



Investment Opportunities
G20 Compact with Africa

COUNTRY CONTEXT

Accessible location—the western most point of the African Continent; five hours from Europe, seven hours from USA, less than ten hours from Asia

Control of corruption—7th in Africa and 64th out of the 176 countries in 2016 Corruption Perceptions Index

Elementary school gross enrollment—88%

Arable land surface—estimated at 3.4 m ha of which 2.5m on average are cultivated every year

Connectivity—mobile phone penetration rate 102.6%, internet penetration rate 58.8%

Regional Economic Communities—Senegal is a member of the Economic Community of West African States (ECOWAS)

Structure of the economy—primary 15.3% (of which agriculture 8%); secondary 19.9%; tertiary 54%; taxes 10.8%

CREDIT RATING

	Rating	Outlook
Moody's	Ba3	Stable
Standard & Poor's	B+	Stable



KEY FACTS

Languages	French
Currency	CFA Franc
Government	Presidential Republic
Land area	196, 722 sq. km
Coastline	700 km
Major urban areas	Dakar
Population	14.8 million
Literacy rate	57.7%
GDP (current, 2015 est)	13.6 billion
GDP Growth (2016)	6.7%
GDP per capita (Atlas, 2015)	\$900
Natural resources	Phosphates, iron ore, zircon, gold, oil, gas, fish



COMPACT MEASURES

MACROECONOMIC FRAMEWORK

Maintain macroeconomic stability; achieve growth rates of 7-8%; continue with fiscal consolidation; modernize tax and customs administration; improve expenditure management; strengthen independent oversight institutions.

BUSINESS FRAMEWORK

Tax policy review, simplification and streamlining of compliance framework for business reporting, establishment of credit information offices, ICT legal framework reform, and implementation of VAT changes in agriculture and tourism sectors



OPPORTUNITY ENERGY

Objective is to improve the energy mix through: (i) the development of new electricity production capacities; (ii) diversification of energy generation sources; and (iii) enhancement and development of the transmission and distribution network.

Specific Opportunities

- Construction of a 1000 MW thermal gas power plant
- Construction of the Ferlo and Dakar 225 KV networks
- Development of refining capacities, energy storage capacities and exploration of access to LNG

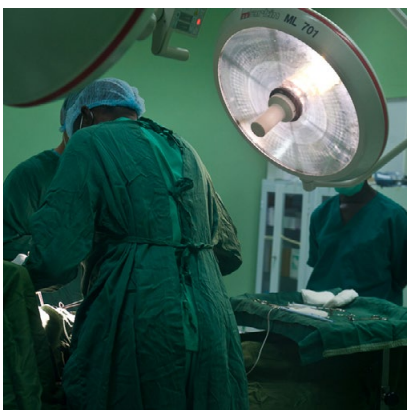


OPPORTUNITY AGRICULTURE, FISHERIES & FOOD

Objective is to reduce Senegal's dependence on imported food and to promote Senegalese agriculture as a growth driver.

Specific Opportunities

- Improvement of dairy production through intensification and modernization of farming systems
- Development of cereal corridors for rice, millet and maize
- Development of aquaculture industry
- Development of horticulture (fruits and vegetables)



OPPORTUNITY

DIGITAL ECONOMY & TOURISM

Objective is to establish Dakar as the region's service hub in areas such as corporate headquarters, health services, education facilities and tourism with a goal of reaching 3 million tourists per year by 2023.

Specific Opportunities

- **Digital economy**—establishment of digital technology parks to include laying a fiber optic backbone that links regional capital cities and implementation of digital activity centers in cities that have universities.
- **Medical services**—building, equipping and operating four hospitals in Touba, Kaffrine, Sedhiou and Kedougou
- **Tourism**—enhance existing tourist areas of Saly Portudal and Casamance; upgrade infrastructure in Point Sarene, Mobodiene and Joal Finion
- Modernize regional airports



OPPORTUNITY

LOGISTICS & INDUSTRIAL REGIONAL HUB

Objective is to position Senegal as the main entry point for business within the sub-region

Specific Opportunities

- Integrated industrial platform of Diamniadio—construction of three warehouses of 7,200 sq. meters, one warehouse of 3,200 sq. meters, one administrative building offering 4,910 sq. meters of offices
- Express regional rail link—construction of an express railway covering the 57km from Dakar to the Blaise Diagne International Airport
- Thies-Touba Highway—construction of 115km of highways to allow fast track connection between main growth areas.



OPPORTUNITY

PUBLIC-PRIVATE PARTNERSHIPS

Senegal opted for a liberal economy oriented towards the development of public-private partnerships : water, energy and especially infrastructure with the project of toll motorway Dakar-Diamniadio.

Specific Opportunities

- **Highways**— Dakar—Diamniadio toll motorway on a line of 31.6 km; A concession period of 30 years; A cost of \$ 264 million; PPP ratio 70/30
- **Energy**— PPPs in the urban electricity production sector are among the first PPP projects experienced in Senegal with the GTI—IPP contract in 1996. IPP Tobene: USD 165 million; IPP GTI: 59 million and IPP Kounoune: 46 million
- **Ports**— 25 years concession for container terminal and port of the future with Dubai port world; The ro-ro terminal with the Bolloré group dedicated mainly to the transport of vehicles; The bulk terminal with Necotrans for minerals, phosphate, cement, clinker or coal. These contracts were made with 100% private investments.

PARTNER SUPPORT FOR THE REFORMS

Macroeconomic Framework

- Preserve the stability of the macroeconomic framework: continue the fiscal consolidation efforts and decreasing the current account deficit by strengthening exports and domestic resource mobilization
- Continue economic diversification through developing new growth engines for the country
- Strengthen economic governance

Business Framework

- Strengthen the digitalization of taxes and administrative procedures
- Continue the simplification of pricing systems and models
- Promote Special Economic Areas and a more attractive business environment
- Accelerate the IT and energy sector reform, specifically the reform of its regulation and institutional framework
- Accelerate investment in electricity and transport to expand regional trade and take advantage of the opportunities offered by regional economic integration

Financing Framework

- Learn from countries that have successfully implemented PPP frameworks: fund preparatory studies that are necessary for technical structuring, financial and legal structuring etc.
- Boost the sale of FCFA-denominated Treasury Bills and Bonds to institutional investors from the G20
- Strengthen guarantee instruments in order to mitigate the country risks
- Develop finance technology (FinTech) to support the digital economy

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