

## DRUM COMMODITIES LIMITED (DCL) – COUNTRY REPORT

### SENEGAL

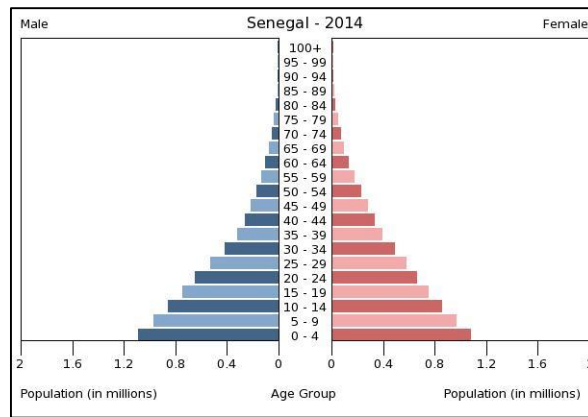
#### 1. INTRODUCTION

- 1.1 The Republic of Senegal, named after the river that runs along its northern border, is the most western country in Africa. It has a population of just over 14 million and a GDP of \$37.72 billion according to 2013 estimates.



Map of Senegal (Wikipedia)

- 1.2 The country has a land area of 196,722 km<sup>2</sup> and borders The Gambia (740 km), Guinea (330 km), Guinea-Bissau (338 km), Mali (419 km) and Mauritania (813 km). It has a coastline running 531 km along the North Atlantic Ocean.
- 1.3 The capital of Senegal is Dakar. Dakar is also one of Senegal's 14 regions, with the others being: Diourbel, Fatick, Kaffrine, Kaolack, Kedougou, Kolda, Louga, Matam, Saint-Louis, Sedhoui, Tambacounds, Thies and Ziguinchor.
- 1.4 The national currency is the CFA franc (XOF). At the date of this report, the exchange rate was around 610 XOF to 1 USD. GDP growth is 2.8% (World Bank, 2013).
- 1.5 The official language of Senegal is French, with approximately one third of the population French speaking. Although it is the official language, it is spoken only by an educated minority, and Wolof has become a 'lingua franca' in towns, markets, schools, and interethnic marriages.
- 1.6 The literacy rate is 49.7%, with 61.8% being male and 38.7% female.
- 1.7 The unemployment rate is 48% and the percentage of the population living below the poverty line is 54 % (2007).



Population Age Distribution (World Factbook)

- 1.8 The general climate in Senegal is tropical, hot and humid with the rainy season running from May to November. At Dakar, during the cool season, the average daily maximum is 26°C and the average minimum 17°C, during the hot season the averages are 30°C and 20°C respectively.
- 1.9 The official Senegal flag is pictured below. Green represents Islam and hope; yellow signifies natural wealth and progress; red symbolises sacrifice and determination and the star denotes unity and hope.



'Un Peuple, Un But, Une Foi'  
Translates as 'One People, One Goal, One Faith'.  
(Wikipedia)

## 2. HISTORY

- 2.1 Trade has played a large part in the history of Senegal, with much influence from European invaders: Portuguese, Dutch, British and French. By the 15th century, the Portuguese discovered a prosperous trade in gold and slaves in coastal stations. When slavery was abolished in the Nineteenth Century, exports of acacia gum and peanuts began from Senegal by the French.
- 2.2 The Dutch established the slave port at Gorée in 1588. By the 17th and 18th centuries, slaves, ivory and gold were exported from the coast. The country was colonised by the French in 1677, then, following the Seven Years War, the British in 1756. It was then later regained by France.
- 2.3 A French colony since the 1840s, many Senegalese felt allegiance to France and fought in the First and Second World Wars. Senegal became independent from France and the Mali Federation in 1960.
- 2.4 In the 1980s issues suddenly began to appear in Senegal, which had been largely free of ethnic, racial, and religious strife before this time. The politics of Senegal often relates to the Gambia. When Senegalese troops helped to suppress a rebellion in the Gambia in 1981, there was an attempted alliance of the two nations. They were united in 1982 as Senegambia which meant that they shared elements of government, but by 1989 relations had deteriorated and their union was dissolved.

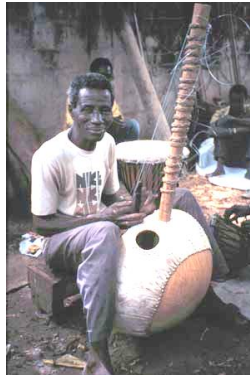


19th century Wolof soldier  
(Wikipedia)

- 2.5 Other problems have included anti-Moor rioting and the mass exodus of Moors in 1989, the insurrection of separatist rebels, fundamentalist Islamists who emerged to challenge the brotherhoods' religious authority and also the challenging of the legitimacy of the secular state.

### 3. CULTURE

- 3.1 The main ethnic group, and nationally recognised language, is Wolof.
- 3.2 The religion practised is predominantly Muslim, with 92% identifying themselves as Muslim, some indigenous beliefs (6%) and a small Christian community (2%). Despite this, Senegal has managed to remain a mostly secular country, with no particular discrimination between ethnic groups and consequently, marriages between these groups are not uncommon.
- 3.3 Ethnic groups consist of the Wolof who, in 1998, made up 43.3% of the total population, the Pular (23.8%), the Serer (14.7%), who are skilled peanut cultivators, and the Lebu, mostly fishermen and farmers concentrated in the Dakar area.
- 3.4 Other significant groups are the Diola of Casamance, representing 3.7% of the populace; the Mandink, accounting for 3%; the Soninke constituting 1.1%; the Tukolor, and the Fulani (Peul) and Bambara. Europeans and Lebanese make up about 1% of the total population and other miscellaneous groups constitute the remaining 9.4%.
- 3.5 Many Senegalese believe in the powers of supernatural forces. They believe that certain people, primarily doctors, herbalists, mediums, and even religious figures have control of supernatural forces. It is common to see people wearing amulets (called *gris-gris*) around their waist, neck, arms, or legs which use voodoo powers to bring luck to the wearer and protect from evil forces.
- 3.6 People will consult with diviners or marabouts to protect themselves against evil spirits, to improve their financial status or bring them love, to cure chronic illnesses, to settle disputes or to place a curse on another person.
- 3.7 Music and dance play an integral role in Senegalese culture and distinctive traditional music such as Yela (the rhythms of which mimic the sound of grain being pounded by female villagers) is still practised by many people in Senegal. Musical instruments such as the kora are still played during celebrations in many parts of the country.



A Senegalese man playing a kora (Wikipedia)

- 3.8 Because of Senegal's extreme western position, and its emphasis on coastal stations, the Senegalese diet heavily relies on seafood and other imported goods.

#### 4. TRADE AND ECONOMY

- 4.1 Currently the economy is reliant on agriculture. Food processing is the largest activity, accounting for 43% of industrial production in Senegal. Groundnut oil extraction is the major agricultural industry.
- 4.1.1 About 30% of the groundnuts collected will potentially be sold for edible use and around 70% would be crushed to make oil. There are three major industrial groundnut processors. Suneor SA is the dominant groundnut processor and edible oils manufacturer and is owned by the French group Advens. Suneor has a 70% share in the Senegalese market and exports about 98% of the groundnut oil produced by Senegal to the EU, USA and China. This would make it one of the world's largest exporters of groundnut oil. Copeol Senegal SA and Touba Agro-Industrial Complex are the other main processors.
- 4.1.2 In the Council of Ministers of 12th June 2014, the Minister of Agriculture and Rural Equipment stated that 313,836 tonnes of groundnuts were collected across the country, valued at \$81.93 million with 53% to Suneor SA, 36% to Copeol Senegal SA and 11% to Touba Agro-Industrial Complex.
- 4.1.3 After a long period of disappointing crop harvests from previous years, for the 2014/15 period, the groundnut area harvested was predicted to be 18% higher than expected, the groundnut production 3% higher, crushing 1% higher, the total domestic consumption 4% higher and the ending stocks doubled.
- 4.2 The limited economic growth achieved since independence is interrupted periodically by drought conditions that can send the economy into severe recession. However there is a consistent harvesting of crops that includes millet and sorghum, cotton, rice, sugar and market-garden produce such as fertiliser.
- 4.3 The top 5 countries and regions that Senegal exports to are Mali (15 percent of total exports), the European Union, Switzerland, India and Guinea. The top 5 imports are from the European Union, Nigeria, India, China and Russian Federation.
- 4.4 Senegal's main export is refined petroleum at 19%, followed by gold (11%), phosphoric acid (8.8%) and cement (6.9 %). Imports include refined petroleum (16%), crude petroleum (10%), rice (6.2%), and packaged medicines (2.4%).
- 4.5 GDP Annual Growth Rate in Senegal averaged 2.90% from 1961 until 2014, reaching an all-time high of 8.92% in the fourth quarter of 1976 and a record low of -6.55% in the fourth quarter of 1969.

- 4.6 The economy continues to suffer from unreliable power supplies and rising costs of living that has led to public protests and high unemployment, prompting migrants to flee Senegal in search of better job opportunities in Europe.

## 5. HEALTH

- 5.1 The healthcare system in Senegal operates through city and regional hospitals, district health centres and health posts.
- 5.2 Water and sanitation standards are improving under the regulations of the Millennium Development Goals with improved water supply, but there is still ongoing concern over the availability of clean water.
- 5.3 Senegal has a concentrated HIV epidemic, occurring predominantly in the most vulnerable groups (i.e., commercial sex workers), with minimal occurrence in the general population. The risk of AIDS has been lowered considerably, but it is still a risk.
- 5.4 The healthcare system is split between private and government funded. The government of Senegal spends nearly 12% of its budget on healthcare.

Causes of Death by Disease	%
Malaria	13
Lower respiratory infections	12
Diarrheal Diseases	10
Cancer	6
Sepsis	4
Other Neonatal Disorders	4
Tuberculosis	3
Meningitis	3
Preterm Birth Complications	3
HIV	3

Top 10 Causes of death to diseases in Senegal in 2010  
(<http://www.cdc.gov/globalhealth/countries/senegal/>)

- 5.5 Advice to anyone visiting Senegal is to take preventative measures, including vaccinations, to ensure a healthy stay. A vaccination against yellow fever in particular is required as travellers are at high risk of contracting it. It is also recommended to take malarial prophylaxis tablets as a general precaution. As a rule, travellers should be cautious of food and water and be aware of personal hygiene in order to reduce the possibility of health problems.

## 6. INFRASTRUCTURE

- 6.1 According to the World Factbook, there are 14,008 km of roads, two thirds of which are unpaved.
- 6.2 There is one major railway in Senegal called the Dakar-Niger network which is operated by the Belgian-run Transrail. The World Factbook calculates 906 km of railway across Senegal.
- 6.3 The capital, Dakar, has one of the largest deep-water seaports along the West African coast. Dakar port has a water depth of 9.4 to 10 meters. Its deep-draft structure and 200m wide access channel allows round-the-clock access to the port.

#### 6.4 **Armed Forces.**

- 6.4.1 Military and armed forces in Senegal comprise the Senegalese Army, the Senegalese National Navy (Marine Senegalaise, MNS) and the Senegalese Air Force (Armée de l'Air du Sénégal).
- 6.4.2 The minimum age for voluntary military service is 18. For selective conscript service it is 20, with service obligation being 2 years. Women have been accepted into military service since 2008.
- 6.4.3 The army was used to put down the rebellion in the Casamance and to encourage peace and order on the borders with Mauritania and Guinea-Bissau in the late 1980s and early 1990s. The military forces number about 15,000 and are considered among the best trained in Africa.

#### 6.5 **Airports.**

- 6.5.1 Dakar airport is one of the principal international airports in West Africa, handling a variety of aircraft on its 2 runways. It serves more than 24 international airlines, handling 1.5 million passengers per year and moving more than 20,000 tonnes of international airfreight.
- 6.5.2 The airport is becoming a major player in air transport after Nigeria. Airport security at the airport was rated satisfactory and it is the only airport in West Africa with such certification.

#### 6.6 **Electricity and Power.**

- 6.6.1 Senegalese citizens have a relatively high access to electricity, particularly in urban areas. Private participation in electricity generation was introduced and now there is an active participation in the regional power market.

- 6.7 Future plans for the improvement of Senegal's infrastructure include a project to construct a high capacity, 32 km highway in Dakar to develop the flow of goods and people. The total cost of the project so far is \$531.40 million and it is designed to:

- 6.7.1 Ensure the rapid movement of goods and people into and out of Dakar.
- 6.7.2 Connect with the Dakar airport and Special Economic Zone (DISEZ). A down-town to airport target transfer time of 30 minutes.
- 6.7.3 Encourage urban and rural development outside congested areas and boost land valuation in other regions of the country.
- 6.7.4 Establish easier travel from Dakar to Bamako, the Gambia, Guinea Bissau and Guinea (Conakry).

- 6.8 Senegal has a large stock of FDI (Foreign Direct Investment), mainly of French origin. In 2013, FDI had again been driven by large-scale projects for the development of infrastructure and the country's power grid. For the last few years, the flow of foreign investment into Senegal has remained approximately \$300 million annually (\$338 million in 2013).

### 7. **SECURITY**

- 7.1 Land mines and other explosive weaponry remain a problem in Senegal, particularly in Casamance, as the result of fighting between the Senegalese armed forces and the Movement of Democratic Forces of Casamance (MFDC). In the districts of Djibanar, Niaguis, and Nyassia, situated between the Senegal River and the border with Guinea-Bissau, they have been identified as the most dangerous. Organisations operating in Casamance have recorded several hundred deaths from land mines since 1990, most of which have been of civilians. De-mining operations are still taking place.

- 7.2 The threat of terrorism is also a concern in Senegal. No direct terrorist attacks have occurred but it remains vulnerable due to lack of border control, general increasing instability, and the terror activities of AQIM (al-Qa'ida in the Lands of the Islamic Maghreb). The recent conflict in Mali has increased these concerns, as various groups have threatened the government of Senegal for their support to France and Mali through the contribution of troops.
- 7.3 Forced labour and sex trafficking of children and women occur in Senegal. Children are also subject to domestic slavery, forced labour in gold mines, and exploitation in the sex trade. Children are often forced to beg throughout Senegal. In Dakar alone, an estimated 30,200 children beg in the streets.

## **8. CURRENT AFFAIRS**

- 8.1 Macky Sall is the current president, elected by democratic vote in 2012. His attraction was that he was pioneering the idea of a shorter presidential term promoting a more democratic presidency. Previous terms have been of 7 years.
- 8.2 The unicameral National Assembly (Assemblée Nationale) comprises 150 seats; 90 members elected by direct popular vote and 60 elected by proportional representation from party lists to serve 5 year terms.
- 8.3 Student unrest and frustration at the lack of employment opportunities after graduation are signs of a more turbulent and less tolerant society emerging.



Macky Sall, current president of Senegal (Wikipedia)

- 8.4 Senegal was declared Ebola-free on 17th October 2014 but said it would enforce measures to avoid any propagation of the disease.
- 8.5 On the Republic of Guinea border there is an increased military presence which creates a sense of unease among the people.
- 8.6 With the rise of Senegalese Nationalism, the Wolof language is being increasingly pushed to replace French as the official language.

## **9. SUMMARY**

- 9.1 Senegal is the most western country in Africa and therefore enjoys much trade from its coastal stations allowing easy import and export compared to most other African countries. This also means that other countries use its ports for their own trade.
- 9.2 There is a rich trading history originating from slavery and, after its abolition in 19th century, there was the trading of acacia gum and groundnuts. This history built the foundations for the great trading that Senegal takes part in today.
- 9.3 The rising threat of Islamic terrorism is a concern as, after a long history of general political and social harmony, there is an emergence of religious extremists and consequent friction.



- 9.4 Dakar's airport is the main airport in West Africa and the upcoming project for a huge highway in Dakar means that access to most areas in Senegal is becoming possible, although the quality of road surfaces and airport runways could benefit from investment.
- 9.5 Macky Sall's presidency has been generally peaceful, but the poor growth of the economy is a significant concern for the electorate. Although his term will end in 2017 after a 7 year rule, it is possible that he may step down after 5 years if he follows his previous statements of a supposedly more democratic government, but this remains to be seen.
- 9.6 Senegal benefits from a diverse ethnic culture and their easy and secular way of life has meant that it has had a relatively peaceful history that has allowed for trade to prosper.



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