

EXPnews

Country Focus Senegal: between economic reforms and opportunities for Made in Italy



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We inaugurate our new online section, on EXP News, dedicated to growth and development opportunities for Italian SMEs in the Sub-Saharan Africa region. The first article is dedicated to Senegal.

Below, we report the conversation-interview with Ms. Anna Bertoglio - Trade Office Manager of the Embassy of Italy in Dakar - conducted by our Senior Associate, Stefano Rossi, Head of Department for Business Internationalization of EXP Legal.

1. Senegal is one of the fastest growing African economies thanks to the adoption of an ambitious reform program and a progressive opening towards in-

ternational investors. What are the main reforms that have contributed to the development of the Senegalese economy?

Since the country's development plan (PSE - Plan Sénégal émergent) was launched in 2014, Senegal is experiencing a very vital moment of its development, with growth rates in recent years around 7% and on a continuous basis, then structural. PES sets the ambitious goal of making the country reach the status of an emerging economy by 2035, thanks to the structural transformation of the economic fabric through the consolidation of growth and the development of new productive sectors. The goal is to create wealth and employment by winning the demographic challenge. It is no coincidence that, the country has gained 57 positions in the "Doing Business 2020"

ranking from 2014 to today, 123 out of 190, while also SACE in its report "Keep Calm and Made in Italy 2018" indicated Senegal among the most promising countries for Italian exports.

Important projects have been launched in the infrastructure sector, starting with the construction of a new airport, several motorway backbones and the new city of Diamniadio. Interesting developments in the oil&gas sector are also expected, thanks to the discovery and the forthcoming production of some promising offshore fields.

2. In this context, what is and what will be the role of Dakar - already a reference port for the transit of goods to the southern hemisphere - in the development of the Country?

Senegal is located in a geographical position that makes it a stopover point for navigation to South America and to the southern ports of West Africa. The port of Dakar in particular is the gateway to various countries in the region, including Mali. The new city of Diamniadio will certainly support in the coming years the city of Dakar, hosting several public buildings, while the whole area will see its potential enriched thanks to the project of a new port.

3. After the Investment Code and the EFE (Entreprise Franche d'Exportation) launched in 2004, the government also established the Dakar Commercial Court. What is the role of this court and to what extent can its activity reassure companies that intend to invest in Senegal?

In the "Doing Business 2020" index, Senegal has gained positions in the "investor protection" index. In 2017, the Dakar Commercial Court was created to ensure better management of commercial disputes and encourage greater investment protection. More information on his activity can be found on the site: <http://tribunaldecommerce.sn/>

4. Among the greatest advantages of the country stands a great stability from a political point of view, an aspect also confirmed by the re-election - in 2019 - of Prime Minister Macky Sall. What are the main programmatic points of his policy? What is the vision of President Sall about the future of Senegal?

President Sall was reconfirmed in February 2019 for a second term. The Country Development Plan (PSE), launched in 2014, remains at the center of the Government's action and is now starting the second phase, which provides for greater involvement of the private sector and the conditions for growth that is as inclusive as possible, focusing on income, employment and the improvement of basic services. For further information on the PSE: <https://www.sec.gouv.sn/dossiers/plan-s%C3%A9n%C3%A9gal-emergent-pse>

5. In light of all the considerations made so far, would you describe Senegal's le-

gislative and regulatory framework as business friendly, i.e. open to foreign direct investment? If yes, what are its main strengths?

The legal framework of reference for business and investments is the object of attention and intervention by the authorities. The progressive greater openness to foreign investments is confirmed by the improved positioning in the "Doing Business" ranking and by the transition in 2017 from category 6 to category 5 in OECD country risk assessments. It remains the way to go, but in the opinion of the observers the road taken is the right one.

6. Let's now talk about the opportunities for Made in Italy. First of all, how would you describe the quality of diplomatic and commercial relations between our country and Senegal?

The geographical proximity to our country, a relative ease in transport thanks to a large port, a large presence of Senegalese citizens in Italy, the recognized value of Made in Italy are contributing to a connected increase in the presence of Italian companies, together with the renewed needs given by the development of the country.

7. Undoubtedly, 2018 was a very positive year for Italian exports to Senegal, which grew (according to SACE data) by +15.7% compared to 2017. Which are the industries on which Italian companies shall continue to aim to consolidate the growth of exports in Senegal?

Made in Italy is very much appreciated, among the sectors to focus on for our exports there are certainly food products, textiles, furniture and machinery and equipment for the construction sector. The interest in machinery, vehicles and trailers is also growing (road transport is still the most used means). Interesting developments can also be seen in the field of renewable energy.

8. Considering, on the other hand, foreign direct investments, the data elaborated by the Italian institutions identify as par-

ticularly interesting the industries of services, agriculture, fishing and forestry, construction, rubber articles and plastic materials and products of mines and quarries. Can you confirm this information? Are there also other industries where Made in Italy know-how can find support?

Energy, transport, agriculture, infrastructure and construction are all high-potential sectors. Alongside the Italian companies traditionally present in the maritime transport sector, thanks to the regional importance of the port of Dakar, companies active in the fishing, agriculture, tannery and construction sectors have been added. The demand of technologies for the agricultural and livestock sector is growing, along with the food processing chain, building products and renewable energy. The demand for qualified professional training is very high, which can contribute to reducing unemployment and developing the country.

9. In conclusion, I would ask you to make at least three recommendations for Italian entrepreneurs who decide to approach the Senegal market. What are the cultural and economic aspects that should not be underestimated? Are there any behaviors that you would advise to avoid in dealing with business counterparts in Senegal?

For Italian companies interested in the country, we always advise to inform themselves before starting activities or collaborations, by contacting the Embassy or the Senegalese institutions created to encourage investments by foreign companies. I point out for example the existence of APIX, the state-owned agency for the attraction of investments, which offers single contact points to businesses. Among the Italian institutions, I recall instead that the private sector interested in internationalizing its business can refer to SACE and SIMEST. Finally, a general advice is linked to the characteristics of the contacts in Africa: here we have to come often and possibly settle. Remote contacts work little or often do not work at all.

■ Stefano Rossi