Indian project exporters for overseas industrial turnkey projects, civil construction contracts, supplies, as well as technical and consultancy services contracts. As on January 31, 2013, the value of ongoing 4 project contracts secured by Indian project exporters in West Africa amounted to ₹ 11.05 billion, in sectors such as power (generation and transmission) and consultancy, the details of which are given below:

Nigeria

- 300 kV transmission line covering Gombe-Damatur-Maidugiri, by Power Holding Company Nigeria PLC;
- Erection of 132 kV D/C transmission line from Ikot Abasi to Iket under Ibom Power Project, as sub-contractor for M/s. Group Five Constn. Ltd., South Africa for Nigerian Electricity Power Co.; and
- Consultancy contract for Cement Plant Erection.

Senegal

- Contract for design, manufacture, supply, construct, install and commission of a 125 MW Coal-fired Power Plant in Sendou located in Dakar, Senegal.

Finance for Joint Ventures Overseas

Exim Bank supports Indian companies in their endeavour to globalise their operations, through JVs and WOS. Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoter to set up such ventures overseas. These ventures serves to promote value addition, as also contribute to capacity building in host countries. Exim Bank also facilitates joint investments by Indian and overseas companies in third country markets in addition to facilitating investments to

India. In West Africa, as on December 31, 2012, Exim Bank has supported three such in sectors such as agro based industries, manufacturing and plastics and Packaging, ventures amounted to ₹ 158 mn, which include support to:

- Hindustan Seals Limited, Nigeria;
- Prima Plastics Ltd, Nigeria; and
- Foods Fats & Fertilizers Limited; Ghana.

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

With a view to build institutional linkages, Exim Bank has entered into MOUs and MOCs in West Africa. As on January 31, 2013, there are three active MOUs / MOCs in the region, with the following institutions:

- African Development Bank, Côte d'Ivoire;
- Nigerian Export - Import Bank, Nigeria; and
- Ecobank PLC, Togo.

INSTITUTIONAL LINKAGES AND ARRANGEMENTS

Exim Bank has been consciously forging a network of alliances and institutional linkages to help further economic cooperation while promoting and facilitating bilateral trade and investment between India and the African region. These, in turn, serve to create an enabling environment and support capacity creation and enhance institutional strengthening.

Towards facilitating economic cooperation, Exim Bank has taken up equity in West African Development Bank (BOAD), Development Bank of Zambia and Afreximbank. These endeavours are supplemented by the various MOCs / MOUs, the Bank has in place with key institutions in the African region and especially West African Countries including: Nigerian Export-Import Bank (NEXIM); African Development Bank (AfDB); Afreximbank; Board of Investment, Mauritius; Industrial Development Corporation of South Africa Limited (IDC); Eastern and Southern African Trade and Development Bank (PTA Bank); Banque Internationale Arabe de Tunisie, Tunisia; Industrial Development Bank of Sudan; Foreign Investment Promotion Agency, Tunisia; and Societe Tunisienne de Banque, Tunis.

Association with African Development Bank (AfDB)

India is a member of African Development Bank (AfDB). Many Indian companies participate in projects funded by African Development Bank Group. Exim

Bank works very closely with African Development Bank 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 such as African Development Bank. Exim Bank assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim Bank, Indian project exporters have secured a number of overseas contracts in Africa and specifically in West African countries in sectors such as power, telecommunications, transport, water supply & sanitation. Exim Bank and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim Bank also organizes Business Opportunities seminars in projects funded by African Development Bank across various centres in India.

Recognizing the potential for increasing effective participation by Indian companies in AfDB funded projects, Exim Bank had organised series of seminars on "Business Opportunities in African Development Bank Funded Projects" during April 18-21, 2011 at Bangalore, Mumbai and New Delhi. The programme was specifically targeted towards Indian corporates who are keen to explore business opportunities in AfDB funded projects and contracts in Africa.

Member of Association of African Development Finance Institutions (AADFI)

Exim Bank is a member of 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.

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

Exim Bank has also entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form Global Network of Exim Banks and Development Finance 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.

G-NEXID was formally launched at its inaugural meeting at 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 between developing countries. G-NEXID has been granted 'observer' status by UNCTAD. A number of institutions from West Africa, including Banque Nationale d'Investissement, Côte d'Ivoire; Development Bank of Mali, Mali; ECOWAS, Togo; and Nigerian Export-Import Bank, Nigeria are members of G-NEXID.

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. This creates 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 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:

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

2. **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by African Development Bank.

3 **Country Procurement Assessment Review** (CPAR) in the Kingdom of Swaziland for African Development Bank 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.

4. **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 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 has 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; feasibility study for establishment of Commonwealth Trade and Investment Bank; preparing a blue print for setting up of Export-Import Bank of Zimbabwe and development of film financing products for Nigerian Export-Import Bank.

Exim Bank Research Studies

Exim Bank conducts periodic research studies in order to promote the existing institutional linkages and external competitiveness of the Indian Companies. The studies range from areas of international trade (including sector specific studies) to international investments; it also focuses on areas of bilateral/ multilateral cooperation among countries and their potential for further development. These are published in the form of Occasional Papers, Working Papers, and Books. Some of the Occasional Papers released by the Bank are:

- Indian Ocean Rim Association for Regional Co-operation (IOR-ARC): A Study of India's Trade and Investment Potential;
- Southern African development community (SADC): A Study of India's Trade and Investment Potential;
- The Commonwealth: Promoting a Shared Vision on Trade and Investment;
- India's Trade and Investment Relations with LDCs (Least Developed Countries): Harnessing Synergies;
- West African Region: A Study of India's Trade and Investment Potential;
- COMESA: A Study of India's Trade and Investment Potential;
- ECOWAS: A Study of India's Trade and Investment Potential;
- IBSA: Enhancing Economic Co-operation across Continents;
- Maghreb Region: A Study of India's Trade and Investment Potential;
- Select Southern African Countries: A Study of India's Trade and Investment Potential;
- Select West African Countries: A Study of India's Trade and Investment Potential; and
- South Africa: A Study of India's Trade and Investment Potential.

Some of the Working Papers released by the Bank are:

- Southern African Customs Union (SACU): A Study of India's Trade and Investment Potential;
- Strategy for Quantum Jump in Exports: Focus on Africa, Latin America and China; and
- Snap Market Survey for Pharmaceutical Products in South Africa.

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 also promoting infrastructure development, facilitating private sector development in host countries, and contributing towards institutional building in the region.

8 STRATEGIES AND RECOMMENDATIONS FOR ENHANCING BILATERAL COMMERCIAL RELATIONS WITH WEST AFRICAN COUNTRIES

The previous chapters provided a broad overview of economic environment in West Africa, its trade patterns and investment climate, India's bilateral trade and investment relation with West Africa, and the potential areas for enhancing bilateral trade and investment cooperation. Exim Bank's key initiatives and endeavours to foster closer economic cooperation between India and West Africa were also highlighted. The concluding chapter endeavours to provide broad strategies and recommendations which could serve to facilitate and enhance two-way trade and investment between India and West Africa, based upon the analysis and findings of the study.

Strategy to enhance trade and investment relations with countries in West Africa would entail an integrated approach comprising, inter-alia: cooperation in agricultural development, development of manufacturing sector, natural resource development, cooperation in hotel and tourism industry, focus on IT development, human resource development especially for SME sector, cooperation in infrastructure development, cooperation in energy and power generation, and broadening linkages with trade promotion institutions and investment promotion agencies in the region. Such endeavours could also be supplemented by measures such as: increased participation in multilateral funded projects, cooperation in banking/financial sector, and cooperation with chambers of commerce and industry in the region.

1. COOPERATION IN AGRICULTURE SECTOR DEVELOPMENT

Agriculture and related activities constitutes the bedrock of most of the countries in West Africa, and exports from the sector are important foreign exchange earners for most West African countries. Many countries in West Africa are home to the world's richest agricultural resources. As a result, several governments in the West African region view that foreign investments in agriculture cultivation would lead to possible benefits for rural poor, including the creation of a potentially significant number of farm and off-farm jobs, development of rural infrastructure, and social improvements, leading to food self-sufficiency and poverty reduction. National governments with a view to addressing the serious issue of food shortage have been framing policies towards attracting investors in the agricultural sector to tackle food, employment and sustainability crises. If West African countries could frame and implement their agricultural policies in such a way that diversifies output, boosts productivity, and promotes strong linkages with other economic sectors and serves broad social policy objectives, then the region could easily overcome its food shortage and other developmental problems.

Indian companies can explore the possibilities of investments such as joint ventures or contract farming, setting up agro processing firms and investments in key stages of value chain. Indian investment in specific countries could result in improving the agricultural sector of the host country through skill development, job creation, technological upgradation, supply of quality inputs like seed, better supply chain management, and biotechnology. India's transfer of knowledge/ technology could help these countries to deal with the problem of food crisis. Indian scientific and agricultural research institutions have assisted many entrepreneurs in developing their business ideas in the West African countries. Indian investors could also focus on providing quality infrastructure to enhance the farm productivity in these countries.

Towards this end, the LOCs extended by the Exim Bank to West African countries, which are earmarked for agriculture, irrigation and related projects, would also serve to contribute towards development of the agricultural and related sectors in the region. For instance:

- LOCs to the Government of Benin for procurement of agricultural equipment and financing tractor assembly plant and farm equipment manufacturing unit;

- LOC to the Government of Burkina Faso for financing agricultural projects including acquisition of tractors, harvesters and agricultural processing equipment;

- LOCs to the Government of Côte d'Ivoire for financing agricultural projects in the field of vegetable oil extraction, fruit and vegetable chips production, production of cocoa, coffee, rice etc.; and setting up a Fisheries Processing Plant and Coconut fibre processing plant;

- LOC to the Government of the Gambia for setting up a tractor assembly plant project;

- LOCs to the Government of Ghana for financing agriculture projects; and a fish harvesting and processing project;

- LOC to the Government of Guinea-Bissau for financing mango juice and tomato paste processing unit and purchase of tractors and water pumps for development of the agricultural sector;

- LOCs to the Government of Mali for setting up of agro machinery and tractor assembly plant and for financing agriculture and food processing projects;

- LOC to the Government of Mauritania for agricultural development project;

- LOC to the Government of Niger for acquisition of tractors, motor pumps and flourmills;

- LOC to the Government of Sierra Leone for procurement of tractors and connected implements, harvesters, rice threshers, rice mills, and pesticide equipment;

- LOCs to the Government of Senegal earmarked for irrigation project and fishing industry development project; and

- LOC to the Government of Togo for Farming and cultivation of Rice, Maize and Sorghum.

With these LOCs in place, increased exports of agro-related machinery and equipment to the region by Indian entrepreneurs / exporters would serve to enhance bilateral cooperation in the agricultural sector, as also to the overall development of the region.

2. DEVELOPMENT OF MANUFACTURING SECTOR

Development of manufacturing sector in West Africa is very important for the development and growth of the region. The dependence of many of the West African countries on primary commodity exports, combined with reliance on manufactured imports has affected the growth of the region. Hence, development of a strong manufacturing sector is necessary.

At present, Africa's and especially West Africa's share in global manufacturing production and trade is very small. In 2010, the share of manufacturing sector in GDP accounted for only 10 percent in case of Africa, 4.8 percent for West Africa, 9.6 percent for East Africa, 11 percent for North Africa, and 14.5 percent for Southern Africa[19]. India could support West African countries in creating productive capacity-building through various support and

[19] Unctadstat, UNCTAD

training programmes and technical cooperation. Indian investors can play a major role by way of transfer of technical knowhow and technology which is suitable for the conditions and needs of a developing nation. This could help West Africa to enhance its competitiveness by building its human and physical capital.

3. NATURAL RESOURCE DEVELOPMENT

With many of the countries in Africa especially in West Africa endowed with mineral wealth and natural resources, enhanced bilateral cooperation for development/ exploration of natural resources in these countries could benefit both India and West Africa. Mineral production and development constitutes a significant objective of many West African countries, and remains a key factor in their future economic growth. Eleven countries of Africa, mostly in southern and western Africa rank among the top ten sources for at least one major mineral. Africa has majority of the world's known resources of platinum, chromium and diamonds, as well as a large share of the world's bauxite, cobalt, gold, phosphate and uranium deposits. For instance, Guinea-Bissau presents opportunities for cashew nuts processing and oil exploration; Niger has large reserves of uranium and is a leading global producer; Burkina Faso has large deposits of minerals which are yet to be fully exploited, with gold dominating the mining sector; Senegal possesses calcium phosphates and aluminum phosphates, as also iron, gold, copper, diamonds, and titanium.

According to World Gold Council, China and India together demand more than half of the world's jewellery and bar and coin purchases of gold. In light of these, increased cooperation between India and the resource-rich countries in West Africa in developing/exploring natural and mineral resources, bilateral arrangements such as buy-back arrangements, could be an important strategy to enhance Indo-West African commercial relations.

4. COOPERATION IN HOTEL AND TOURISM INDUSTRY

Several countries in West Africa such as Ghana, Sierra Leone, the Gambia, Mali and Senegal, have emerged as major tourism destinations, receiving large number of tourist population visiting Africa. With India being an emerging player in hospitality industry, Indian companies could explore the vast opportunities available in such countries. Indian companies can focus more on developing world-class hotels and resorts. Indian hotel groups could also try to acquire and renovate some hotels in the region. Many of these Indian hotels received wide acclaim and awards for their hospitality services. Given the rich cultural and geographical diversities and vast biodiversity in flora and fauna of West African nations, Indian entrepreneurs could also specifically focus on different kinds of tourism products, such as adventure tourism, coastal and safari tourism; medical tourism; wildlife tourism; eco-tourism and cultural tourism. Ayurvedic services could be one of the areas where India has potential and can enhance its presence in the field of medical tourism.

On the other hand, several features such as low cost healthcare solutions, availability of skilled healthcare professionals, reputation for treatment in advanced healthcare segments, India's traditional wellness systems, and strengths in information technology makes India an ideal destination for patients from West Africa. Patients from West Africa can identify and select the hospital / doctor suitable for the treatment, identify favourable destination for holiday / recuperation, seek online appointments for various healthcare services and customise the required packages with the travel /tourism operators.

5. FOCUS ON INFORMATION TECHNOLOGY (IT) DEVELOPMENT AND KNOWLEDGE SHARING

The use of various electronic marketing technologies is necessary to improve and develop different sectors, but it largely depends on internet access and penetration rates in countries, which is still at a backward stage in most of the West African countries. With the strength and capability that India possesses in the realm of Information Technology sector, Indian IT firms could explore the opportunities in West African countries, and focus on investing in subsidiaries or joint ventures in the areas of e-governance, financial services and e-education. Indian companies could also share their expertise in providing software programmes and services for banks and financial institutions in the region. For instance, Indian companies including NIIT and Aptech, which already have presence in Africa and especially in West Africa could expand their network of training centers in other countries in the region. NIIT has presence in Ghana, Mali, Nigeria, and Senegal; and Aptech in Ghana and Nigeria in West Africa. Designing specialized e-learning courses on the web for providing technological assistance, manufacturing process know-how, troubleshooting and other technical areas also present opportunities. Such initiatives would help industry and commerce, promote education in remote areas, create employment opportunities and provide healthcare to remote areas in the region, thereby contributing to overall development of nations in the region.

6. INVESTMENT IN HUMAN RESOURCE DEVELOPMENT

An associated area of bilateral cooperation could also be investing in human resource development and sharing of knowledge. Human resource development is recognised as the premiere need of most African countries especially in West Africa. Businesses focusing on health, education and skill development are more likely to be stable businesses, which are in increasingly high demand in many countries, due to their direct impact on improving the standard of life. Towards this end, West African countries could also tie up with Indian institutions such as the Central Food Technological Research Institute (CFTRI), Mysore; Entrepreneurship Development Institute of India (EDI), Ahmadabad; and National Small Industries Corporation Ltd. (NSIC), New Delhi. Further, Indian institutions could also share their expertise in the fields of export capability creation in the region, institutional strengthening and export development in the form of technical assistance and sharing of expertise through site visits.

In the second India- Africa Forum Summit in 2011, India announced US$ 700 mn grant assistance for human resource development, transfer of technology, and building new institutions and training programmes. Indian investors could also help West African governments in setting up various higher education institutes, universities and provide scholarships to West African students for various exchange programmes like Study India Programme, which could improve the quality of education in these countries. This type of academic ‘twinning arrangements’ between Indian and West African universities will boost academic mobility between both regions.

7. COOPERATION IN INFRA-STRUCTURE DEVELOPMENT

An important area of bilateral cooperation could be infrastructure development in West African countries. Investment in infrastructure development, due to an increasing need for better infrastructural facilities, coupled with the endeavour of West African countries for rapid economic growth, could prove to be a mutually rewarding area of bilateral cooperation. Lack of forward and backward linkages among different modes of transportation, declining air connectivity, poorly equipped ports, ageing rail networks, and inadequate access to all-season roads are key problems facing West African economies. Areas that hold immense investment opportunities include development of highways and roadways, development of railway networks and power systems, which would also help in regional integration to a great extent. Large Indian construction companies could explore business opportunities to meet the infrastructural requirements in West Africa, also contributing largely to economic development in the host countries.

8. COOPERATION IN THE BANKING/ FINANCIAL SECTOR

With a view to enhance commercial relations with countries in the West African region, some Indian banks have set up operations in select countries in the region. Currently in West Africa, Bank of Baroda has a subsidiary in Ghana. SBI has JV with Sterling Bank Nigeria. Also an Indian insurance company, New India Assurance is present in Nigeria, Ghana, and Sierra Leone. Exim Bank also has its West Africa Representative Office in Dakar, Senegal. In view of the potential for enhancing bilateral trade and investment relations with the countries in West Africa, opening branches/subsidiaries/representative offices in the region, and developing correspondent banking relations with select banks in the region would serve to facilitate and promote commercial relations.

9. DEVELOPING LINKAGES WITH INVESTMENT PROMOTION AGENCIES/ CHAMBERS OF COMMERCE

Besides streamlining their investment regimes, many countries in the region have set up specialised investment promotion agencies/ Chambers of Commerce to promote and facilitate inflow of foreign investment into these countries, while also serving as one-stop-shop for investment related activities. In light of the key role of these institutions, building closer cooperation and linkages with these investment promotion agencies in West Africa would serve to enhance access to information about investment opportunities in the region. A list of such investment promotion agencies and chambers of commerce is provided in the **Annexure II**.

Such relationship would serve to enhance knowledge about potential areas for investment, upcoming projects in different sectors, prospective investment partners, as also procedures, rules and regulations required for venturing into specific sectors in these countries and incentives offered to investors. Further, investment promotion events with select investment promotion agencies would foster increased interaction between potential investors and concerned agencies in potential sectors in target countries in the region.

10. COOPERATION IN ENERGY AND POWER GENERATION

Another area which holds immense potential for investment and cooperation, is electricity generation and power transmission. Energy deficit is expected to continue posing a serious challenge for the overall development of countries in the region. Insufficient investment in the energy sector leading to underdeveloped infrastructure including electricity transmission and distribution net works have exacerbated the energy problem in the region. Despite the potential for energy generation, insufficient use of existing energy systems has resulted in generation of electricity which is less than installed capacity due to drought, lack of maintenance and rehabilitation and also general system losses of electricity which includes transmission and distribution loss.

For instance, the entire installed generation capacity of Sub-Saharan African countries, excluding South Africa, is only 28 gigawatts, and 25 percent of that capacity is unavailable because of aging plants and poor maintenance[20]. Only about 29 percent of the Sub-Saharan Africa's population has access to electricity, as compared to about half in South Asia and more than 80 percent in Latin America and the Middle East and Northern Africa. Also, African manufacturing enterprises experience power outages on average 56 days per year. Many African countries are seeking support and technical assistance for development of petroleum pipelines, petroleum exploration and production in the region.

West Africa's energy generation potential is concentrated mainly in Nigeria (oil and gas), Guinea (hydro), Côte d'Ivoire (oil and gas), Ghana (oil and gas), Niger (uranium); Benin and Togo (Hydro), and in the shared water basins of the Gambia River Development Organization (OMVG); the Organisation pour la Mise en Valeur du fleuve Sénégal (OMVS); the Volta River; and the Authority Basin of Niger (ABN). The region is also endowed with enormous potential in solar and wind energy, supported by the creation of the Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) in Cape Verde[21].

In light of these, development of the energy infrastructure is a priority area for governments of countries in West Africa. India could support West Africa to promote the emergence of a regional energy market by linking national energy grids. Towards cooperation in energy sector, the LOCs extended by Exim Bank to countries in West Africa, which are earmarked for power generation and transmission projects, would also serve to contribute towards

[20]World Bank

[21]Regional Integration Strategy Paper for West Africa 2011 – 2015, African Development Bank

development of the energy sector and power generation and transmission. For instance, besides others:

- LOC to the Government of Burkina Faso for rural electrification;
- LOC to the Government of Côte d'Ivoire for electricity interconnection project between Côte d'Ivoire and Mali;
- LOC to the Government of Ghana for rural electrification projects;
- LOCs to the Government of Guinea-Bissau for financing electricity projects;
- LOCs to the Government of Mali for rural electrification; power transmission project; financing electricity transmission and distribution project from Côte d'Ivoire to Mali; and completion of Mali-Ivory Coast Interconnection Link for integrating the national power grids of the two countries;
- LOC to the Government of Niger for rehabilitation of six-power stations; purchase of three power transformers; and rehabilitation as well as erection of power lines between various places in Niger;
- LOC to the Government of Senegal for rural electrification project; and
- LOC to the Government of Togo for rural electrification project.

11. COOPERATION IN SME SECTOR

At present MSMEs (Micro, Small and Medium Enterprises) make up the majority of businesses in West Africa and there is enormous scope for the development of this sector. For instance, SMEs in Ghana provide 85 percent of manufacturing employment and 92 percent of businesses in Ghana[22]. But West African SME sector development is constrained by a number of factors like lack of accessibility to modern technology, limited access to international markets, lack of management skills and training and lack of finance. Towards developing entrepreneurship and human capability, India could share its expertise and experience with countries in West Africa, particularly in the SME sector wherein India has developed successful SME clusters. An important element in this direction could be for delegations from these countries to visit India to study success factor of SME clusters in India, and developing similar clusters in their countries based on resource and skill endowments. Exim Bank has extended various LOCs to different countries for the development of their SME sectors.

[22]Abor J., and Quartey, P., (2010), Issues in SME Development in Ghana and South Africa, International Research Journal of Finance and Economics

12. FOCUS ON MULTILATERAL FUNDED PROJECTS

Besides participating in investment activities that are promoted by the respective governments of countries in West Africa, Indian companies could also endeavour to participate in multilateral funded projects. Multilateral institutions such as the World Bank and the African Development Bank support and fund a number of projects in West Africa. They broadly cover areas such as agriculture and related activities; infrastructure development such as roads, telecommunication, postal services, electricity, water supply and sanitation; mining and quarrying; rural and urban development; environment and natural resource development; health care and education; financial market development; and tourism development. Focus on these funded projects, and increased participation by Indian projects and services exporters, would serve to enhance Indian commercial presence in the country. At the same time, efforts to participate in technical assistance in terms of project preparation and advisory services in such funded projects would support increased presence in the region. Indian companies could also participate in these projects through project participation and advisory services. Indian companies could explore partnership with local entrepreneurs and local investment agencies, which could then attract funds from multilateral investment agencies **(Annexure IV).**

Thus, for India, with the countries in West Africa emerging as important trade and investment partners, and the need of West African countries for strategic partners in their developmental and growth endeavours, sharing of experiences in capacity building, investments and endeavours in growth-inducing sectors in the region could prove to be strategic in fostering and enhancing long term commercial relations as also presence in West Africa.

ANNEXURE 1:
SELECT MAJOR TRADING BLOCS IN AFRICA

Trade Bloc	Year of Formation	Members
Economic Community of West African States (ECOWAS)	1975	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo
Economic Community of Central African States (ECCAS)	1983	Angola, Burundi, Cameroon, Central Africa Republic, Chad, Democratic Republic of Congo, Republic of Congo, Equatorial Guinea, Gabon, Sao Tome and Principe
Southern African Development Community (SADC)	1992	Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe
Common Market for Eastern and Southern Africa (COMESA)	1994	Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe
Economic and Monetary Community of Central Africa (CEMAC)	1994	Cameroon, Central Africa Republic, Chad, Equatorial Guinea, Republic of Congo, Gabon
West African Economic and Monetary Union (UEMOA)	1994	Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo
East African Community (EAC)	1996	Burundi, Kenya, Rwanda, Tanzania, Uganda

Source: World Development Indicators 2012, World Bank

ANNEXURE II: INVESTEMENT PROMOTION AGENCIES AND OTHER KEY INSTITUTIONS IN WEST AFRICAN COUNTRIES

BENIN

Benin Chambers of Commerce and Industry
(Chambre de Commerce et d'Industrie du Bénin (CCIB))
01 BP 31 Cotonou, Republic of Benin
Website: www.ccibenin.org

BURKINA FASO

Burkina Faso Chamber of Commerce and Industry
(Chambre de Commerce, d'Industrie et d'Artisanat du Burkina Faso)
Avenue de Lyon - 01 BP 502, Ouagadougou 01
Website: www.ccia.bf

CAPE VERDE

Cape Verdian Agency for Promotion of Investments
(Agencia Caboverdeana de Promoçao de Investimentos)
Rotunda da Cruz de Papa, 5
C.P. 89-C Achada Santo António
Praia Cabo Verde
Website: www.cvinvest.cv

CÔTE D'IVOIRE

Centre for Promotion of Investment in Côte d'Ivoire
(Centre de Promotion des Investissements en Côte d'Ivoire (CEPICI))
Abidjan Plateau; Bellerive Building
16th Floor,
PO Box V 152 Abidjan 01,
Côte d'Ivoire
Website: www.cepici.gouv.ci

THE GAMBIA

Gambia Chambers of Commerce and Industry (GCCI)
55 Kairaba Avenue, K.S.M.D
P. O. Box 3382, Serrekunda
The Gambia
Website: www.gambiachamber.gm

GHANA

Ghana National Chamber of Commerce & Industry
1st Floor, World Trade Centre,
Opp. Children's Park, National theater-Accra
P. O. Box 2325, Accra
Website: www.ghanachamber.org

MALI

The Investment Promotion Agency of Mali
(Agence pour la Promotion des Investissements au Mali (API-MALI))
Quartier du Fleuve,
BP 1980, Bamako, Mali
Website: www.apimali.gov.ml

NIGER

Centre for Promotion of Investment, Niger
(Center de Promotion des Investissements, Niger (CPI-Niger))
BP 209
Niamey, Niger
Website: www.ccaian.org/investirAuNiger.html

NIGERIA

Nigerian Investment Promotion Commission (NIPC)
Plot 1181 Aguiyi Ironsi Street
Maitama District
P.M.B. 381 Garki Abuja, Nigeria
Website: www.nipc.gov.ng

SENEGAL

Investment Promotion and Major Works Agency
(Promotion des Investissements et Grands Travaux (APIX))
52-54 Rue Mouhamed V,
BP 430 CP 18524 Dakar, Senegal
Website: www.investinsenegal.com

TOGO

Chamber of Commerce and Industry of Togo (CCIT)
Angle of the Presidency Avenue - Avenue Georges Pompidou
B.P. 360, Lomé, Togo
Website: www.ccit.tg

INVESTIR EN ZONE FRANC (IZF) - INVEST IN THE FRANC ZONE
(General information on investment climate in countries of the Franc zone)
Website: www.izf.net

OTHER KEY INSTITUTIONS

ECOWAS Bank for Investment and Development (EBID)
128, Boulevard du 13 janvier,
BP. 2704, Lomé-Togo
Website: www.bidc-ebid.org

West African Development Bank
(Banque Ouest-Africaine de Developpement (BOAD))
68, Avenue de la Liberation
BP 1172, Lomé, Togo
Website: www.boad.org

West African Economic & Monetary Union
(Union Economique et Monetaire Ouest Africame (UEMOA))
Commission de l’UEMOA,
380, rue Agostino Neto - 01 BP 543
Ouagadougou 01 - Burkina Faso
Website: www.uemoa.int

African Development Bank (AfDB)
15 Avenue du Ghana
P.O. Box 323-1002
Tunis-Belvedère, Tunisia
Website: www.afdb.org

African Export-Import Bank
(Afreximbank)
World Trade Centre Buildings
1191 Corniche El Nil
Cairo 11221, Egypt
Website: www.afreximbank.com

Association of African Development Finance Institutions (AADFI)
(Association des Institutions Africaines de Financement du Developpement)
Immeuble AIAFD-Boulevard Latrille rue J61
Cocody-Deux Plateaux, 06 BP 321
Abidjan 06, Côte d'Ivoire
Website: www.aadfi.org

ANNEXURE III: RISK RATINGS OF WEST AFRICAN COUNTRIES

Country	Institutional Investor (Sep '12)	ECGC (Dec '12)	S&P (Jan 30, '13)	D&B (Feb '13)	OECD (Jan '13)
Benin	140	C1	B/Negative	-	6
Burkina Faso	146	B2	B/Stable	-	7
Cape Verde	99	C2	B+/Stable	-	6
Côte d'Ivoire	136	C1	-	DB6d	7
The Gambia	149	B2	-	-	7
Ghana	88	B2	B/Stable	DB4d	5
Guinea	172	C2	-	-	7
Guinea-Bissau	173	C1	-	-	7
Liberia	161	C1	-	-	7
Mali	137	C2	-	-	7
Mauritania	153	C1	-	-	7
Niger	158	C1	-	-	7
Nigeria	91	B1	BB-/Stable	DB6a	5
Senegal	101	B2	B+/Negative	DB4d	6
Sierra Leone	159	C1	-	DB6a	7
Togo	151	C2	-	-	7
India	**46**	**A1**	**BBB-/Negative**	**DB4a**	**3**

Note: '-' denotes not available

- *Institutional Investor,* in its September 2012 ratings rank 179 countries in increasing order of risk.
- *Export Credit Guarantee Corporation of India Ltd. (ECGC)* ranks 237 countries in seven groups, A1, A2, B1, B2, C1, C2 and D, according to increasing order of risk.
- *Standard & Poor's* Sovereign Ratings rate countries from AAA to D in increasing order of capacity to meet financial commitments. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.
- *Dun and Bradstreet's* Country Risk Indicator is divided into seven bands (DB1 to DB7, in the increasing order of risk). Each band is further divided into quartiles (a-d, ranging low to high), except the DB7 band.
- The *OECD Country Risk* Classification measures country credit risk, i.e. the likelihood that a country will service its external debt, on a scale of 0 -7 (where 0 is the lowest risk category and 7 is the highest), covering 211 countries.

ANNEXURE IV: SELECT PROJECTS AND OPPORTUNITIES IN WEST AFRICA

All Project and Services Export contracts need approval at the post contract award stage, from the authority designated by RBI, viz. Exim Bank and commercial banks, or Working Group (comprising GOI, Reserve Bank of India (RBI), Exim Bank, Export Credit Guarantee Corporation of India Ltd. (ECGC), and commercial banks) as per the powers delegated to them. The delegation of powers has been steadily enhanced from time to time. As per the latest revision in October 2003, Exim Bank and commercial banks can approve Turnkey, Construction, Consultancy contracts including Supply contracts on deferred payment terms, valued upto US$ 100 mn. Project Export contracts valued above US$ 100 mn requires approval from the Working Group. The Working Group is a single-window clearance mechanism with Exim Bank as the nodal agency and RBI- Foreign Exchange Department, ECGC and the exporter's sponsoring commercial bank as other members. In the case of very large value projects or projects having strategic importance, representatives from the Ministries of Finance, Commerce & Industry, and External Affairs, Government of India, are invited to participate in the Working Group Meetings. Exim Bank, thus, seeks to play the role of a co-ordinator and facilitator for the promotion of project exports, besides that of a financier in extending export credits. Exim Bank is equipped to offer a comprehensive financing package to Indian project exporters including funded support, project related guarantee facilities and issuance of letters of credit on their behalf towards third country imports for overseas projects.

Multilateral funding agencies such as the World Bank and African Development Bank (AfDB) fund some of the major developmental projects in West Africa. Projects funded by these multilateral agencies present attractive business opportunities for consultants, suppliers and contractors. Select opportunities for Indian exporters in upcoming projects in West Africa funded by the World Bank Group are presented in **Table A1**.

Exim Bank plays a nodal role in facilitating and promoting Indian project exporters in international markets. Such projects, primarily in the infrastructure sector, contribute to local and regional development. The Bank extends both funded and non-funded facilities to Indian project exporters for overseas industrial turnkey projects, civil construction contracts, supplies, as well as technical and consultancy services contracts. Indian companies have implemented numerous projects in West Africa with the support of Exim Bank. Some of the on-going projects in West Africa include:

- 300 kV transmission line covering Gombe-Damatur-Maidugiri, by Power Holding Company Nigeria PLC in Nigeria.

- Erection of 132 kV D/C transmission line from Ikot Abasi to Iket under Ibom Power Project, as sub-contractor for M/s. Group Five Constn. Ltd., South Africa for Nigerian Electricity Power Co.

- Consultancy contract for Cement Plant Erection in Nigeria.

- Contract for design, manufacture, supply, construct, install and commission of a 125 MW Coal-fired Power Plant in Sendou located in Dakar, Senegal.

Table A1 : Select Approved Projects Funded by the World Bank Group in West Africa

Approval Date	Closing Date	Project Title	Country	Lending Instrument	Project Cost (US$ mn)
Mar-11	Dec-16	Agricultural Productivity and Diversification	Benin	Specific Investment Loan	61.40
Jun-09	Jun-15	Increased Access to Modern Energy	Benin	Specific Investment Loan	176.69
Dec-12	May-18	Third Phase Community Based Rural Development Project	Burkina Faso	Adaptable Program Loan	86.00
Jun-11	Sep-17	Bagre Growth Pole Project	Burkina Faso	Specific Investment Loan	133.70
Jun-11	Sep-16	Mineral Development Support Project	Burkina Faso	Technical Assistance Loan	33.00
Jan-12	Sep-16	Recovery and Reform of the Electricity Sector Project	Cape Verde	Specific Investment Loan	58.50
Apr-11	-	Road Sector Support Project - Second Additional Financing	Cape Verde	Specific Investment Loan	13.09
Jun-12	Dec-16	Emergency Infrastructure Renewal Project	Cote d'Ivoire	Emergency Recovery Loan	200.00
Jun-10	-	Emergency Urban Infrastructure Project (Additional Financing)	Cote d'Ivoire	Emergency Recovery Loan	50.00
Sep-10	Dec-15	The Gambia - Growth & Competitiveness	The Gambia	Specific Investment Loan	12.00
Dec-10	Jun-15	Gas and Oil Capacity Building Project	Ghana	Technical Assistance Loan	41.00
Jun-10	-	Addtional Financing for the Ghana Energy Development and Access Project (GEDAP)	Ghana	Specific Investment Loan	77.00
Sep-12	Dec-18	Mineral Governance Support Project	Guinea	Technical Assistance Loan	20.00
May-12	-	Additional Financing - Electricity Sector Efficiency Enhancement Project	Guinea	Specific Investment Loan	18.30
Oct-11	-	Extractive Industries Sectors TA	Guinea-Bissau	Technical Assistance Loan	3.20
May-11	-	Emergency Electricity and Water Rahabilitation Project - Additional Financing	Guinea-Bissau	Emergency Recovery Loan	2.20
Sep-12	-	Road Asset Management Project - Additional Financing	Liberia	Specific Investment Loan	50.00
Dec-11	Jun-14	GPOBA W3 - Liberia Electricity Access	Liberia	Specific Investment Loan	30.00

Approval Date	Closing Date	Project Title	Country	Lending Instrument	Project Cost (US$ mn)
Jul-11	-	Second Transport Sector Project Additional Financing	Mali	Specific Investment Loan	27.00
Sep-10	-	Additional Financing for Mali Rural Community Development Project	Mali	Specific Investment Loan	11.20
Jun-09	Sep-14	Energy Support Project	Mali	Specific Investment Loan	120.00
May-11	-	Second Additional Financing to the Second Mining Sector Capacity Building Project	Mauritania	Technical Assistance Loan	7.10
Jun-10	Oct-13	Road Corridor ACGF	Mauritania	Sector Investment and Maintenance Loan	87.14
Jun-12	Jun-13	Shared Growth Credit I	Niger	Development Policy Lending	50.00
Jun-12	Mar-19	Competitiveness & Growth Support	Niger	Specific Investment Loan	65.24
Sep-12	Dec-18	Rural Access & Mobility Project-Phase 2	Nigeria	Specific Investment Loan	244.36
Jun-12	-	Electricity and Gas Improvement Project (add. financing)	Nigeria	Specific Investment Loan	100.00
May-12	Jun-20	Erosion and Watershed Management Project	Nigeria	Specific Investment Loan	650.00
Nov-11	Dec-19	Kainji Hydro Power Plants Rehabilitation	Nigeria	-	13.83
Jun-10	-	Additional Financing for National Urban Water Sector Reform Project	Nigeria	Specific Investment Loan	80.00
Jul-12	Sep-16	Electricity Sector Support Project	Senegal	Specific Investment Loan	93.50
Jun-10	Sep-14	Transport & Urban Mobility project	Senegal	Specific Investment Loan	97.00
Oct-11	May-13	Sierra Leone Infrastructure Development Fund	Sierra Leone	Technical Assistance Loan	0.75
Dec-09	Jun-16	Mineral Sector Technical Assistance	Sierra Leone	Technical Assistance Loan	4.00
Mar-12	Jul-15	Community Development and Safety Nets Project	Togo	Specific Investment Loan	14.00
May-11	-	Emergency Infrastructure Rehabilitation and Energy Project - Additional Financing	Togo	Emergency Recovery Loan	15.00

Note: ‘-’ denotes not available

Source: World Bank

ANNEXURE V:
CFA FRANC - EVOLUTION AND STRUCTURE

The African members of the Franc Zone share a common currency, the CFA Franc, which is fixed to - and convertible with – the Euro through a special monetary arrangement with France. The Franc Zone guarantees full convertibility of the CFA Franc and maintains a fixed exchange rate between the CFA Franc and the Euro.

Fourteen West and Central African countries share the CFA Franc as a common currency. All these countries were French colonies, except for Equatorial Guinea and Guinea-Bissau. The CFA Franc was created on December 26, 1945, along with the CFP Franc due to the weakness of the French Franc immediately after the Second World War. After France ratified the Bretton Woods Agreement in December 1945, the French Franc was devalued to a fixed exchange rate with the US dollar. New currencies were created in the French colonies to protect them from the strong devaluation of December 1945.

The African Financial Community, comprising the fourteen West and Central African countries, consists of two regional economic and monetary groups, viz, the West African Economic and Monetary Union (UEMOA), with eight members countries - Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo; and the Central African Economic and Monetary Community (CEMAC), with six member countries - Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon.

UEMOA's currency, the CFA Franc [Franc de la Communauté Financiére d'Afrique (XOF)], is issued by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), while CEMAC's currency, the CFA Franc [Franc de la Coopération Financiére Africaine (XAF)] is issued by the Banque des Etats de l'Afrique Centrale (BEAC).

Through BCEAO and BEAC, horizontal monetary integration is maintained, while the operations account with the French Treasury allows for vertical integration. Both BCEAO and BEAC have to maintain 65 percent of their reserves (changed to 50 percent recently) in Euro with the French Treasury. Tight monetary and credit discipline is maintained through two special safeguards - central banks must maintain a 20 percent foreign exchange cover of their sight liabilities; and governments cannot withdraw from their regional bank's central funds more than 20 percent of the previous year's budget receipts.

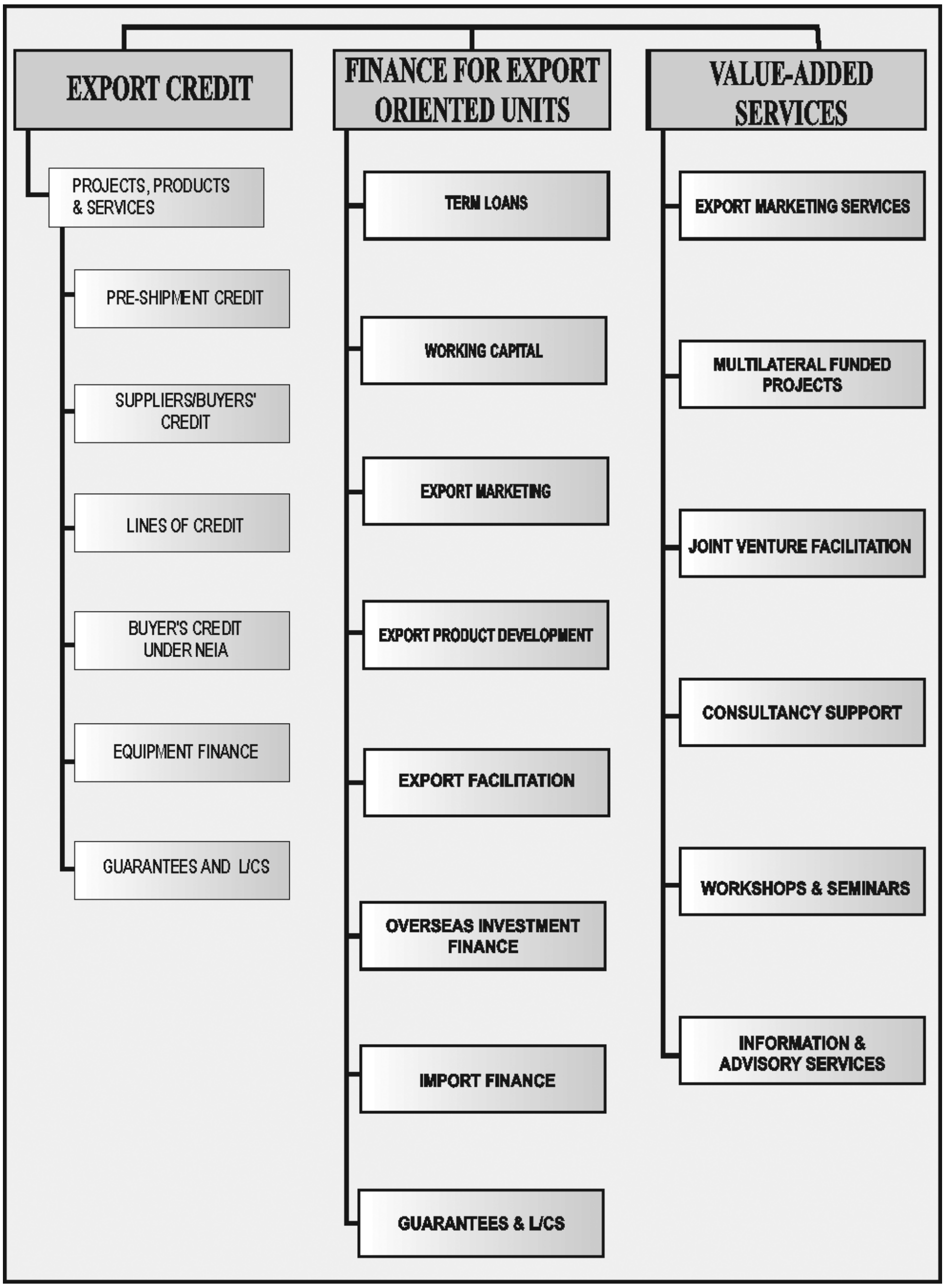
The CFA Franc has been pegged to the French Franc since 1948. It was devalued only once from CFA 50: FF 1 to CFA 100: FF 1 in January 1994. The CFA Franc was pegged to the Euro after the introduction of the Euro on January 1, 1999. Under the guidelines of the Euro introduction, all existing pegs were revised based on the original conversions, so that CFA 100 = FF1 was replaced by CFA Fr 665.957 = Euro 1. This is to maintain macroeconomic stability in West and Central Africa as well as strengthen trade and financial flows between Europe and the two zones by creating an environment with a stable exchange rate. The peg became official in 2002 when national currencies were completely withdrawn from circulation from the Euro zone. The French treasury retains sole responsibility for guaranteeing convertibility of CFA Franc into Euro, without any monetary policy implications for the Bank of France (Central Bank of France) or the European Central Bank.

RECENT OCCASIONAL PAPERS	
OP. No.	**Title**
94.	Potential for Export of Horticulture Products from Bihar and Jharkhand
95.	Increasing Wage Inequality in Developed Countries: Role of Changing Trade, Technology and Factor Endowments
96.	Essays on Trade in Goods and Factor Movements Under Increasing Returns to Scales
97.	Export of Organic Products from India: Prospects and Challenges
98.	Export Potential of Indian Medicinal Plants and Products
99.	Select Southern African Countries: A Study of India's Trade and Investment Potential
100.	BIMST-EC Initiative: A Study of India's Trade and Investment Potential with Select Asian Countries
101.	Some Aspects of Productivity Growth and Trade in Indian Industry
102.	Intra-Industry Trade In India's Manufacturing Sector
103.	Export Potential of Indian Plantation Sector: Prospects and Challenges
104.	Fresh Fruits, Vegetables and Dairy Products: India's Potential For Exports to Other Asian Countries
105.	Biotechnology: Emerging Opportunities for India
106.	ASEAN Countries: A Study of India's Trade and Investment Potential
107.	Essays on Globalisation and Wages in Developing Countries
108.	Select West African Countries: A Study of India's Trade and Investment Potential
109.	Indian Leather Industry: Perspective and Export Potential
110.	GCC Countries: A Study of India's Trade and Export Potential
111.	Indian Petroleum Products Industry : Opportunities and Challenges
112.	Floriculture : A Sector Study
113.	Japanese & U.S. Foreign Direct Investments in Indian Manufacturing : An Analysis
114.	Maghreb Region: A Study of India's Trade and Investment Potential
115.	Strengthening R & D Capabilities in India
116.	CIS Region: A Study of India's Trade and Investment Potential
117.	Indian Chemical Industry: A Sector Study
118.	Trade and Environment: A Theoretical and Empirical Analysis
119.	Indian Pharmaceutical Industry : Surging Globally
120.	Regional Trade Agreements: Gateway to Global Trade
121.	Knowledge Process Outsourcing: Emerging Opportunities for India
122.	Indian Mineral Sector and its Export Potential
123.	SAARC: An Emerging Trade Bloc
124.	Indian Capital Goods Industry - A Sector Study
125.	Financial Liberalization and Its Distributional Consequences
126.	ECOWAS: A Study of India's Trade and Investment Potential

127. Indian Textile and Clothing Industry in Global Context: Salient Features and Issues
128. Fair Trade : Fair Way of Enhancing Export Value
129. Indian Automotive Industry: At The Crossroads
130. CARICOM : A Gateway to the America
131. IBSA : Enhancing Economic Cooperation Across Continents
132. MSMEs and Globalisation: Analysis of Institutional Support System in India and In Select Countries
133. International Trade, Finance and Money: Essays in Uneven Development
134. Sikkim: Export Potential and Prospects
135. Mizoram: Export Potential and Prospects
136. Floriculture: A Sector Study
137. Biotechnology Industry in India: Opportunities for Growth
138. Indian Gems and Jewellery: A Sector Study
139. SADC: A Study of India's Trade and Investment Potential
140. Innovation, Imitation and North South Trade: Economic Theory and Policy
141. COMESA (Common Market for Eastern and Southern Africa): A Study of India's Trade and Investment Potential
142. Indian Shipping Industry: A Catalyst for Growth
143. New Renewable Energy in India: Harnessing the Potential
144. Caribbean Community (CARICOM): A Study of India's Trade and Investment Potential
145. West African Region: A Study of India's Trade and Investment Potential
146. India's Trade and Investment Relations with LDCs (Least Developed Countries): Harnessing Synergies
147. Indian Electronic Industry : Perspectives and Strategies
148. Export Potential of Indian Plantation Sector: Prospects and Challenges
149 MERCOSUR : A Study of India's Trade and Investment Potential
150. Openness and Growth of the Indian Economy: An Empirical Analysis
151. The Commonwealth: Promoting a Shared Vision on Trade and Investment
152. Southern African Development Community (SADC): A Study of India's Trade and Investment Potential
153. Strategic Development of MSMEs: Comparison of Policy Framework and Institutional Support Systems in India and Select Countries
154. Indian Chemical Industry : Exploring Global Demand
155. Technological Interventions In Indian Agriculture for Enhancement of Crop Productivity
156. Exports of Services and Offshore Outsourcing: An Empirical Investigation in the Indian Context
157. Indian Ocean Rim Association for Regional Co-operation (IOR-ARC): A Study of India's Trade and Investment Potential

EXIM BANK'S MAJOR PROGRAMMES

Bank's Major Programmes



EXPORT-IMPORT BANK OF INDIA

HEAD OFFICE

Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005.
Phone : (91 22) 22172600 Fax : (91 22) 22182572 E-mail : cag@eximbankindia.in
Website : www.eximbankindia.in

LONDON BRANCH

88/90, Temple Chambers, 3-7, Temple Avenue, London EC4Y OHP, United Kingdom.
Phone : (44) 20 73538830 Fax : (44) 20 73538831 E-mail : eximlondon@eximbankindia.in

Indian Offices

AHMEDABAD
Sakar II, Floor 1 ,
Next to Ellisbridge Shopping Centre,
Ellisbridge P. O., Ahmedabad 380 006.
Phone : (91 79) 26576852/26576843 Fax : (91 79) 26577696
E-mail : eximahro@eximbankindia.in

BANGALORE
Ramanashree Arcade, Floor 4,
18, M. G. Road, Bangalore 560 001.
Phone: (91 80) 25585755/25589101-04 Fax: (91 80) 25589107
E-mail : eximbro@eximbankindia.in

CHANDIGARH
PHD House, Floor 1, Sector 31-A,
Dakshin Marg, Chandigarh 160 031
Phone : (91 172) 2641910/12/39/49 Fax : (91 172) 2641915
E-mail : eximcro@eximbankindia.in

CHENNAI
UTI House, Floor 1,
29, Rajaji Salai, Chennai 600 001.
Phone : (91 44) 25224714/25224749 Fax : (91 44) 25224082
E-mail : eximchro@eximbankindia.in

GUWAHATI
Sanmati Plaza, Floor 4, Near Sentinel Building,
G. S. Road, Guwahati 781 005.
Phone : (91 361) 2462951/6013053 Fax : (91 361) 2462925
E-mail : eximgro@eximbankindia.in

HYDERABAD
Golden Edifice, Floor 2, 6-3-639/640, Raj Bhavan Road,
Khairatabad Circle, Hyderabad 500 004.
Phone : (91 40) 23307816-21 Fax : (91 40) 23317843
E-mail : eximhro@eximbankindia.in

KOLKATA
Vanijya Bhawan, Floor 4, (International Trade Facilitation Centre),
1/1 Wood Street, Kolkata - 700 016.
Phone : (91 33) 22833419/22833420 Fax : (91 33) 22891727
E-mail : eximkro@eximbankindia.in

MUMBAI
Maker Chambers IV, Floor 8,
222, Nariman Point, Mumbai 400 021.
Phone : (91 22) 22823320 / 92 / 94 Fax : (91 22) 22022132
E-mail : eximwrro@eximbankindia.in

NEW DELHI
Ground Floor, Statesman House,
148, Barakhamba Road, New Delhi 110 001.
Phone : (91 11) 23474800
Fax : (91 11) 23322758/23321719
E-mail : eximndro@eximbankindia.in

PUNE
44, Shankarseth Road, Pune 411 037.
Phone : (91 20) 26403000 Fax : (91 20) 26458846
E-mail : eximpro@eximbankindia.in

Overseas Offices

ADDIS ABABA
Bole Kifle Ketema
Kebele - 19, (03/05), House No. 015-B
Addis Ababa, Ethiopia,
Phone : (251) 116 630079
Fax : (251) 116 610170
E-mail : aaro@eximbankindia.in

DAKAR
Floor 1, 7, rue Félix Faure,
B.P. 50666, Dakar, Senegal
Phone : (221) 33 8232849
Fax : (221) 33 8232853
E-mail : eximdakar@eximbankindia.in

DUBAI
Level 5, Tenancy 1B,
Gate Precinct Building No. 3,
Dubai International Financial Centre,
PO Box No. 506541, Dubai, UAE.
Phone : (971) 4 3637462
Fax : (971) 4 3637461
E-mail : eximdubai@eximbankindia.in

JOHANNESBURG
Floor 2, Sandton City Twin Towers East,
Sandhurst Ext. 3, Sandton 2196,
Johannesburg, South Africa.
Phone : (27) 11 3265103 / 13 Fax: (27) 11 7844511
E-mail : eximjro@eximbankindia.in

SINGAPORE
20, Collyer Quay,
10-02, Tung Centre,
Singapore 049319.
Phone : (65) 65326464
Fax : (65) 65352131
E-mail : eximsingapore@eximbankindia.in

WASHINGTON D.C.
1750 Pennsylvania Avenue NW,
Suite 1202, Washington D.C. 20006,
United States of America.
Phone : (1) 202 223 3238
Fax : (1) 202 785 8487
E-mail : eximwashington@eximbankindia.in