

**JAY MALINA INTERNATIONAL TRADE CONSORTIUM
MIAMI-DADE COUNTY**

AFRICA TRADE INITIATIVES

COUNTRY PROFILE AND ASSESSMENT REPORT

March 2009



Jay Malina International Trade Consortium

African Trade Initiatives

Best Country Prospects

Trade and Business Development Opportunities

Proposed Outgoing Mission Destination for Africa

Fiscal Year

October 1, 2009 thru September 30, 2010

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The Jay Malina International Trade Consortium of Miami-Dade County

March 2009



MAP OF AFRICA



About the Jay Malina International Trade Consortium (ITC)

ITC's **vision** is to promote and strengthen Miami-Dade County as an international trade and cultural center and its **mission** is to promote Miami-Dade County as a Global Gateway by enhancing international relations, cultural understanding, and trade. Miami-Dade County is a world-class metropolitan area at the crossroads of the Western Hemisphere with superior infrastructure for international trade; an excellent business climate; international financial services, and a rich cultural diversity which makes it the logical platform for trade with Latin America and the Caribbean.

Gateway to Africa

Miami-Dade's first official mission to Africa was conducted by County Mayor Alex Penelas, who led a delegation of twenty to South Africa and Botswana in July 2001. The Jay Malina International Trade Consortium (ITC) of Miami-Dade County conducted missions to Kenya and Uganda (2004), South Africa (2007) and provided financial and logistical support for third-party missions to: Morocco, Kenya, Nigeria, and Benin. ITC also hosted and received numerous inbound missions from several African countries. Also, the Port of Miami established Sister Seaport Agreements with the following African ports: Apapa, Nigeria; Cape Town and Durban, South Africa; Casablanca, Morocco; Dakar, Senegal; and Mombasa, Kenya.

In May 2006, the ITC Chair and Board of Directors appointed the following regional ad hoc committees, each of which is chaired by an ITC Board member:

- Africa Trade Initiatives
- Asia Trade Initiatives
- Europe & Middle East Trade Initiatives
- Western Hemisphere Trade Initiatives

Staff assigned to each ad hoc committee conducts research and work with the relevant ad hoc committee as well as with representatives of appropriate stakeholder organizations which also serve as members of the ad hoc committees to ensure that there is maximum input and participation in the planning and selection of what countries are best suited to either develop or expand trade opportunities with Miami-Dade County. Each ad hoc committee then recommends to the ITC Board of Directors what country or countries should be targeted in any one mission in any one fiscal year. In FY 06-07, the ATI committee recommended South Africa to the ITC Board of Directors.

In 2007 and 2008, the Board of County Commissioners approved Sister Cities partnerships with Cape Town, South Africa and Dakar, Senegal, respectively.

This report provides the country profile, market assessment and background information for the six countries listed below that were recommended for ITC-led mission for FY 09 - 10, by the ATI ad-hoc committee at its meeting on February 23, 2009.

- The Gambia
- Ghana
- Rwanda
- Senegal
- Sierra Leone
- South Africa

THE GAMBIA: COUNTRY PROFILE

PRESIDENT

Yahya Abdulaziz J. J. Jammeh

U.S. EMBASSY IN BANJUL

Ambassador Barry Wells

CAPITAL CITY

Banjul

POPULATION

1.7 million (2008 estimate)

CURRENCY

Dalasis (GMD)

OFFICIAL LANGUAGES

English

INDIGENOUS LANGUAGES

Mandinka, Fura, Wolof, etc.

GDP [2007]: \$709 million **GDP PER CAPITA [2007]** \$454

NATURAL RESOURCES

Seismic studies indicate the possible presence of oil and gas offshore. **Products**--peanuts, rice, millet, sorghum, fish, palm kernels, vegetables, livestock, forestry. **Industry Types**--peanut products, construction, telecommunications, brewing, soft drinks, agricultural machinery assembly, woodworking, metal working, clothing and textile manufacturing, food processing. **Trade:** (2007 est.): **Exports**--\$14.5 million: 43.33% groundnut products, 25.18% fish and fish preparations, 2.43% cotton, 11.18% fruits and vegetables, 0.17% hides and skin, 6.191% re-exports, and others 11.52%. **Major markets**--France 48.85%, Senegal 22.62%, Netherlands 10.21%, United States 7.02%, Germany 3.46%, and Japan 3.05%. **Principal imports**--\$345.7 million including food and beverages, manufactures, machinery and transport equipment, and minerals and fuel. **Major suppliers**--Denmark, United States, China, Germany, U.K., Cote d'Ivoire, and Netherlands.

U.S. - GAMBIAN RELATIONS

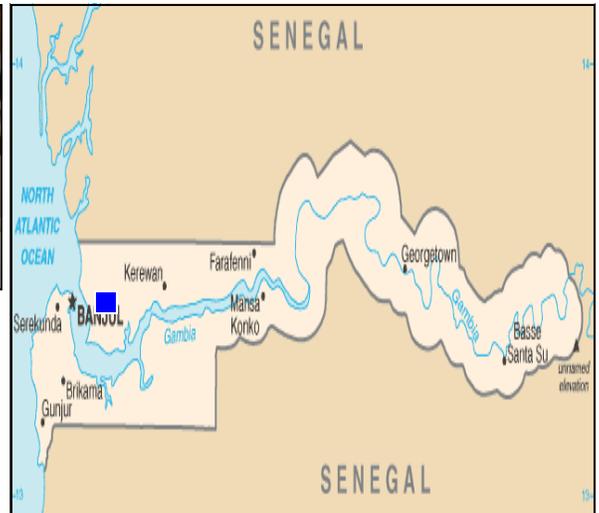
U.S. policy seeks to build improved relations with The Gambia on the basis of historical ties, mutual respect, democratic rule, human rights, and adherence to UN resolutions on counter-terrorism, conflict diamonds, and other forms of trafficking. Following The Gambia's successful presidential and legislative elections in October 2001 and January 2002, respectively, the U.S. Government determined that a democratically elected government had assumed office and thus lifted the sanctions it had imposed against The Gambia in accordance with Section 508 of the Foreign Assistance Act as a result of the 1994 coup. U.S. assistance supports democracy, human rights, girls' education, and the fight against HIV/AIDS. Relations with the U.S. have not been improved significantly due to the human rights and freedom of press shortcomings, which resulted in the suspension of The Gambia's compact with the Millennium Challenge Corporation (MCC) in June 2006.

MIAMI-DADE COUNTY - THE GAMBIAN RELATIONS

In 2006, The Gambian Ambassador to the United States, the Honorable Dodou Bammy Diagne visited Miami-Dade County to officially launch the Gambian Association of South Florida. During his visit, Mr. Rony Desvarenes, a businessman, was sworn-in as the Honorary Consul General of the Gambia. In August 2006, The Gambian Secretary of State, the Honorable Neneh MacDouall-Gaye, and her entourage visited the County. Officials of the Gambian Tourism Board and Gambian Ports Authority also visited Miami-Dade County. Officials of the Gambian Ports Authority have expressed great interest to establish a Sister Seaport agreement with the Port of Miami.



President Yahya A. J. J. Jammeh



Map and flag of The Gambia

THE GAMBIA: MARKET OVERVIEW

The Gambia has no confirmed mineral or natural resource deposits and has a limited agricultural base. About seventy-five percent (75%) of the population depends on crops and livestock for its livelihood.

Small-scale manufacturing activity features the processing of peanuts, fish, and hides. Re-export trade normally constitutes a major segment of economic activity, but a 1999 government-imposed pre-shipment inspection plan, and instability of the Gambian dalasi (currency) have drawn some of the re-export trade away from The Gambia.

The Gambia's natural beauty and proximity to Europe has made it one of the larger markets for tourism in West Africa. The government's 1998 seizure of the private peanut firm Alimenta eliminated the largest purchaser of Gambian groundnuts. Despite an announced program to begin privatizing key government agencies, no plans have been made public that would indicate that the government intends to follow through on its promises.

Unemployment and underemployment rates remain extremely high; short-run economic progress depends on sustained bilateral and multilateral aid, on responsible government economic management, on continued technical assistance from the IMF and bilateral donors, and on expected growth in the construction sector.

First-time business visitors to The Gambia should first contact The Gambian Embassy (Economic & Commercial section) in Washington D.C., prior to their visit to ensure the validity of their business arrangements.

GHANA: COUNTRY PROFILE

PRESIDENT

John Atta Mills

U.S. EMBASSY IN ACCRA

Ambassador-Donald G. Teitelbaum

CAPITAL CITY

Accra

OTHER MAJOR CITIES

Kumasi, Tema, Sekondi-Takoradi.

POPULATION

23 million (2007 estimate)

CURRENCY

Cedis (GHC)

OFFICIAL LANGUAGES

English

GDP [2007]: \$15.2 billion **GDP PER CAPITA [2007]** \$690

NATURAL RESOURCES

Gold, timber, diamonds, bauxite, manganese, fish. **Products**--cocoa, coconuts, coffee, tea, cork and wood manufactures, pineapples, cashews, spices, other food crops, rubber. **Industry Types**--mining, lumber, light manufacturing, fishing, aluminum, tourism. **Trade (2006): Exports**--\$3.9 billion: cocoa (\$1.26 billion), gold, timber, diamonds, manganese. **Imports**--\$6.8 billion: petroleum (\$1.3 billion), food, industrial raw materials, machinery, equipment. **Major trade partners**--Nigeria, China, U.S., U.K., Germany, Togo, France, Netherlands, Spain.

U.S. - GHANAIAN RELATIONS

The United States is among Ghana's principal trading partners. The Office of the President of Ghana worked closely with the U.S. Embassy in Accra to establish an American Chamber of Commerce to continue to develop closer economic ties in the private sector. The discovery of major oil reserves in deep water in the Gulf of Guinea has led numerous American petroleum exploration firms to enter the Ghanaian market, and many other firms involved in oil and gas auxiliary services express an interest in starting operations in the country. Mining companies and agri-businesses from the U.S. increased their investments in Ghana recently.

Political stability, overall sound economic management, a low crime rate, competitive wages, and an educated, English-speaking workforce have increased Ghana's potential to serve as a West African hub for American businesses. The United States has enjoyed good relations with Ghana at a nonofficial, personal level since Ghana's independence. Thousands of Ghanaians have been educated in the United States. Close relations are maintained between educational and scientific institutions, and cultural links, particularly between Ghanaians and African-Americans, are strong.

MIAMI-DADE COUNTY - GHANAIAN RELATIONS

Trade between Miami-Dade County and Ghana amounted to \$6.4 million in 2008. Ghana is South Florida's 118th trade partner. The Ghanaian - American Chamber of Commerce and the Ghanaian Association of South Florida are very active organizations in South Florida. They continue to explore ways to foster trade and cultural linkages between Ghana and South Florida.



President John Atta Mills



Map and flag of Ghana

GHANA: MARKET OVERVIEW

The Ghanaian economy has shown steady growth for the past five years. Although growth in GDP has been sustained through 2007, continued growth is threatened by serious challenges in the energy sector, including the rising world market crude oil prices and higher costs in generating electric power to meet increasing demand. For 2007, total exports from Ghana were \$4.19 billion while imports were \$8.07 billion showing a trade deficit of USD 3.88 billion. The mainstay of the economy is the Agricultural sector contributing 35.8 percent of GDP in 2006 and 34.7 percent in 2007.

The reported discovery of crude oil in significant quantities by Kosmos Energy, a U.S. oil company is further expected to boost the economy of Ghana. Ghana is a member of the WTO, and presently has a policy of enlarging its global trade market. The Ministry of Trade and Industry and the President Special Initiatives administers the Ghana Trade and Investment Gateway Program. The program seeks to promote Foreign Direct Investment and establish Ghana as a major manufacturing, value added, financial and commercial center.

Based on 2006 statistics from the Ministry of Trade, South Africa (\$1.1 billion) emerged as Ghana's largest trading partner (likely due to a large volume of gold being exported to South Africa for processing), followed by the UK (\$621 million), the Netherlands (\$595.3 million), China (\$542.8 million), Nigeria (\$541 million) (primarily crude imports), and the U.S. (\$455.9 million). U.S. statistics show bi-lateral U.S. – Ghana trade at \$481.7 million. The U.S. was the fourth leading exporter to Ghana with an export value of \$349.5 million in 2006 trailing behind China (\$504.1 million), (it is widely believed that the actual value of Chinese imports into Ghana is significantly higher), U.K (\$476 million) and Nigeria (\$471.6 million).

Market Strategy, Opportunities and Challenges

Traditional challenges to market entry for U.S. exporters include: Limited Ghanaian purchasing power (low disposable income); Complex land tenure system; Diminished U.S. interest due to the relatively small market size; limited and costly financing resources for U.S. exporters and Ghanaian buyers; more favorable credit terms offered by European suppliers to local importers; high cost of local credit for importers; high inflation rate; Inadequate business infrastructure, particularly in the telecommunications and road sectors; and, inadequate supply of electrical power and bureaucratic hurdles. Inadequate infrastructure and power supply is an impediment to domestic productivity and discourages foreign direct investment.

In 2007, the mining sector grew by 30 percent. This massive growth was attributed to gold and bauxite output. Revenue from mining increased from \$798 million in 2004 to \$995.2 million in 2005 and has currently reached \$1.3 billion for the first three quarters of 2007. Ghana is the largest gold producer in West Africa and gold production is the biggest source of Foreign Direct Investment in the country. Gold is a leading foreign exchange earner for the country. The export of Gold from Ghana is heavily regulated, and the U.S. Embassy has been receiving an increasing number of complaints by U.S. citizens who fall victim to fraudulent offers to purchase Gold from Ghana. U.S. Citizens are encouraged to contact the Embassy prior to commencing any deal with Ghana, which involves the purchase of gold. Cocoa production reached 614,469 metric tons of cocoa in 2007.

The rapid growth in Ghana's telecommunications sector continues to offer good opportunities for service and equipment providers. The government, in December 2007 divested 75 percent interest in the state owned telecommunications company Westel to Kuwaiti owned Celtel International. There are numerous investment opportunities in the construction sector, including roads, highways and bridges, coastal works, and residential accommodation. Ghana has a housing shortage of 500,000 units and there is a renewed interest in the provision of affordable housing in the country.

There are no laws requiring the retention of a local agent or distributor for a foreign company exporting to Ghana. However, American companies wishing to enter the Ghanaian market should strongly consider retaining a businessperson or persons resident in Ghana to market their products. An agent or distributor should possess a thorough understanding of the economy. If the exported product requires servicing, qualified personnel and a reasonable inventory of spare parts must be considered. Exporters should be aware that agents and distributors commonly represent several different product lines.

RWANDA: COUNTRY PROFILE

PRESIDENT

Paul Kagame

U.S. EMBASSY IN KIGALI

Ambassador W. Stuart Symington

CAPITAL CITY

Kigali

OTHER MAJOR CITIES

Gitarama, Butare, Ruhengeri, and Gisenyi.

POPULATION

10.2 million (2008 estimate)

CURRENCY

Rwandan Francs (RWF)

OFFICIAL LANGUAGES

English and French (Local dialect: Kinyarwanda)

GDP [2008]: \$3.4 billion

GDP PER CAPITA [2008] \$360

NATURAL RESOURCES

Coffee, tea, pyrethrum, bananas, beans, sorghum, potatoes, livestock.

Industry Types--cement, agricultural products, beer production, soft drinks, soap, furniture, shoes, plastic goods, textiles, cigarettes, pharmaceuticals. **Trade** (2007 est.): **Exports** \$145 million: tea, coffee, coltan, cassiterite, hides, iron ore, and tin. **Major markets**-China, Belgium, and Germany. **Imports** (2007 est.)--\$488 million: foodstuffs, machinery and equipment, steel, petroleum products, cement, and construction material. **Major suppliers**-Kenya, Germany, Belgium, France, Uganda, and Israel.

U.S. - RWANDAN RELATIONS

U.S. Government interests have shifted significantly since the 1994 genocide from a strictly humanitarian concern focusing on stability and security to a strong partnership with the Government of Rwanda focusing on sustainable development. The largest U.S. Government programs are the President's Emergency Plan for AIDS Relief (PEPFAR) and the President's Malaria Initiative, which aim to reduce the impact of these debilitating diseases in Rwanda. Other activities promote rural economic growth and support good governance and decentralization. Overall U.S. foreign assistance to Rwanda has increased four-fold over the past four years.

American business interests have been small; currently, private U.S. investment is limited to the tea industry, franchising (FedEx, Coca-Cola, Western Union, and Moneygram) and small holdings in service and manufacturing concerns. Annual U.S. exports to Rwanda, under \$10 million annually from 1990-93, exceeded \$40 million in 1994 and 1995. Although exports decreased in the years immediately after the genocide, in 2007 they were estimated at approximately \$17 million, a 20% increase over 2006.

MIAMI-DADE COUNTY - RWANDAN RELATIONS

Trade between South Florida and Rwanda was valued at \$955,755 in 2008. Rwanda is South Florida's 167th trade partner. The Rwandan-American Chamber of Commerce of Florida is very active in pursuing bilateral trade partnerships between Miami-Dade County and Rwanda.



President Paul Kagame



Map and flag of Rwanda

RWANDA: MARKET OVERVIEW

Rwanda has a small market with a population of just under ten million people and a total GDP of approximately \$4 billion. Economic growth was 8.5 percent in 2008, and is projected to continue growing between 5 and 7.5 percent annually for the next three years. The economy is overwhelmingly rural and heavily dependent on agriculture. Eighty percent of the population is involved in subsistence farming and agricultural products comprise 32 percent of total GDP. In 2008, minerals were Rwanda's the leading export generating USD 93 million, an increase of USD 22 million compared to 2007. Coffee and tea generated \$90 million in 2008 export earnings. Europe and the United States were the major markets for coffee exports and tea exports were mainly directed to Pakistan. Tourism is the country's leading foreign exchange earner with total revenues of USD 214 million in 2008 compared to USD 138 million in 2007.

Belgium is Rwanda's major European trading partner. The U.S. has emerged as a growing consumer of Rwandan specialty coffee. Rwanda's small industrial sector comprises 16 percent of GDP and employs less than 3 percent of the active population. The sector is expected to grow between 7 and 14 percent annually during the next three years. The services sector comprises 48 percent of GDP and has been growing at an average annual rate of 9.3 percent. Rwanda is highly dependent on imports that mainly come from Europe, China, India, Kenya and Uganda. Imports from the U.S. in 2008 were USD 16 million and included used clothes, drugs and chemicals, ICT and telecommunication equipment, cooking oil and wheat.

Market Strategy, Opportunities & Challenges

In 2007, Rwanda joined the East African Community (EAC) which has a combined population of over 120 million. It is also a member of the Common Market for Eastern and Southern Africa (COMESA) with a total population of 406 million. Products from COMESA countries are exempted from customs taxes under certain conditions.

Purchasing power in Rwanda is low because of high poverty levels and per capita income is USD 370, among the lowest in the world. Rwanda lacks a strong middle class and a vibrant entrepreneurial sector. The Government reports unemployment at 35 percent and underemployment at an estimated 60 percent.

There are fewer than 20 businesses in the entire country that employ 500 or more people. Rwanda is a landlocked country and transportation costs for imports/exports are among the highest in the world. Energy costs at \$0.24 per K/hr are high by regional and world standards. The skill base is low, but rising.

The construction sector is booming, especially in Kigali. Rwanda has large reserves of commercially viable methane gas in Lake Kivu. There is opportunity for commercial development. Methane gas has a range of byproducts including calcium carbide, methanol, fertilizers and heating gas. The country's energy demand far outweighs its supply. The Government is encouraging development of energy systems, particularly systems powered by alternative fuel sources such as methane, solar, geothermal, peat and hydro power.

Tourism is projected to grow at 9 percent annually for the next three years. Rwanda views itself as a regional leader in ICT and encourages investment the sector. Since privatization in 2007, the mining sector has expanded rapidly and offers opportunities in exploration, extraction and processing.

The Rwanda Development Board (RDB) a government institution, is charged with promoting investment and facilitating market entry for investors and can often be a good place to start when considering establishing a business in Rwanda. RDB offers a range of services to potential investors including assistance to acquire licenses, certificates, approvals, authorizations and permits required by law to set up and operate a business enterprise in the Rwanda.

Visiting Rwanda is critical when considering entering into business arrangements. Therefore, U.S. firms interested in the trade and business opportunities in Rwanda should meet with representatives of the U.S. Embassy Commercial Section to obtain the latest information and market developments.

SENEGAL: COUNTRY PROFILE

PRESIDENT

Abdoulaye Wade (2000)

U.S. EMBASSY IN DAKAR

Ambassador Marcia S. Bernicat

CAPITAL CITY

Dakar

OTHER MAJOR CITIES

Diourbel, Kaolack, Kolda, Louga, Rufisque, Saint-Louis, Thies

POPULATION

12.8 million (2008 estimate)

CURRENCY: Francs (CFA)

OFFICIAL LANGUAGES

French

GDP [2007]: \$13.9 billion **GDP PER CAPITA [2008]** \$1,800

NATURAL RESOURCES

Fish, peanuts, phosphate, iron ore, gold, titanium, oil and gas, cotton. Primary sector: **Products**--peanuts, millet, sorghum, manioc, rice, cotton, vegetables and flowers, fruit. **Trade (2007): Exports**--\$1.407 billion (fish products, peanut products, phosphate products). **Major markets**--France, other European Union, West African CFA zone. **Imports**--\$3.040 billion (food, consumer goods, petroleum, machinery, transport equipment, petroleum products, computer equipment). **Major suppliers**--France, Nigeria, Cameroon, United States.

U.S. - SENEGALESE RELATIONS

Senegal enjoys an excellent relationship with the United States. The U.S. maintains friendly relations with Senegal and provides considerable economic and technical assistance. About 300 Senegalese students come to the United States each year for study. President Diouf paid his first official visit to Washington, DC, in August 1983 and traveled several times to the U.S. thereafter. Senegal was President George W. Bush's first stop in his July 2003 visit to Africa.

Senegal hosted the Second African-African American Summit in 1995. First Lady Hillary Rodham Clinton began her trip to Africa in March 1997 with a visit to Senegal, and President Bill Clinton visited Senegal in 1998. Foreign Minister Gadio met Secretary of State Colin Powell in September and November 2001. On July 20, 2005, Secretary Rice attended the fourth annual African Growth and Opportunity Act (AGOA) Forum held in Dakar, Senegal. In June 2007, First Lady Laura Bush made Senegal her first stop during a four country Africa tour in support of the President's Malaria Initiative (PMI) and the President Emergency Plan for AIDS Relief (PEPFAR).

MIAMI-DADE COUNTY - SENEGALESE RELATIONS

The Port of Miami and the Port of Dakar signed a Sister Seaport Agreement in 1999. The Mayor of Miami-Dade County and the Mayor of the City of Dakar have both indicated their intention to establish a Sister City partnership between the two communities and on July 1, 2008, the Board of County Commissioners approved Resolution # 779-08 recommending that Miami-Dade County and Dakar enter into a Sister City affiliation. Total bilateral trade between South Florida and Senegal amounted to \$1.8 million in 2008.



President Abdoulaye Wade



Embassy
Other post

Map and flag of the Republic of Senegal

SENEGAL: MARKET OVERVIEW

Dakar, Senegal's capital city has become the transportation hub of West Africa, with some of the best transportation, telecommunications and communication infrastructure in the region. With the recent arrival of Delta Airlines and South African Airways, there are currently three daily flights between the U.S., Senegal, and South Africa. The Port of Dakar is the first major port-of-call from Europe and is well served by major shipping lines. Many companies use Senegal as a regional center for their West Africa operations. With continued instability in Cote d'Ivoire, there has been some relocation of regional operations from Abidjan to Dakar over the past six years. Senegal is one of Africa's most politically and economically stable countries in Africa and since gaining independence from France in 1960, Senegal has been a functioning democracy.

The Senegalese are generally well disposed towards Americans, and actively seek U.S. trade and investment. In the past, the country's historic ties to France and its relatively small domestic market have limited U.S. commercial relationships here, but that is changing, albeit slowly. U.S. investment in Senegal increased significantly in the late 1990s but has slowed since then. In 2006, U.S. exports to Senegal decreased significantly compared to 2005. They were \$ 96.9 million, down from \$158 million in 2005. In 2007, U.S. exports to Senegal were boosted again when they totaled \$139.1 million. France, nonetheless, remains Senegal's largest trading partner, supplying approximately 16 percent of Senegal's import needs. Other trading partners are Dubai, Morocco, Nigeria, China, Brazil and Thailand. In 2006, Senegal exports to the U.S. soared to \$20 million, compared to 4 million in 2004, perhaps due in large part to the fact that Senegal is eligible for benefits under the African Growth and Opportunity Act (AGOA) passed by Congress in 2000.

Despite Senegal's openness to the rest of the world, French influence remains strong. Senegal's commercial climate is challenging for U.S. companies accustomed to a business environment where the driving forces remain fair competition, transparent rules and a level playing field. In Senegal, there is a continually perceived lack of transparency in the allocation of public contracts. This is particularly the case in the fast-expanding construction sector where allegations of corruption have motivated aggressive inquiries from the press, civil society and opposition parties. The judicial system is time consuming and expensive. Senegal's bureaucracy remains significantly burdensome.

Market Strategy, Opportunities & Challenges

U.S. companies interested in this market should have a regional strategy and consider Dakar as a hub for the West African region. Although Senegal's domestic market is relatively small, its increasing openness to foreign trade and investment and market forces means that opportunities for U.S. companies are increasing. Senegal remains an excellent choice for companies interested in doing business with other countries in the region.

The top ten sectors offering potential for U.S. companies are telecommunications, power generation systems, construction equipment, medical equipment, wastewater treatment technology, agricultural commodities, computers and peripherals, used clothing and cosmetics. Key business and investment opportunities include power generation, travel, tourism and transport, infrastructure projects (airport, port and road) and waste water treatment. The largest major projects in Senegal remain the construction of a new airport in Diass, about 45 kilometers outside Dakar, to replace the existing Leopold Sedar Senghor airport . The new *Aéroport International Blaise Diagne* will make Senegal a major sub-regional hub with the latest technology in airport safety and security.

The specific type of representation that a U.S. firm establishes in Senegal must be tailored to fit the individual requirements of the product and its potential market. U.S. firms may employ the services of an agent, appoint a distributor or dealer, and/or establish a direct sales branch or subsidiary. Preferably, the agent or the distributor should be a local business/firm, fluent in French and aware of Senegal's business practices. If the product requires some servicing, the U.S. exporter should make available a reasonable inventory of spare parts to his agent or distributor. U.S. companies also should provide brochures and marketing literature in French. After-sales support and service are critical for sophisticated and heavy industrial equipment such as telecommunications products, industrial machinery, computer hardware and photocopiers. Product recalls are virtually unknown in Senegal.

There is no substitute for face-to-face contacts and once the decision to open a business in Senegal is made, the U.S. businessperson will require legal counsel and a *notaire* (notary) for all the legal formalities associated with the incorporation of a company. The U.S. Embassy has a list of lawyers and notaries. It is advisable that U.S. firms approach firms specializing in financial and tax advisory services. Well-qualified representatives of major U.S. and international auditing and business consulting firms are located in Senegal. Translators (French/English) should be given strong consideration.

SIERRA LEONE: COUNTRY PROFILE

PRESIDENT

Ernest Bai Koroma



President Ernest B. Koroma

U.S. EMBASSY IN FREETOWN

Ambassador June Carter Perry

CAPITAL

Freetown

OTHER MAJOR CITIES

Bo, Kenema, and Makeni

POPULATION

6.1 million (2007 estimate)

CURRENCY

Leones (SLL)

OFFICIAL LANGUAGE

English

GDP [2006 est.]: \$1.22 billion

NATURAL RESOURCES

Diamonds, rutile, bauxite, gold, iron ore, ilmenorutile, platinum, chromite, manganese, cassiterite, molybdenite, as well as forests, abundant fresh water, and rich offshore fishing grounds.

Products--coffee, cocoa, ginger, palm kernels, cassava, bananas, citrus, peanuts, cashews, plantains, rice, sweet potatoes, vegetables.

INDUSTRY

Types--diamonds, bauxite, and rutile mining; forestry; fishing; beverages; cigarettes; flour; cement and other construction goods; plastics; tourism. **Trade** (Oct. 2004-Oct. 2005): **Exports**--\$158 million: rutile, diamonds, bauxite, coffee, cocoa, fishes. **Major destinations of exports**--Belgium, Germany, U.S., and India. **Imports**--\$330 million: foodstuffs, machinery and equipment, fuel and lubricants, chemicals, pharmaceuticals, building materials, light consumer goods, used clothing, textiles. **Main origins of imports**--Germany, Cote d'Ivoire (fuel), U.K., U.S., China (manufactured goods).

U.S. - SIERRA LEONE RELATIONS

U.S. relations with Sierra Leone began with missionary activities in the 19th century. In 1959, the U.S. opened a consulate in Freetown and elevated it to embassy status when Sierra Leone became independent in 1961. U.S.-Sierra Leone relations today are cordial, with ethnic ties between groups in the two countries receiving increasing historical interest. Many thousands of Sierra Leoneans reside in the United States. In fiscal year 2006, total U.S. bilateral aid to Sierra Leone in all categories was \$29.538 million. U.S. assistance focused on the consolidation of peace, democracy and human rights, health education, particularly combating HIV/AIDS, and human resources development.

MIAMI-DADE COUNTY - SIERRA LEONE RELATIONS

In January 2008, Honorable Samuel Sam-Samuna, Vice President of the Republic of Sierra Leone and his entourage visited Miami-Dade County. During the visit they met with elected officials of Miami-Dade County and also with officials of the Port of Miami to explore partnership between the Port of Freetown and Port of Miami. Sierra Leone is South Florida's 140th trade partner with bilateral trade valued at \$2.6 million, in 2008.



Map and flag of Sierra Leone

SIERRA LEONE: MARKET OVERVIEW

Sierra Leone, rich in mineral, agriculture and fisheries resources, is an extremely poor African nation, with tremendous inequality in income distribution. Since its independence from the British in 1961, it has had a steady downward economic trend. Destruction from the eleven-year war (1991-2002) combined with decades of pre-war economic mismanagement left the country in total ruin. There has been a concerted effort by the international donor community to rebuild Sierra Leone's devastated infrastructure and improve democratic governance, and these efforts are starting to bear fruit. In 2005, Sierra Leone moved up one spot on the UN Human Development Index, the first time it had not been ranked last since 1998. In 2004, Sierra Leone held its first local government elections in 32 years.

Two-thirds of Sierra Leone's population engages in agriculture, which is still mostly subsistence, and the bulk of Sierra Leone's economic activity is in the informal sector (petty trading, informal manufacturers and black market). Approximately two-thirds of government revenue is derived from customs (mostly import) taxes. Sierra Leone is highly dependent on foreign assistance, and major donors include the United Kingdom, the European Union, and multilateral lending agencies. Sierra Leone's primary exports have traditionally been in the mining sector, which has at times hindered the country's development. The country's rich alluvial diamond fields have always been poorly controlled, which led to high levels of smuggling. The diamond fields also served as a source of revenue for rebel forces that fuelled the country's civil war.

As a way of encouraging investors, the government for the first time in Sierra Leone's history promulgated a law that will guide investment in the country. The Investment Promotion Act of 2004 establishes the Sierra Leone Export Development and Investment Corporation (SLEDIC) as the central point for registration and promotion of businesses. The Act sets up SLEDIC as the focal point for business development. It is responsible for providing information to potential investors, facilitating business registration, assisting investors in obtaining permits and identifying joint venture partners. SLEDIC also has an export development division that promotes and facilitates export industries (primarily agriculture).

Market Strategy, Opportunities & Challenges

Sierra Leone's economic, physical and social infrastructure has improved since the end of the war, but is still poorly developed. There is little manufacturing capacity - manufacturing consists mainly of the processing of raw materials and of light manufacturing for the domestic market. Although some of the nation's best human capital has returned to the country, many remain abroad. Many government institutions still lack capacity and continue to be plagued by corruption and an aversion to transparency. Rural Development: High priority is given to investments that make major contributions to increasing agricultural production through investments in irrigation or introduction of new crops or technologies that improve small farmer output.

Non-agricultural sectors with the best prospects for U.S. exports in the short and medium term include the following: Consumer goods (i.e. foodstuffs and provisions); Technological inputs to add value to gold and diamonds (e.g. machinery for cutting, polishing and making jewelry from raw materials); energy sector in terms of independent energy/power providers; oil exploration and exploitation, and petroleum products; marine resources in terms of development of industrial fishing fleets that conform to international handling and equipment sanitation standards; Telecommunications equipment and services; transportation; pharmaceuticals and medical equipment; engineering (civil, electrical and mechanical); garbage collection, disposal, recycling; and tourism.

Generally speaking, the best way to enter the Sierra Leone market is to partner with knowledgeable local representatives. It is advisable to travel to Sierra Leone in person to meet relevant contacts, including Sierra Leone government officials, to better understand the business environment and to ensure success.

SOUTH AFRICA: COUNTRY PROFILE

PRESIDENT

Kgalema Petrus Motlanthe (2008)

U.S. EMBASSY IN PRETORIA

Chargé d'Affairs - Helen La Lime

U.S. Consulates: Johannesburg, Cape Town and Durban.

CAPITALS

Administrative, Pretoria; **Legislative**, Cape Town; **Judicial**, Bloemfontein.

OTHER MAJOR CITIES

Johannesburg, Port Elizabeth, Durban.

POPULATION

48 million (2007 estimate)

CURRENCY

Rand (ZAR)

OFFICIAL LANGUAGES

Afrikaans, English, isiNdebele, isiXhosa, isiZulu, Sepedi, Sesotho, Setswana, siSwati, Tshivenda, and Xitsonga.

GDP [2007]: \$283 billion

GDP PER CAPITA [2007] \$5,900

NATURAL RESOURCES

Almost all essential commodities, except petroleum products and bauxite are found in South Africa. It is the only country in the world that manufactures fuel from coal. South Africa is also the world's largest producer of platinum, gold, and chromium; also significant coal production.

INDUSTRY

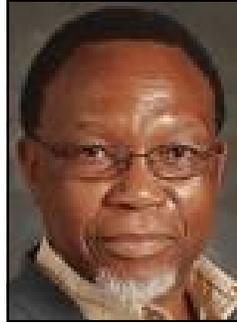
Minerals, mining, motor vehicles and parts, machinery, textiles, chemicals, fertilizer, information technology, electronics, and agro-processing. **Trade (2007): Exports--**\$69.7 billion; merchandise exports: gold, other minerals and metals, agricultural products, motor vehicles and parts. **Major Export markets--**U.S., Japan, Germany, U.K., East Asia, Sub-Saharan Africa. **Imports--**\$79.7 billion: machinery, transport equipment, chemicals, petroleum products, textiles, and scientific instruments. **Major suppliers--**Germany, China, U.S., Japan, U.K.

U.S. - SOUTH AFRICA RELATIONS

From the 1970s through the early 1990s, U.S.-South Africa relations were severely affected by South Africa's racial policies. However, since the abolition of apartheid and democratic elections of April 1994, the U.S. has enjoyed an excellent bilateral relationship with South Africa. Bilateral cooperation in counter-terrorism, fighting HIV/AIDS, and military relations has been particularly positive. U.S.-South African economic and trade relations are strong. Through the U.S. Agency for International Development, the United States also provides assistance to South Africa to help it meet its development goals. Peace Corps volunteers began working in South Africa in 1997.

MIAMI-DADE COUNTY - SOUTH AFRICA TRADE RELATIONS

ITC organized a Business Development Mission to South Africa in April 2007. The South African Department of Trade & Investment (DTI) and the Gauteng Legislature (Office of the Speaker) conducted reciprocal missions to Miami-Dade County in June, 2008. The Council of the City of Cape Town, and Board of County Commission Miami-Dade County (Resolution #830-07), have approved a Sister City partnership for both communities. Dante B. Fascell Port of Miami-Dade signed a International Sister Seaports Agreement with the Port of Durban and with the Port of Cape Town in February 2005. Total bilateral trade between South Florida and South Africa was valued at \$146 million (2008).



President Kgalema Motlanthe



Embassy
Other post

Map & Flag of the Republic of South Africa

SOUTH AFRICA: MARKET OVERVIEW

South Africa is a logical and attractive choice for U.S. companies to enter the African continent. It is the most advanced, broad-based and productive economy in Africa, and a real growth rate of approximately 5 percent. The South African economy is characterized by standards similar to those found in developed countries. Its service sector is well established and growing and the economy is increasingly well managed with slow but steady industrial productivity gains. It has a well-developed physical infrastructure that is comparable to Western standards. It boasts a sophisticated financial sector with well-developed financial institutions and a stock exchange (the JSE) that ranks among the top exchanges in the world.

South Africa is a vast country and it is the world's largest producer of gold, platinum, vanadium, chromium and manganese. The United States is the third largest source of South African imports (9.4%), after Germany (17.1%), and China (10.2%), and it is followed by Japan (8.5%), Saudi Arabia (6.6%), U.K. (6.6%), and France (5.2%). U.S. exports rose 14 % in 2006. In the first ten months of 2007, U.S. exports climbed another 25 % compared to the same period in 2006. The United States is the largest portfolio investor in South Africa and the second largest source of foreign direct investment (FDI) in South Africa, after the U.K. (Total U.S. FDI is \$5 billion with total FDI in South Africa at the end of 2005 amounting to \$ 76.9 billion.

With the passage of the African Growth and Opportunity Act (AGOA) – providing duty-free access to the U.S. market for all African countries - there has been an increase in bilateral trade between the United States and South Africa. Thirteen years after the watershed 1994 democratic elections, South Africa continues to maintain a stable political environment. This underpins the government's market-oriented economic policies and its steady progress towards restructuring state assets and introducing competition for state-owned enterprises.

Market Strategy, Opportunities & Challenges

U.S. firms entering this market must contend with a typically mature market with well established, mainly European competition. A trade agreement with the European Union enables many European products to enter South Africa duty free and at lower rates than U.S. products. It is a very competitive market. Newly formed Broad-Based Black Economic Empowerment (BEE) policies on redressing economic imbalances amongst historically disadvantaged communities require consideration by all firms planning to do business with the South African government – and increasingly, with the general business community also. Although unemployment remains high, skilled labor may be difficult to find in certain sectors. U.S. firms should be aware that crime against business is a concern and should be addressed in market planning. High telecommunications costs and high security costs do add to the cost of doing business in South Africa.

Opportunities for U.S. exporters and investors in South Africa reflect the growth of its consumer base and its efforts to upgrade and develop its infrastructure to match and further fuel its economic growth. Factors benefiting U.S. exporters include: A stable currency that has recovered since the crash in 2001; U.S. branded goods continue to gain market share; the awarding to South Africa of the 2010 FIFA World Cup Soccer championship has resulted in over \$2 billion in improvements and investment in sporting facilities and other infrastructure. In general, the best prospects for exports are in capital goods, though opportunity exists in a wide range of consumer products and services as well.

Because the South African market is sophisticated, entry should be well planned and should take into consideration the following factors:

- The skewed demographic income distribution pattern, where ten percent of the population earns 45 percent of national income.
- The price sensitive nature of the majority of consumer demand.
- Distribution issues given that the large retail centers are spread over only five metropolitan regions.
- The entrenched bias of a conservative market that sticks to known suppliers and therefore requires sustained market development.
- South Africa's position as the pre-eminent stepping-stone for developing most sectors in sub-Saharan Africa: the marketing mix should anticipate this medium-term option.

Florida-based companies interested in trade and business opportunities in South Africa may contact the office of Enterprise Florida Inc., in Johannesburg for advice and assistance.

SOURCES

This report contains information, statistics and language from the following organizations:

African Union

www.africa-union.org

CIA - The World Fact Book

www.cia.gov/factbook

U.S. Commercial Service - Country Commercial Guides

www.buyusainfo.net/docs

U.S. Department of State

www.state.gov

World Bank - Doing Business 2009

www.doingbusiness.org/Documents/FullReport/2009/DB_2009_English.pdf

WorldCity: 2008 Miami Trade Numbers

www.Worldcityweb.com; www.ustradenumbers.com

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