

AFRICA RISK CONSULTING

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Senegal Summary 23 March 2022

Senegal's foreign affairs ministry condemns the call made by the Ukrainian Embassy in Dakar for Senegalese nationals to register as volunteers to fight for International Territorial Defense Legion of Ukraine in the conflict with Russia. The International Monetary Fund (IMF) expresses concern that the conflict could negatively impact Senegal's economic growth trajectory. The IMF has praised Senegal's Covid-19 economic recovery efforts and projects 9.5% economic growth for Senegal in 2023 and 10.3% in 2024. Senegal and Turkey sign five bilateral cooperation agreements during the two-day visit of Turkey's President Recep Tayyip Erdoğan (2003-present) to Senegal on 21-22 February. Senegal continues to see a fall in Covid-19 cases and deaths attributed to Covid-19.

Government condemns recruitment of Senegalese fighters for Ukraine conflict ...

The **Senegalese** foreign affairs ministry has condemned the call made by the **Ukrainian Embassy in Dakar** for Senegalese nationals to register as volunteers to fight in the ongoing conflict with **Russia**.¹ The Ukrainian Embassy posted an announcement on its **Facebook** page on 2 March, calling on willing nationals from Senegal, **Côte d'Ivoire**, **Guinea** and other **African** countries to join the **International Territorial Defense Legion of Ukraine**.² The post instructed potential candidates to provide their full names, email address, residential address and indicate if they had prior military experience.³ On 3 March, the foreign affairs ministry summoned Ukraine's ambassador to Senegal, **Yurii Pyvovarov**, who confirmed that 36 Senegalese had volunteered in response to the notice.⁴ The foreign affairs ministry issued a communique after the meeting with Pyvovarov, in which it stated that the recruitment of foreign fighters and mercenaries on Senegalese territory is illegal.⁵ The post was subsequently taken down.⁶

Senegal was one of 34 countries that abstained from voting in the 2 March resolution at the **United Nations (UN) General Assembly** for the withdrawal of Russian troops from Ukraine.⁷ Senegal cited its membership of the **Non-Aligned Movement** as justification for this stance.⁸ President **Macky Sall** (2012-present) expressed concern about the situation in Ukraine as well as the need to respect the principle of sovereignty.⁹ During an interview with **France-based Radio France Internationale (RFI)**, foreign affairs minister **Aïssata Tall Sall** reminded the public that Senegal had abstained during the 2014 UN vote following the Russian invasion of **Crimea**, so its current position was not new.¹⁰ The foreign minister also suggested that President Sall's current position as **African Union (AU)** chair obliged him to adopt a moderate stance that could enable him to act as a mediator.¹¹ Following a 9 March phone call with Russia's President **Vladimir Putin** (2000-2008; 2012-present),

¹ RFI, 4 Mar 2022

² Dakar Actu, 3 Mar 2022

³ RFI, 4 Mar 2022

⁴ Anadolu Agency, 4 Mar 2022

⁵ BBC, 4 Mar 2022

⁶ BBC, 4 Mar 2022

⁷ BBC, 4 Mar 2022

⁸ BBC, 4 Mar 2022

⁹ Le Monde, 4 Mar 2022

¹⁰ RFI, 10 Mar 2022

¹¹ RFI, 10 Mar 2022

President Sall praised Putin for his willingness to engage in dialogue and find a peaceful solution to the conflict.¹²

... as IMF voices concern over near-term risks for economy

The **International Monetary Fund (IMF)** has expressed concern that the Ukraine conflict could negatively impact Senegal's economic growth trajectory.¹³ An IMF staff team led by **Edward Gemayel** visited Senegal from 9-15 March to assess recent economic developments and evaluate the impact of the war in Ukraine and sanctions against **Mali** on the local economy.¹⁴ According to the **UN Conference on Trade and Development (UNCTAD)**, Senegal imports around 50% of its wheat from Russia and just below 20% from Ukraine.¹⁵

During a 9 March meeting with African finance ministers, central bank governors and representatives of the **UN Economic Commission for Africa (UNECA)**, IMF managing director **Kristalina Georgieva** stated the IMF's willingness to help African countries deal with the repercussions of war, "*and to design and implement reforms through its policy advice, capacity development and loans*".¹⁶ Senegal was already experiencing an inflationary surge before the outbreak of the Ukraine-Russia conflict. On 24 February, President Sall authorised the introduction of a 50 billion FCFA (\$85.4m) subsidy for basic food products, to be allocated throughout the course of 2022.¹⁷

The IMF has, however, praised Senegalese authorities for ensuring the country returned to its pre-**Covid-19** economic growth and activity trajectory.¹⁸ Geyamel reported that Senegal achieved 6.1% economic growth in 2021, due in large part to strong industrial and service sector activity.¹⁹ Senegal registered economic growth of 1.5% in 2020 and 4.4% in 2019.²⁰ However, the IMF acknowledged that rising public debt, estimated at 67% of gross domestic product (GDP), is a point of concern.²¹ The IMF acknowledged that the relatively high debt, which is below the **West African Economic and Monetary Union (WAEMU)** threshold of 70%, is due to increased infrastructure spending but suggested that Senegal needs to improve revenue mobilisation and subsidy targets, reprioritise spending and preserve debt sustainability.²² The IMF made the following recommendations:

- Accelerating the implementation of the medium-term revenue strategy;
- Operationalise the new fiscal framework governing the use of hydrocarbons resources;
- Provide a road map to progressively eliminate energy subsidies and enhance existing social protection measures;
- Revise the legal framework for public procurement in order to make tenders more open and competitive.²³

In January, the IMF applauded the resilience of the Senegalese economy, crediting the government's Covid-19 response plan for its success.²⁴ **United States**-based credit rating agency **Moody's** similarly claims Senegal's economy has shown great resilience and ability to deal with exogenous shocks despite the uncertain geopolitical climate.²⁵ On 18 March, Moody's confirmed Senegal's "*Ba3*" sovereign credit rating and raised its long-term outlook to positive from negative, which it had

¹² Dakar Actu, 9 Mar 2022

¹³ IMF, 18 Mar 2022

¹⁴ IMF, 18 Mar 2022

¹⁵ UNCTAD: The impact on trade and development of the war in Ukraine

¹⁶ Jeune Afrique, 10 Mar 2022

¹⁷ Jeune Afrique, 25 Feb 2022

¹⁸ IMF, 18 Mar 2022

¹⁹ IMF, 18 Mar 2022

²⁰ Jeune Afrique, 19 Mar 2022

²¹ Financial Afrik, 19 Mar 2022

²² IMF, 18 Mar 2022

²³ IMF, 18 Mar 2022

²⁴ Jeune Afrique, 19 Mar 2022

²⁵ Lejocos, 21 Mar 2022

attributed in January 2020.²⁶ Moody's also applauded the government for undertaking structural economic reforms throughout the pandemic and, as a result, consolidating support from regional and international partners.²⁷

The IMF predicts 9.5% economic growth for Senegal in 2023 and 10.3% in 2024.²⁸ In an 18 March communique, the finance and budget ministry revealed that Senegal would generate double-digit growth when operations begin at **Grand Tortue Ahmeyim (GTA)** offshore gas and **Sangomar** offshore oil projects in 2023.²⁹

High-level Turkish visit to Senegal targets tighter ties

Senegal and **Turkey** signed five bilateral cooperation agreements during the two-day visit of Turkey's President **Recep Tayyip Erdoğan** (2003-present) to Senegal on 21-22 February.³⁰ Senegal is one of Turkey's closest allies on the continent and Erdoğan has expressed his desire for trade between the two nations to rise to \$1 billion in the near term.³¹ Trade between Senegal and Turkey stood at \$541m in 2021, a 40% increase from \$380m in 2020.³² However, the trade balance heavily favours Turkey, as it exported \$530m in goods to Senegal, while it only spent \$11m on imports from Senegal.³³

Erdoğan's visit was part of a three-country African tour that also included the **Democratic Republic of the Congo (DRC)** and **Guinea-Bissau**.³⁴ Erdoğan was accompanied by six ministers, including foreign affairs minister **Mevlüt Çavusoglu**, defence minister **Hulusi Akar** and interior minister **Süleyman Soylu**.³⁵ Erdoğan's delegation also included CEOs of Turkish multinationals with operations in Senegal, such as construction companies **Limak** and **Summa** and steel-manufacturing company **Tosyali**.³⁶

Before his arrival in Senegal, Erdoğan described Senegal in a letter to the Senegalese as an "exceptional place in the heart of our nation" and a "shining star in the region", noting that relations between the two countries date back to 1962, when Turkey opened an embassy in the capital, Dakar.³⁷ Turkish aid agency **TIKA** established its **West African** regional bureau in Dakar in 2007 and to date has financed 187 projects amounting to \$12m.³⁸ Erdoğan also noted that Senegalese students had benefited from university scholarships to study in Turkey, while Turkish **Marrif Foundation** schools had educated over 1,000 Senegalese students.

Erdoğan participated in the **Senegal-Turkey Business Forum** on 22 February and co-chaired alongside President Sall the inauguration of the **Diamniadio Olympic Stadium**, built by Summa.³⁹ On the sidelines of Erdoğan's visit, Senegal signed cooperation agreements in the domains of media and communication, maritime activities, security as well as youth and sports.⁴⁰

During his term as Turkey's prime minister and president, Erdoğan has made growing Turkey's influence in Africa a primary foreign policy objective.⁴¹ Turkey has successfully pursued this objective over the last 20 years, to the extent that it is considered, alongside **China**, as the new international

²⁶ Lejocos, 21 Mar 2022

²⁷ Lejocos, 21 Mar 2022

²⁸ IMF, 18 Mar 2022

²⁹ Dakar Actu, 21 Mar 2022

³⁰ Anadolu Agency, 22 Feb 2022

³¹ Financial Afrik, 21 Feb 2022

³² Financial Afrik, 21 Feb 2022

³³ Daily Sabah, 21 Feb 2022

³⁴ Jeune Afrique, 23 Feb 2022

³⁵ Jeune Afrique, 23 Feb 2022

³⁶ Jeune Afrique, 23 Feb 2022

³⁷ Financial Afrik, 21 Feb 2022

³⁸ Financial Afrik, 21 Feb 2022

³⁹ Jeune Afrique, 23 Feb 2022

⁴⁰ Anadolu Agency, 22 Feb 2022

⁴¹ Al Jazeera, 22 Feb 2022

partner of choice for many African countries.⁴² Since the inception of Senegal's long-term economic development agenda, the **Plan Sénégal Émergent (PSE)** in 2014, Turkey has invested a total of \$1.2 billion in 33 projects. Domains that have seen Turkish private sector involvement in Senegal include aviation, energy, infrastructure, mines and textiles.⁴³ Major projects undertaken entirely or in-part by Turkish firms include:

- **Aéroport international Blaise Diagne (AIDB)**
- **Dakar Arena**
- **Abdou Diouf International Conference Centre**
- **Train Express Régional (TER)**
- **Diamniadio Olympic Stadium.**⁴⁴

Significant drop in Covid-19 infections

Senegal continues to see a drop in Covid-19 infections and deaths attributed to Covid-19. As of 23 March, the health ministry had recorded a total of 85,838 cases of Covid-19 in Senegal's population of roughly 17 million, with 83,841 recoveries from the disease and 1,964 Covid-19-related deaths. During the period from 16-22 March, Senegal recorded 17 new Covid-19 cases and no deaths from Covid-19.⁴⁵

Senegal lifted most Covid-19 restrictive measures in March 2021, with the exception of the requirement to wear protective masks in public spaces. As of 23 March, Senegal has administered 1,459,431 Covid-19 vaccines to its population.⁴⁶

Planner

June 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

21 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. The finance and budget ministry projects Senegal's economic growth to reach 10% in 2023, due to the commencement of hydrocarbons production;

21 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. The Senegalese state has signed a concession agreement with **France**-based asset manager **Meridiam**, to provide electric buses for public transportation use in Dakar;

21 Mar 2022 **Dakar (Senegal)** *Lejocos*. **United States**-based credit rating agency **Moody's** has raised Senegal's long-term rating outlook from "Negative" (effective since June 2020) to "Stable", while maintaining the rating at Ba3;

20 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. Deepwater drilling at the **Grand Tortue Ahmeyim (GTA)** Phase 1 project is expected to start in the second quarter of 2022;

20 Mar 2022 **Dakar (Senegal)** *Jeune Afrique*. The **Gambian** government reports that it has registered 6,000 refugees and displaced persons as a result of a military operation launched by the Senegalese army on 13 March against separatist groups in the **Casamance Region**;

19 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. **World Bank Group** president **David Malpass** is to undertake a two-day visit to Senegal from 21-22 March;

⁴² Al Jazeera, 22 Feb 2022

⁴³ Daily Sabah, 21 Feb 2022

⁴⁴ Financial Afrik, 21 Feb 2022

⁴⁵ Ministère de la Santé et Action Sociale. 18-23 Mar 2022

⁴⁶ Ministère de la Santé et Action Sociale. 23 Mar 2022

18 Mar 2022 **Dakar (Senegal)** *International Monetary Fund*. The **International Monetary Fund (IMF)** states on concluding a staff visit to Senegal that the country generated 6.1% economic growth in 2021, on par with its pre-pandemic growth trajectory, but expresses concern about the impact of the conflict in **Ukraine** on Senegal's economy;

16 Mar 2022 **Dakar (Senegal)** *Agence Ecofin*. The results of a feasibility study undertaken by **Australia**-based **Chesser Resources** reveals the **Diamba Sud** project has the capacity to produce up to 704,000 ounces of gold over a seven-and-a-half-year lifespan;

14 Mar 2022 **Dakar (Senegal)** *Lejocos*. The **World Bank**, through its subsidiary, the **International Development Association (IDA)**, has granted Senegal a €132.6m (\$149.5m) loan to increase access to electricity services for households, businesses and essential public facilities in Senegal;

14 Mar 2022 **Dakar (Senegal)** *Lejocos*. Senegal raises 55 billion FCFA (\$92m) through a treasury bill issue on the **West African Economic and Monetary Union (WAEMU)** regional financial market;

14 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. The Senegalese army has launched attacks in **North Sindian** against elements of the **Mouvement des Forces Démocratiques de la Casamance (MFDC)** separatist movement aligned to **Salif Sadio**;

12 Mar 2022 **Dakar (Senegal)** *Le Quotidien*. **British Petroleum** and its partners, **United States**-based **Kosmos Energy** and state-owned hydrocarbons firm **Petrosen**, plan to take a final investment decision (FID) on the development of the first phase of the **Yakaar-Teranga** offshore gas field in Senegal before the end of 2022;

10 Mar 2022 **Dakar (Senegal)** *Le Quotidien*. **British Petroleum (BP)** executive vice president **Gorden Birrell** says development of the **Grand Tortue Ahmeyim (GTA)** offshore gas project is 70% complete;

10 Mar 2022 **Dakar (Senegal)** *Lejocos*. President **Macky Sall** approves the allocation of a 70 billion FCFA (\$117.1m) budget to prepare for the 2022/23 agricultural campaign;

7 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. Interior and public security minister **Antoine Félix Diome** declares the revision of electoral lists ahead of the June legislative elections will take place from 7-31 March;

7 Mar 2022 **Dakar (Senegal)** *Financial Afrik*. The **Arab Bank for Development in Africa** and Senegalese state sign two financing agreements worth 45 billion FCFA (\$74.5m);

5 Mar 2022 **Dakar (Senegal)** *APS*. President **Macky Sall** launches construction of the second phase of the **Train Express Régional (TER)**, Senegal's high-speed railway, which is forecast to cost 207 billion FCFA (\$342.7m);

4 Mar 2022 **Dakar (Senegal)** *RFI*. Senegal's foreign affairs ministry summons **Ukraine's** ambassador to Senegal, **Yurii Pyvovarov**, to express its opposition to the recruitment of Senegalese citizens as volunteer fighters in Ukraine's war with **Russia**;

2 Mar 2022 **Dakar (Senegal)** *RFI*. The general prosecutor's office has requested a five-year prison sentence for newly elected mayor of Dakar **Barthélemy Dias**, for alleged involvement in a 2011 murder;

1 Mar 2022 **Dakar (Senegal)** *Dakar Actu*. Energy and petroleum minister **Sophie Gladima** inaugurates the 35 MW **Kaël** solar power plant in the department of **Mbacké**;

25 Feb 2022 **Dakar (Senegal)** *Lejocos*. Senegal raises 55 billion FCFA (\$93.9m) through a treasury bill issue on the **West African Economic and Monetary Union (WAEMU)** regional financial market;

25 Feb 2022 **Dakar (Senegal)** *Jeune Afrique*. President **Macky Sall** announces that the prices of basic necessities including rice, sugar and cooking oil will be reduced, through the allocation of 50 billion FCFA (\$85.4m) in subsidies throughout 2022 in a bid to curb rising inflation;

25 Feb 2022 **Dakar (Senegal)** *Agence Ecofin*. The **Islamic Development Bank (IDB)** announces that it has granted a \$270m loan to the Senegalese state for the construction of the **Meckhe-Saint Louis** section of the **Dakar-Saint Louis** highway;

23 Feb 2022 **Dakar (Senegal)** *Le Quotidien*. **Germany** announces during the visit of President **Frank Walter Steinmeier** to Senegal that it will contribute €20m (\$22.4m) towards the **Madiba Project**, a vaccine production plant under construction in **Dianniadio**;

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Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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