

AFRICA RISK CONSULTING

Senegal Monthly Briefing November 2024

Senegal Summary 20 November 2024

*Senegal votes in legislative elections on 17 November, with the ruling **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (Pastef)** claiming victory as early as 18 November and official final results still pending. European Union (EU) ends its fishing agreement with Senegal after flagging it as a non-cooperating country. Partners in the Grand Tortue Ahmeyim (GTA) gas project confirm that the project will enter production by the end of the fourth quarter of 2024, with the first cargos to ship at the start of 2025.*

Pastef set to win legislative elections

Senegal voted in snap legislative elections on 17 November, with the ruling **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (Pastef)** claiming victory as early as 18 November and official final results still pending. President **Bassirou Diomaye Faye** (2024-present) dissolved the **Assemblée nationale** (national assembly) on 12 September and called the snap parliamentary election in a bid to unseat the opposition coalition, **Benno Bokk Yakaar (BBY)**, led by former president **Macky Sall's** (2012-2024) **Alliance pour la République (APR)**, which held 109 of the 165 seats (see *ARC Briefing Senegal Sep 2024*). In contrast, Pastef's 23 seats, boosted to 33 with its **Yewwi Askan Wi (YAW)** alliance, was unable to pass legislation. Pastef needs at least 83 seats to implement changes without a referendum.¹

The **Direction générale des élections (DGE)** (director general of elections) confirmed a list of 41 parties or coalitions to run in the election. Opposition coalitions campaign centred around not giving Pastef overwhelming power, an ironic move given that the former administration had the overwhelming majority of seats.²

It was expected that Pastef would win the majority in the national assembly as a reflection of Faye and prime minister **Ousmane Sonko's** popularity.³ It is also common for Senegalese to vote for their presidential choice during legislative elections. Sonko was the main candidate for Pastef and led most of the campaigning. Sonko was Pastef's candidate for the election, however, his candidacy was blocked when the Supreme Court on 4 January upheld opposition leader his suspended six-month sentence and 200m FCFA (\$332,134) fine in his defamation, insults and forgery case, initially heard in May 2023. The ruling meant he could not run and Pastef elected Faye as their back-up candidate.

Pastef claimed victory on the morning of 18 November, with most opposition candidates, including Sall, acknowledging their defeat.⁴ The provisional turnout was 49.72%, a slight increase from 47% in 2022. Notably, former prime minister **Amadou Ba**, who headed the **Jamm ak njariñ** coalition and came second in the presidential election under the BBY coalition, lost the seat he was contesting for in **HLM Grand Médine in Parcelles Assainies** commune in Dakar.

The final results are yet to be released but various media outlets in Senegal estimated that Pastef would achieve between 119 and 131 seats, a significant victory.⁵ On 18 November, former prime minister **Aminata Touré** described the results as a "*crushing, uncontested victory which marks the definitive end of a political era.*"⁶ Sall's new **Takku Wallu Senegal** was forecast to win only

¹ eNCA, 14 Nov 2024

² eNCA, 14 Nov 2024

³ ARC Briefing Senegal Oct 2024

⁴ Jeune Afrique, 18 Nov 2024

⁵ France24, 18 Nov 2024

⁶ France24, 18 Nov 2024

approximately 15 seats, an indication that Senegalese – whose median age is 19 years – are done with the ‘old guard’. Faye can now move forward with his reform programme, focused on reducing the cost of living, reforming the justice system, improving governance and creating jobs for youth and women.

EU fishing agreement expires

The **European Union (EU)** confirmed on 12 November that it will not renew its 2019 fishing agreement with Senegal after it identified Senegal as a non-cooperating country for failing to report illegal, unreported and unregulated fishing in May 2024.⁷ The EU initiated dialogue with Senegal over the issues identified, but no progress was made by the agreement’s expiration date of 16 November.⁸ Following the expiration, **European** vessels have had to leave Senegalese waters.

Under the agreement, EU boats were authorised to catch up to 10,000 tonnes of fish per year. In return, Senegal has received \$9.1m since 2019 in royalties paid by EU vessels.⁹ This financial contribution will now cease.

While there has been a financial benefit for Senegal, local fishermen criticised the agreement for causing a shortage of fish. The fishing sector employs, directly or indirectly, up to 600,000 Senegalese – close to 16% of the population – with approximately 50,000 fishing in traditional boats.¹⁰ The inclusion of EU vessels in Senegalese waters created competition; local fishermen have struggled to compete with EU trawlers, impacting their ability to sustain their livelihoods. Fish stocks have been depleting for the last decade or so due to overfishing.¹¹ While the EU has maintained that its vessels have never engaged in overfishing, the EU agreement emerged as an election topic that Faye included in his campaign, promising a review of the agreement.

The Senegalese government has not commented on the expiration of the agreement. The agreement could be perceived as more of a symbol of EU-Senegal ties than financially crucial – the fishing as a sector contributes approximately 3% to Senegal’s GDP, and in 2021, generated \$400m in value.¹² The EU royalties payment on a yearly basis represented less than 1% of the value.

GTA production date confirmed

Partners in the **Grand Tortue Ahmeyim (GTA)** gas project have confirmed that the project will enter production by the end of the fourth quarter of 2024, with the first shipments of liquefied natural gas (LNG) at the beginning of 2025. The project is owned by **United Kingdom (UK)**-headquartered **BP** (61%), **United States (US)**-headquartered **Kosmos Energy** (29%), Senegal’s state-owned **Petrosen** (10%) and **Mauritania**’s state-owned **Société Mauritanienne des Hydrocarbures et de Patrimoine Minier (SMHPM)**.

Kosmos Energy said in a financial update on 4 November that the GTA has progressed satisfactorily and that the first production of LNG is expected by the end of the fourth quarter of 2024.¹³ Deputy energy minister **Cheikh Niane** confirmed this on the sidelines of the **Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC)** held between 3 and 6 November.¹⁴ BP has withdrawn from **Yakaar-Teranga** gas project and Kosmos has confirmed it is looking for a new partner. Niane confirmed that the government is approaching other countries, including in the **Middle East**.¹⁵

⁷ RFI, 13 Nov 2024

⁸ Under Current News, 13 Nov 2024

⁹ eNCA, 12 Nov 2024

¹⁰ RFI, 13 Nov 2024

¹¹ AP News, 13 Nov 2024

¹² United States Department of Agriculture, 22 Nov 2022

¹³ Jeune Afrique, 6 Nov 2024

¹⁴ Bloomberg, 6 Nov 2024

¹⁵ Bloomberg, 6 Nov 2024

The GTA project is coming online as Faye's administration is conducting an audit of contracts that the previous administration awarded to companies such as BP, Kosmos and **Australia's Woodside Energy**, which is leading the **Sangomar** oil development. Niane confirmed that the audit will be completed next year, stating that the government wants to ensure that Senegal is getting the "best deal possible", which could mean boosting Petrosen's share of contracts from 10% to 20% or more.¹⁶

The production of oil and gas has been touted as an economic game changer for Senegal. With production at the **Sangomar** gas field and the GTA set to begin, the **International Monetary Fund (IMF)** forecasts that Senegal will achieve 10% economic growth in 2025.¹⁷ The GTA is expected to produce six million tonnes of LNG per year by 2028 and reach ten million tonnes by 2030. With three projects expected to be online by 2027, Senegalese will be expecting improved economic conditions, especially from Faye's administration.

Planner

1 Dec 2024 **Dakar (Senegal) France's President Emmanuel Macron** to visit Senegal
 Q4 2025 **(Senegal) Grand Tortue Ahmeyim (GTA)** offshore gas field production of natural gas set to begin;
 2027 **(Senegal) Yakaar-Teranga** gas project set to begin production;

Chronology

20 Nov 2024 **Dakar (Senegal) Le Quotidien**. Researcher and anti-corruption specialist **Saliou Diop** estimates that Senegal lost 118 billion FCFA (\$190.68m) to corruption between 2015 and 2016;
 19 Nov 2024 **Dakar (Senegal) Senego**. Trade statistics indicate exports increased by 85.2% in September to reach 422.7 billion FCFA (\$683.06m);
 18 Nov 2024 **Dakar (Senegal) Jeune Afrique**. The ruling **Patriotes africains du Sénégal pour le travail, l'éthique et la fraternité (Pastef)** claims victory in the legislative election with 90-95% of ballots counted;
 17 Nov 2024 **Dakar (Senegal) AP News**. Senegalese vote in parliamentary elections;
 13 Nov 2024 **Dakar (Senegal) RFI. European Union (EU)** announces it will not renew a fishing agreement with Senegal, citing Senegal's failure to act against illegal, unreported and unregulated fishing;
 13 Nov 2024 **Dakar (Senegal) Reuters. Madagascar-headquartered Axian Energy** announces that two solar power plants, with a combined 60MW capacity, will be built in **Casamance Region**;
 11 Nov 2024 **Dakar (Senegal) Bloomberg. Agence Française de Développement (AFD)** (French development agency) CEO **Remy Rioux** says Senegal will in coming weeks commit to a \$2.67 billion programme to reduce its reliance on fossil fuels;
 11 Nov 2024 **Dakar (Senegal) RFI**. Flooding destroys crops in north-eastern Senegal and displaces over 56,000 people;
 11 Nov 2024 **Dakar (Senegal) Reuters**. Senegal will reportedly have to wait until June 2025 for a resolution on its **International Monetary Fund (IMF)** programme following an audit that revealed larger debt and deficit figures, meaning Senegal misreported its information to the IMF initially;
 10 Nov 2024 **Dakar (Senegal) Jeune Afrique**. Dakar prosecutor's office delays the burial of former finance minister **Mamadou Ba** and calls for an investigation into his death;

¹⁶ Bloomberg, 6 Nov 2024

¹⁷ Jeune Afrique, 6 Nov 2024

10 Nov 2024 **Sekhoto (Senegal)** *APA News*. Senegalese army carries out an anti-illegal gold mining operation along the border with **Mali**;

6 Nov 2024 **Dakar (Senegal)** *APA News*. **Agence pour la Promotion des Investissements et des Grands Travaux (APIX)** (agency for the promotion of investments and major works) receives a high-level delegation from the **United States (US)**, led by assistant secretary of state for **African** affairs **Molly Phee**;

5 Nov 2024 **Dakar (Senegal)** *Reuters*. State-owned oil company **Petrosen** says it expects a final investment decision (FID) on the **Yakaar-Teranga** gas project in 2025, in which it is partnering with **United States**-headquartered **Kosmos Energy**;

4 Nov 2024 **Dakar (Senegal)** *Agence Ecofin*. **International Monetary Fund (IMF)** projects that Senegal's economic growth will reach 10.1% in 2025 driven by the oil and gas sector;

31 Oct 2024 **Dakar (Senegal)** *France24*. Prime minister **Ousmane Sonko**'s party, **Pastef**, says Sonko was unharmed in an attack on his convoy while campaigning in **Koungheul**;

31 Oct 2024 **Dakar (Senegal)** *Sika Finance*. President **Bassirou Diomaye Faye** arrives in **Ankara (Turkey)** for a two-day official visit which includes a meeting with President **Recep Tayyip Erdogan** and the signing of a deal covering cooperation in oil and gas exploration and trade;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com

Follow us on Twitter: @ARCBriefing

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)