

AFRICA RISK CONSULTING

Senegal Monthly Briefing April 2022

Senegal Summary 22 April 2022

Aviation fuel handling company Société de manutention de carburants aviation (Smcady) informs the Aéroport international Blaise-Diagne (AIBD.SA) that it will be unable to refuel aircraft from 20 April because of the unavailability of kerosene fuel. The World Bank's bi-annual Africa's Pulse report projects that Senegal's growth will slow to 4.4% in 2022 from 6.1% in 2021. Senegal abstains from voting on the resolution presented on 8 April to suspend Russia from the United Nations (UN) Human Rights Council, maintaining a neutral stance on the Russia-Ukraine conflict. Parliament reverses an amendment to increase the number of deputies in the national assembly from 165 to 172 after the July legislative elections.

Kerosene shortage creates disruptions ...

The conflict in **Ukraine** is affecting supplies of kerosene fuel in **Senegal** and will potentially affect operations at the international airport in the capital, **Dakar**. Aviation fuel handling company **Société de manutention de carburants aviation (Smcady)** informed the director-general of the **Aéroport international Blaise-Diagne (AIBD)** on 15 April that the unavailability of kerosene will leave the airport unable to refuel planes from 20 April.¹ Supply disruptions are expected to continue for at least two weeks.² Since the announcement of the shortage, **Brussels Airlines, Air France** and **Luxair** have cancelled flights.³

AIBD authorities announced on 15 April that they have taken "*all useful and necessary measures*" and deployed emergency solutions to deal with the kerosene supply difficulties.⁴ Airport management has requested that air operators make arrangements to ensure they have the necessary amount of fuel needed for their return flights, as they will not be able to refuel at the airport.⁵ Smcady is also facing criticism for not anticipating the supply disruptions and not managing stocks better to avoid the situation.⁶

The 23 airlines operating from AIBD are left with two options – either add an additional technical stop to refuel or take extra fuel onboard. Aviation expert **Didier Bréchemier** claims both options are expensive, while carrying fuel is not environmentally friendly:

*"Carrying fuel was widely used for a time: companies filled up where the fuel was the cheapest. This has been largely abandoned with the rise of climate concerns because it is ecological nonsense: planes loaded in this way burn more kerosene. In addition, this forces carriers to limit the number of passengers and luggage so as not to overload the aircraft."*⁷

The disruptions have raised questions about Senegal's stocks of fuel and diesel. Petroleum and energy minister **Sophie Gladima** has reassured citizens that while there may be a shortage, the country is not out of stock completely, "*the situation is very tense, but we are not at odds*".⁸ Refineries such as the **Société Africaine de Raffinage** in Senegal have focused on diesel production, rather than kerosene production, as diesel is more commonly used.⁹ Diesel stocks are reportedly tight amid increased

¹ Le Quotidien, 19 Apr 2022

² APS, 19 Apr 2022

³ Le Quotidien, 21 Apr 2022

⁴ APS, 18 Apr 2022

⁵ APS, 18 Apr 2022

⁶ Jeune Afrique, 19 Apr 2022

⁷ Jeune Afrique, 19 Apr 2022

⁸ APS, 19 Apr 2022

⁹ Dakar Actu, 20 Apr 2022

demand for fuel, while supply is below usual levels.¹⁰ Gladima announced on 21 April that both fuel and diesel are once again available in sufficient quantities.¹¹

AIBD and airline operators will be hoping that the supply disruptions only last two weeks. Longer disruptions will increase the risk of negative impacts on air traffic and the economy.¹²

...as World Bank projects slowed growth for Senegal ...

The emergence of new shocks in the global environment, including supply-chain difficulties, high levels of inflation and debt and global slowdown in economic activity amid the **Russia-Ukraine** conflict is likely to slow economic growth.¹³ The **World Bank**, in its bi-annual **Africa's Pulse** report, published on 13 April, projects that Senegal's growth will slow to 4.4% in 2022 from 6.1% in 2021.¹⁴ This projection echoes concerns that the **International Monetary Fund (IMF)** raised after a visit to Senegal from 9-15 March (*see ARC Briefing Senegal March 2022*).

The World Bank report repeatedly mentions Senegal's overreliance on Russia and Ukraine for certain imports. Official data indicates that Senegal was the second most reliant country in **sub-Saharan Africa** on Russia and Ukraine for imports between 2019 and 2020.¹⁵ The World Bank notes that while the war in Ukraine will affect other countries in the region only indirectly through rising commodity prices, Senegal imports some commodities from Russia and Ukraine, including essential commodities such as wheat and mineral fuel:

*"About 15 and 10 percent of Senegalese wheat and mineral fuel imports, respectively, came from Russia in 2020. Senegal depends on Russia for sulphur imports, which were estimated at 20 percent of its total import demand in 2020."*¹⁶

The IMF projected in December 2021 that Senegal's economic growth would reach 5% for 2022 (*see ARC Briefing Senegal Dec 2021*). Though the difference between the two economic projections is small, it is still too early for Senegal to have felt the full repercussions of the Russia-Ukraine conflict. Indeed, during the IMF visit in March, led by **Edward Gemayel**, he stated that in combination with the rising food and energy prices due to the conflict, regional insecurity and rising social demands ahead of the July elections, downside risks to growth are increasing.¹⁷

... as it continues walking a tight rope in Russia-Ukraine conflict

Senegal's dependence on Russia for some of its wheat and mineral fuel imports may partially explain its neutral stance on the Russia-Ukraine conflict. Senegal abstained on 8 April from voting on the resolution presented to suspend Russia from the **United Nations (UN) Human Rights Council**.¹⁸ Senegal's permanent representative to the UN, **Cheikh Niang**, stated that Senegal wished to wait for the conclusions of the investigations by the international commission of inquiry into allegations of human rights abuses before deciding.¹⁹ Senegal also abstained from voting in the 2 March resolution presented at the **UN General Assembly** for the withdrawal of Russian troops from Ukraine (*see ARC Briefing Senegal Mar 2022*). However, Senegal did vote in favour on 24 March of adopting the resolution titled "*Humanitarian consequences of the aggression against Ukraine*" presented at the **UN General Assembly**, aimed at protecting medical personnel and humanitarian personnel.²⁰

¹⁰ Dakar Actu, 20 Apr 2022

¹¹ APS, 21 Apr 2022

¹² APS, 19 Apr 2022

¹³ APS, 13 Apr 2022

¹⁴ Lejecos, 14 Apr 2022

¹⁵ Africa's Pulse, Apr 2022

¹⁶ Africa's Pulse, Apr 2022

¹⁷ imf.org, 18 Mar 2022

¹⁸ Le Quotidien, 8 Apr 2022

¹⁹ Le Quotidien, 8 Apr 2022

²⁰ un.org, 24 Mar 2022

Ukrainian president **Volodymyr Zelensky** (2019-present) and Senegal's President **Macky Sall** (2012-present), current chair of the **African Union (AU)**, had a telephone exchange on 11 April to discuss the impact of the war on the world economy and the need for dialogue in resolving the conflict.²¹ Sall's position as current AU chair has required him to maintain a moderate stance, in line with the AU values of mediation, dialogue and respect for sovereignty.²² Senegal is not considered to be strongly allied to Russia, but rather enjoys good relations with the West, particularly the **United States (US)**. The US assistant secretary of state for **African** affairs, **Akunna Cook**, conducted a visit to Senegal on behalf of the **US State Department** in April. Cook stated during a press release that:

*"Democracy and rule of law are also priority for the United States.... We intend to work with Senegal as well as other countries to find solutions to certain crises which call democracy into question."*²³

Cook was accompanied by the US ambassador to the AU, **Jessica Lapenn**, who stated that the US is looking for a *"strong African response to Russian aggression"*.²⁴ It appears that Sall is not giving in to the pressure he is facing from allies and is presenting a position in line with the expectations of the AU chair, however, as the conflict continues to draw out, he may be forced to take a stronger stance. Senegal's economy will be negatively impacted by the conflict and Sall will wish to be viewed in a positive light by citizens ahead of the legislative elections in July.²⁵

National Assembly backtracks on amendments to increase seats

Parliament has backtracked on an amendment to increase the number of deputies in the **Assemblée nationale** (national assembly) from 165 to 172 after the July legislative elections.²⁶ The national assembly passed the amendment on 5 April, but gathered again on 15 April to return the number of deputies to 165.²⁷ The original amendment was agreed upon to meet the needs of the new departments in the country by appointing additional deputies to represent departments that have historically been underrepresented or not represented at all. Senegal's 14 regions are subdivided into 46 departments.²⁸

During a meeting of the national assembly on 15 April, the ruling **Benno Bokk Yaakaar (BBY)** coalition proposed to repeal the agreed-upon amendment to *"avoid any controversy"*.²⁹ BBY member **Seydou Diouf** said the increase in the number of deputies does not *"seem to win the support of part of the political class"*.³⁰ It appears that BBY wishes to maintain a positive opinion amongst citizens ahead of the legislative elections.³¹

National assembly members also raised the financial implications of increasing the number of deputies. The budget for the national assembly currently sits at 17 billion FCFA (\$28m).³² While members of the opposition indicated that the increase in the number of seats should not impact the budget, this was not confirmed. The increase in the number of seats would have been the second since the election of President Sall.³³

²¹ Dakar Actu, 12 Apr 2022

²² Africatimes.com, 11 Apr 2022

²³ Le Quotidien, 1 Apr 2022

²⁴ Al Jazeera, 31 Mar 2022

²⁵ ARC Senegal analyst

²⁶ Le Quotidien, 6 Apr 2022

²⁷ Thiesinfo.com, 15 Apr 2022

²⁸ Jeune Afrique, 6 Apr 2022

²⁹ APS, 15 Apr 2022

³⁰ APS, 15 Apr 2022

³¹ ARC Senegal analyst

³² Jeune Afrique, 6 Apr 2022

³³ Seneplus.com, 15 Apr 2022

Planner

31 July 2022 **(Senegal)** Legislative elections;

2022 **(Senegal)** Sangomar offshore oil field: production of crude oil set to begin;

2023 **(Senegal)** Grand Tortue Ahmeyim (GTA) offshore gas field production of natural gas set to begin.

Chronology

20 Apr 2022 **Dakar (Senegal)** *Le Quotidien*. **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (PASTEUF)** member and activist **Guy Marius Sagna** announces his candidacy for the legislative elections;

19 Apr 2022 **Dakar (Senegal)** *Lejecos*. **United States** donates 99,450 **Covid-19** vaccine doses to Senegal;

19 Apr 2022 **Dakar (Senegal)** *Lejecos*. **Agence Nationale de la Statistique et de la démographie** (national statistics agency) announces a decline of 16.4% in exports and a decline of 29.1% in imports during February;

18 Apr 2022 **Dakar (Senegal)** *APS*. Authorities announce they have taken "*all useful and necessary measures*" and deployed emergency solutions to deal with the kerosene supply difficulties linked to the crisis in **Ukraine**;

17 Apr 2022 **Dakar (Senegal)** *APS*. Senegal and the **Islamic Development Bank** sign a financing agreement for €238m (\$256m) for the construction of the **Dakar-Tivaouane-Saint Louis** highway;

15 Apr 2022 **Dakar (Senegal)** *Sika Finance*. **International Fund for Agricultural Development** loans 11.36 billion FCFA (\$18m) to Senegal to boost agricultural production and gradually reduce dependence on food imports;

12 Apr 2022 **Dakar (Senegal)** *Le Soleil.sn*. The **World Bank** and Senegalese government sign agreements for four projects amounting to 298 billion FCFA (\$491m);

12 Apr 2022 **Dakar (Senegal)** *Le Quotidien*. The government invests 557 billion FCFA (\$918m) to help avoid price increases of products including sugar, flour and fuel;

11 Apr 2022 **Dakar (Senegal)** *Dakar Actu*. Consular judges of the **tribunal de commerce** (commercial court) are suspending hearings as of 12 April over non-payment of allowances since March 2018;

9 Apr 2022 **Dakar (Senegal)** *Lejecos*. **Argentina's** foreign affairs ministry foreign policy secretary of state **Claudio Rozencwaig** will make an official visit to Senegal on 11 and 12 April, the first since the re-opening of the Argentine embassy in 2021;

7 Apr 2022 **Dakar (Senegal)** *Le Quotidien*. Activist and journalist **Fadel Barro** announces his candidacy for the July legislative elections under the **Jammi Gox YI** coalition;

6 Apr 2022 **Dakar (Senegal)** *APS*. Conseil des ministres (council of ministers) adopts a modification of the electoral code ahead of the July legislative elections;

3 Apr 2022 **Dakar (Senegal)** *APA News*. President **Macky Sall** orders the continuation of military operations targeting bases of the rebel group **Salif Sadio**;

31 Mar 2022 **Dakar (Senegal)** *Lejecos*. **United States Agency for International Development (USAID)** announces the launch of a programme offering solutions for access to clean energy and electricity in Senegal;

30 Mar 2022 **Dakar (Senegal)** *Lejecos*. **La Société Nationale d'électricité du Sénégal** (national energy company of Senegal) announces plans to produce natural gas for electricity generation;

30 Mar 2022 **Dakar (Senegal)** *Le Quotidien*. **United Kingdom**-headquartered NGO **Amnesty International** releases its annual report in which it declares that there were attacks on the rights and freedoms of Senegalese citizens during 2021;

29 Mar 2022 **Dakar (Senegal)** *Lejecos*. **Agence Nationale de la Statistique et de la démographie (ANSD)** (national agency for statistics and demography) reports that unemployment increased by 7.8% in the fourth quarter of 2021, bringing total unemployment to 24.5%.

27 Mar 2022 **Dakar (Senegal)** *RFI*. The Senegalese Embassy in **Paris (France)** condemns remarks made by far-right French presidential candidate **Éric Zemmour** alleging that all drug traffickers resident in France were Senegalese;

26 Mar 2022 **Dakar (Senegal)** *Lejecos*. President **Macky Sall** inaugurates the 45.2 billion FCFA (\$75.7m) **Pont de Foundiougne**, construction of which began in February 2018 with funding from the **Export-Import Bank of China** and the Senegalese government, and which will serve as a shortcut to the **Casamance** region as well as the neighbouring **Republic of Gambia**;

24 Mar 2022 **Dakar (Senegal)** *Agence Ecofin*. The **International Finance Corporation (IFC)** and **Fonds Souverain d'Investissements Stratégiques (Fonsif)** (sovereign strategic investment fund) have signed an agreement to build 20,000 modern homes across Senegal over the next 8-10 years;

23 Mar 2022 **Dakar (Senegal)** *Agence Ecofin*. The **European Investment Bank (EIB)** and the **European Union (EU)** have announced funding of \$77.1m to improve access to drinking water in Senegal, consisting of a \$6.1m EU grant and a \$71m EIB loan to the Senegalese state;

23 Mar 2022 **Dakar (Senegal)** *International Finance Corporation*. The **Institut Pasteur** and **International Finance Corporation (IFC)** have signed a partnership to build a \$222m vaccine production factory in Senegal;

About Africa Risk Consulting:

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