MAURITANIA

Oasis of peace and stability

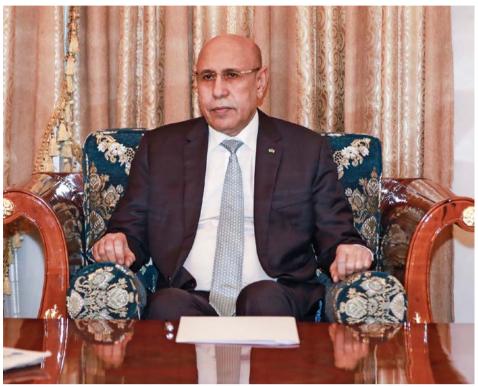
President Ghazouani's widely admired whole-of-government approach to ensuring security for citizens and investors in the West African nation has laid the groundwork for inclusive and sustainable socioeconomic development

t the crossroads of North and sub-Saharan Africa with an Atlantic coastline that extends over 450 miles, the Islamic Republic of Mauritania boasts an increasingly dynamic economy. This year, the nation's gross domestic product is forecast to expand by about 4.8%, primarily driven by exports of its wealth of natural resources that include highly desirable minerals and ocean fish. Agriculture and livestock are also important economic contributors, despite the fact that two-thirds of the country is covered by desert. 2024 should see the start of another major upswing for the economy, with growth of around 6.5% expected as production begins at the Greater Tortue Ahmeyim offshore natural gas field, a transformational project for the country that is being led by BP and Kosmos

As well as outperforming its West African neighbors economically, Mauritania stands out for its political and social stability in the volatile Sahel region where other nations have suffered from extremism. According to the US's Acting Deputy Secretary of State Victoria Nuland, who visited the country in 2022 as part of President Biden's efforts to strengthen ties with key African partners, Mauritania is "a beacon of democracy and a beacon of security in this part of the world." While the country has enjoyed peace within the borders it shares with the Western Sahara, Algeria, Mali and Senegal since 2011, a recent reinforcement of safety levels has been attributed to the widely admired leadership of President Mohamed Cheikh El Ghazouani, who was democratically elected in 2019 with a mandate for socioeconomic reforms, consensual politics and cementing territorial integrity and stability.

"Security is fundamental to the peace of mind of our citizens and investors. Our successful security strategy that has enabled us to protect ourselves against terrorist attacks and secure our borders is based on three pillars," explains Ghazouani. "The first is about building the operational capabilities of our armed forces and security. The second is based on promoting values of tolerance among our young people and the third consists of promoting economic and social development, particularly in remote and landlocked areas. This third aspect implies significant and effective state presence throughout our territory, because we have observed that, in the Sahel region, the more the state is absent, the more the climate becomes conducive to insecurity and terrorism.'

Beyond its own borders, Mauritania has made a vital contribution to restoring stability in the wider region through its founding membership of the G5 Sahel, a framework for development and security cooperation that was established in the nation's capital, Nouakchott, in 2014 by Mauritania, Burkina Faso, Chad, Mali and Niger. Ghazouani currently holds the rotating presidency of the organization. "Despite challenges, we have made significant progress. G5 Sahel has enabled member countries to pool their efforts to create conditions conducive to development and security. It has also highlighted the close relationship between security and development to



President Mohamed Cheikh El Ghazouani

the international community — this is especially evident in an environment like the Sahel, where insecurity is often linked to underdevelopment," he states. "The G5 Sahel is facing strong turbulence at the moment, which further pushes us to redouble our efforts to find solutions to resolve our problems."

Universal strategy for development

As US Principal Deputy National Security Advisor Jon Finer noted during his recent trip to the country: "Mauritania's whole-of-government approach to combating terrorism is praiseworthy because it addresses not only the security threat, but the underlying political, economic and development needs that — if ignored — threaten the stability and security of a country."

Ghazouani's government is pursuing an ambitious strategy for addressing those combined needs that seeks to accelerate economic growth and inclusive prosperity for all citizens. The president points out that, "Mauritania is known for its rich mineral resources, notably its high-quality iron ores, gold reserves and other minerals such as copper, phosphate and gypsum. Despite these resources and those of our fishing, agricultural and livestock industries, Mauritania has not succeeded in initiating sustainable economic and social development in the last six decades. To remedy this, we have developed a vision for transforming our economy and harnessing the potential of each sector, giving priority to job-generating industries."

His government is also moving the country's economy into new sectors, notably by capitalizing on Mauritania's potential as an energy generator.

"In addition to Grand Tortue Ahmeyim, we have other important gas fields such as BirAllah that offer promising prospects. Green hydrogen also constitutes a very big opportunity for Mauritania, which has very substantial wind and solar energy resources across large areas that are arousing keen interest among international operators, making Mauritania a destination of choice for the global energy transition," he reveals. "To initiate economic and social development from these resources and ensure that our entire population

MOHAMED CHEIKH EL GHAZOUANI PRESIDENT

"I cannot understand why, in a world as global as ours, Mauritania, with its many opportunities in terms of its underground wealth and other possibilities, remains unknown."

benefits, revenues from their exploitation will be allocated to financing social and productive infrastructure, and to investments aimed at guaranteeing prosperity for future generations. Our goal is to create an expanded middle class that will help reduce inequality — a cause that is particularly close to my heart that I am committed to reducing as much as possible."

To meet this goal, Ghazouani's government has put investment plans in motion that are increasing access to high-quality education, train-

ing, health, drinking water, electricity and other services in a country that is one of the least densely populated worldwide and in which only 56% of its approximately 4.8 million residents live in urban areas. Other priorities include further strengthening social justice and cohesion, the empowerment of women, good governance and human rights.

The government is also implementing a range of programs to make doing business easier. "Development cannot be fully achieved without the strong involvement of the private sector. For the private sector to get involved, it is necessary to create an attractive environment, which requires reforms. We are deploying major reforms in this direction at the moment in order to guarantee investors, whether foreign or national, maximum security and assurance in a win-win spirit," Ghazouani explains. "These include the modernization of our business climate's regulatory framework, as well as a reform of our judicial system. The reforms are accompanied by a modernization of our administration to make it more responsive and rapid."

Within this process, the government has created a Ministry of Digital Transformation and Modernization of Administration that is simplifying administrative and tax procedures; a new investment code; an investment agency to facilitate and accelerate procedures for investors; and a Higher Investment Council that is chaired by Ghazouani, which includes representatives from multinationals currently operating in the country.

As a result of the government's reform package, in particular the progress it has made in protecting workers' rights, this November the Biden administration announced that Mauritanian exports to the US will regain their preferential duty-free benefits through the African Growth and Opportunity Act, which had been suspended in 2019. Ghazouani welcomes this move: "Mauritania is a nation open to trade and willing to trade with all countries, including, naturally, the US. Currently, our trade with the US is not at an optimal level, but I believe the elements are now in place to improve this situation. We maintain close collaboration, economically, politically and strategically, with the US and our objective is to put in place initiatives that promote development and create more opportunities for trade and investment in general."

He regrets that the Sahal country currently has a relatively low profile among the international trade and investment community. "I cannot understand why, in a world as global as ours, Mauritania, with its many opportunities in terms of its underground wealth and other possibilities, remains unknown," says Ghazouani. "The Mauritanian people are welcoming, tolerant and they reject violence and anything that is not marked by fraternity and friendship. Given also our geostrategic position between the African and the African-Arab worlds, as well as our proximity to Europe and the fact that we are the closest point to the US East Coast in Africa, I see no reason why Mauritania should not become an attractive destination for US investors and tourists."

Strengthening the US-Mauritania economic relationship

An MCC program, inclusion in the AGOA trade scheme and a new one-stop shop for investors will catalyze investments into Mauritania

auritania's reputation on the international stage is solidifying, says Minister of Foreign Affairs, Cooperation and Mauritanians Abroad Mohamed Salem Ould Merzoug: "Our president has strong credibility and his leadership has made our country a benchmark for security and stability." As well as securing the country from extremism, the government has addressed wider concerns of investors. "Without security of investments, the trust of the partners we need, particularly private sector ones, would remain fragile. We have made significant structural reforms in the area of justice to ensure legal certainty and predictability, guaranteeing transparency, fairness and sound governance in line with international standards," he explains. "The combination of territorial and investment security qualifies our country as an oasis of peace and security in the region."

Reflecting the rising trust of investors, around \$1 billion flowed into Mauritania during 2021 and 2022. In addition to security, attractions included copious mining and hydrocarbon assets, as well as an advantageous location. "Mauritania opens to the Maghreb region of North Africa, the Mediterranean and sub-Saharan Africa, while its long Atlantic frontage faces Europe and the Americas. It acts as a hub connecting continents and, thanks to this role, we have also built bridges on a cultural, spiritual and civilizational level. We have the ability to communicate with everyone in these worlds," states Merzoug.

The bridges between Mauritania and the US in particular are expanding, he adds: "Our commitments to democracy, rule of law, human rights and innovative social and economic policies have enabled a new dynamic in our relationship." That relationship goes back to 1960, when the US was the first country to recognize Mauritania's independence from France. Since then, they have collaborated on a variety of security and develop-



Aissata Lam
Director General, Investment Promotion Agency of
Mauritania (APIM)

mental issues. In 2022, for instance, the US state provided Mauritania with over \$68 million for education, humanitarian and other development programs. To date, trade and investment partnerships have been more limited. In 2022, the US imported goods worth \$6.1 million from Mauritania, while US investments into the African nation have mainly targeted extractive sectors. The most notable US investor at the moment is Kosmos Energy, which is helping to exploit natural gas reserves. According to Aïssata Lam, director general of the Investment Promotion Agency of Mauritania (APIM), "Kosmos is an excellent ambassador for us as it is very happy with the support it is receiving."

Investment and trade relationships are expected to mushroom soon due to two decisions from the Biden administration. Last December, it announced that, as a result of the government's

reform progress, Mauritania has been selected for a Millennium Challenge Corporation (MCC) threshold program, which will identify and fund the resolution of constraints to economic development. This year, it revealed that the same reforms were sufficient to reinstate duty-free access on goods and services between the two countries under the African Growth and Opportunity Act

(AGOA), which will come into effect in January. "Meeting the MCC's standards is a huge step toward strengthening our economic relationship. We worked with the US Embassy in Mauritania, which gave us amazing support as we had the same objective: making sure we have the right policies and initiatives to channel US investments into the country," Lam enthuses. "We also worked with the embassy for our reintegration into AGOA, another key element that will make US investment in Mauritania excite."

US investment in Mauritania easier." A further crucial factor in simplifying investments is APIM, which was established in 2021 by President Ghazouani. "We have four main objectives. The first is to give Mauritania its rightful place in the international investment scene and to make sure Americans and other foreign investors know and understand the country better. We have worked hard on this, more investors are coming and we are slowly going from being a country that is a mystery, to one where the potential is clear," she says. "Our second goal is to create investment opportunities. We aim to go to investors with not only bankable projects but ones with the right elements to make their investment decision easy. APIM's third goal is to be a one-stop shop that facilitates all administrative processes, while our fourth is to follow up on investments. There are a lot of incentives for investors to come and there are also responsibilities in terms of job creation, the environment and so on."

Additionally, APIM is the bridge between private and public sectors, Lam notes: "We make sure the right reforms are implemented, that investors are heard at the highest level and that projects are implemented. We are a young agency with big ambitions for investment numbers and those numbers need to translate into a positive impact on Mauritanian people."

While emerging natural gas and mineral projects will buttress the country in the short- and medium-term, the government wants to diversify the country's commercial and productive sectors

to strengthen economic resilience. APIM is keen to showcase Mauritania's potential in agriculture, livestock and fisheries, for example. "We have a fish-rich coast, more than 20 million cattle and over 80% of the rural population's livelihoods come from agriculture," she states. "In the past, we have been geared to raw exports in these industries, but now our focus is on local transformation, value and job creation to generate inclusive, sustainable growth. We want to encourage investors to invest responsibly."

Other sectors worth investigating include tourism, declares Lam: "In the next few years, Mauritania will become a destination of choice because we offer everything including the ocean, desert and beautiful countryside, and we are so close to Europe, the Middle East, North Africa and the US. There is plenty of opportunity to de-

AÏSSATA LAM
DIRECTOR GENERAL, INVESTMENT
PROMOTION AGENCY OF MAURITANIA

"Mauritania's potential goes way beyond gas because of its people and their will, its strategic position and its many natural resources."

velop this sector and I do not think we are exploiting even 1% of its potential today. Renewable energy is another noteworthy sector. Mauritania has the ideal conditions to develop green hydrogen, for instance, and we have signed five memorandums for that sector so far."

The government is currently working to put the right infrastructure and fiscal policies in place to support investors in these sectors, such as improving access to land and energy, building up skills capacities and establishing dedicated special economic zones for productive industries. Overall, Lam stresses, "Mauritania is the land of opportunities and the land of the future. Producing and exporting natural gas is going to be a tool for the country's transformation, but Mauritania's potential goes way beyond gas because of its people and their will, its strategic position and its many natural resources. I'm very hopeful and optimistic for Mauritania."



Mauritania has over 4,000 gigawatts of potential in wind and solar energy.



The Greater Tortue Ahmeyim gas field is operated by Kosmos Energy and BP.

Africa's newest energy hub

Mauritania's economy is transitioning as it starts to exploit its rich potential in natural gas, renewable energies and green minerals

ccording to Minister of the Economy and Sustainable Development Abdessalam Ould Mohamed Saleh, the Mauritanian economy has "caught a wave that translates into strong growth of 6.4% for 2022, around 4.8% in 2023 and above 5% for the years to 2026." The country's robust performance has been led by mining exports to date — with the most important contributors being gold, thanks to a recent doubling of production at the Tasiast facility run by Canada's Kinross that has made it one of the ten-largest gold mines in Africa, and iron ore, with Mauritania being the continent's second-largest producer of that

The nation's medium- and long-term positioning is also looking good, adds Saleh: "Mauritania's economy is in a transitional phase, because of reforms we have conducted, large-scale infrastructure projects and the potential of our extractives industries, including new mining and gas projects, which will start producing effects in 2024 and fully kick in by 2028."

At present, projects are underway or in advanced stages of discussion with investors that could generate 24 million extra tons of iron ore - about double the amount the country extracts today. Promising prospective work is taking place in the largely unexplored country for minerals like gold, iron, uranium and rare-earth elements as well.

And next year the nation will begin to exploit its estimated 110 trillion cubic feet of untapped offshore natural gas reserves, when the Greater Tortue Ahmeyim field that is jointly owned by

Mauritania and neighboring Senegal goes online. "The field is operated by BP and Kosmos Energy and discussions are also ongoing with both companies for the development of our large BirAllah gas field. Mauritania offers good prospects in gas and we could become a significant hydrocarbon player by the end of the decade,"

Mauritania's future will not solely be based on extractive industries, asserts Minister of Foreign Affairs, Cooperation and Mauritanians Abroad Mohamed Salem Ould Merzoug: "Thanks to the vision of President Mohamed Cheikh El Ghazouani, our country has resolutely chosen to build a new base of growth and prosperity that is articulated around our renewable natural resources in agriculture, livestock, fishing and energy." As he is keen to stress, "That in no way excludes the valorization of our finite natural resources. This combination will allow us to depend less on extractive industries by diversifying our economy and will lay the foundations for lasting strength in Mauritania's development."

Diversification to date has faced a number of constraints, not the least of which is a ready supply of energy. "We continue to work to improve the performance of our fisheries and agricultural sectors, which is largely dependent on the local transformation and valorization of products. That requires the availability and affordability of critical inputs like energy," says Saleh. "We expect the big transformation in these sectors to happen around 2028, once we have a lower-cost and reliable source of locally produced energy in



Abdessalam Ould Mohamed Saleh Minister of the Economy

and Sustainable Developmen

This energy will come not just from the country's gas but from renewable sources. According to the International Renewable Energy Agency, Mauritania has more than 4,000 gigawatts of potential in green energy. The northwest of the ountry in particular offers a unique environment for wind and solar that could be combined to make energy available 24 hours a day all year long. "We have an ambitious vision for developing our formidable wind and solar resources for domestic use and for green hydrogen. Numerous studies have confirmed that Mauritania could be one of the best places in the world for green hydrogen production," Saleh states.

The government's strategy involves generating enough of the green fuel for exports plus local uses, such as manufacturing green steel, he adds: "Green hydrogen would accelerate the country's industrialization and transformation. If Mauritania developed its green energy potential, it would record an economic growth rate of 10% and more over two decades, while saving the world the equivalent greenhouse gas emissions of a medium-sized industrialized country."

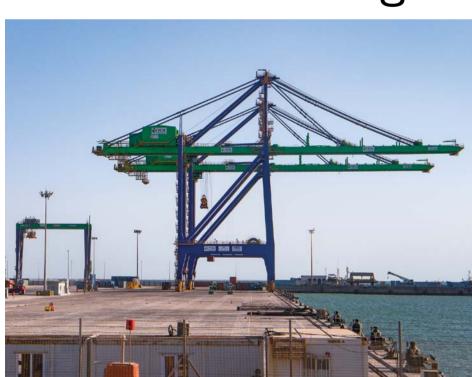


Mohamed Salem Ould Merzoug Minister of Foreign Affairs, Cooperation and Mauritanians Abroad

The government is aiming to harness this potential in collaboration with international public and private sector partners. In October, it took a major step toward that when President Ghazouani and European Commission President Ursula Von der Leyen launched the Team Europe Initiative for developing Mauritania's green hydrogen industry in Brussels. At the event, Von der Leyen stated: "The European Union fully shares [Mauritania's] ambition to develop as a hub for green hydrogen." The initiative will be backed by substantial investments from an economic bloc that is desperate to diversify and decarbonize its energy supply chains.

"This is our future and that is why I say we are in a transitional economic phase. We will probably reach our real economic growth potential at the end of this decade," says Saleh. "In the meantime, Mauritania is open for business and we welcome foreign direct investment. This is a place where you can find a unique mix of mines, renewable energy and gas, which has the oppor-

tunity to be a hub for producing and exporting low-carbon energy and green minerals. The economic lungs of the country



PANPA welcomed more than 5.22 million metric tons of traffic in 2022.



Ports are supporting Mauritania's vision of becoming an energy center, while creating opportunities for increased regional trade

entral to Mauritania's preparations for welcoming hydrocarbons to its shores and becoming a hub for green energy industries is investment in the ports on its Atlantic coastline. The most notable of those is the deep-water Autonomous Port of Nouakchott (PANPA), also known as the Port of Friendship, which is responsible for over 85% of the country's custom revenues.

Constructed in 1986 just 9 miles from the capital, it was the first public commercial port south of the Sahara and is considered to be one of the nation's most important generators of economic and social development. "Located at the crossroads between Europe, Africa and North America, PANPA enjoys a privileged geographical position that predestined it to play a leading role in international trade, not only for Mauritania, but also for neighboring landlocked countries," explains the port's general manager, Sidi Mohamed Ould Maham. These include Mali, which is likely to increasingly rely on the port for its cotton, mineral and other exports.

"PANPA's traffic has experienced exponential growth since its commissioning, going from just over 400,000 metric tons to more than 5.22 million metric tons in 2022," Maham reports. To support that growth, the port has undergone

> SIDI MOHAMED OULD MAHAM GENERAL MANAGER, PANPA

"The development of ports to promote trade, reduce costs and strengthen the competitiveness of the economy constitutes a national strategic priority."

various expansions, giving it a theoretical capacity of 10 million metric tons at the moment. "We currently have nine berths and can receive ships with a draft of 11.2 meters for multipurpose berths and 14 meters for container and hydrocarbon ships," he states. The most recent of its three quays is dedicated to a state-of-the-art container and hydrocarbon terminal that opened in 2021. As Maham notes, "PANPA has supported the country's oil and gas exploration operations since they started and logistics bases housing multinationals, including BP, Kosmos Energy,

Kinross, Total and Exxon are now at the port." Infrastructural developments have been accompanied by upgrades to regulatory and safety standards, he adds: "In 2009, that enabled PAN-PA to be certified in compliance with the provi-



eral Manager, PANPA

sions of the International Ship and Port Facilities Security Code, in accordance with the Safety of Life at Sea Convention of the International Maritime Organization. We are also regularly audited by the United States Coast Guard."

PANPA is at the forefront of the nation's digitalization and sustainability efforts too. It boasts an integrated information technology system that supports all its operations, its lands house a wind farm and it has started negotiations to install a solar plant. "This will provide the energy needs of our entire platform, including those of ships calling here," he says.

The port also stands out as the source of Mauritania's first large-scale public-private partnership (PPP), an investment of over \$300 million that saw Arise and Meridiam SAS commit to finance, build and manage the new container and hydrocarbon terminal. PANPA intends to create more PPP projects in the short term. Among the ventures it is considering are the establishment of a dedicated area for services linked to the energy sector, including oil, gas and green hydrogen; a station for receiving liquefied natural gas from the Greater Tortue Ahmeyim field; a grain terminal; and a dry port near the border with Mali.

"The development of ports to promote trade, reduce costs and strengthen the competitiveness of the economy constitutes a national strategic priority and so the sector offers real opportunities for international public and private sector investors," Maham explains. "Given that Mauritania has an Atlantic coastline of more than 400 miles that predisposes it to attract US investments, I would appeal to American investors to come and invest in our ports and logistics sector."



Running from its mines to its port, SNIM's railway line is over 430 miles long.

Extracting more value from mineral reserves

With international partners, Mauritania seeks to capitalize on its mining experience, infrastructure and resources to expand the sector and decarbonize the iron and steel industry

he mining sector "is one of the main drivers of the Mauritanian economy," asserts Mohamed Vall Mohamed Telmidy, CEO and board member of Société Nationale Industrielle et Minière (National Industrial and Mining Company/SNIM), which is responsible for the full value chain of the nation's activities in iron ore, from geological research and mining, to processing, transport

In 2022, Mauritania's mineral resources provided 24% of the country's gross domestic product and 60% of its exports. However, despite mining's already substantial contribution to the economy, the country has yet to capitalize on the vast amount of resources at its disposal, according to Telmidy: "The Mauritanian subsoil is underexplored, and its mining potential is enormous and diversified.

At present, exploitation at the country's main mines is essentially limited to iron ore deposits by SNIM, which produced 13.35 million metric tons of iron ore in 2022, gold from Kinross' Tasiast mine, copper from Mauritanian Copper Mines and gypsum from SAMIA, a subsidiary of SNIM. As well as boasting huge proven and untapped reserves of those minerals, including more than 10 billion metric tons of iron ore, There are convincing indications of the exis-

MOHAMED VALL MOHAMED TELMIDY ÇEQ AND BOARD MEMBER SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIÈRE (SNIM)

"Our partnerships with Glencore and SABIC to develop iron ore beneficiation and pellet manufacturing projects have an annual capacity of 11.3 and 10 million metric tons, respectively."

tence of other minerals in Mauritania — including chromite, titanium, uranium and rare-earth elements — some of which are now the subject of exploration campaigns by national and international companies," he says.

The industry's spearhead The mining sector has always been led by SNIM,

a public limited company that is 78% owned by the Mauritanian state, 22% by other local and international investors and which has 60 years of extensive experience in the extractive industry. Last year, it generated revenues of \$1.26 billion and the company's operations have made Mauritania the second-biggest producer of iron ore in Africa. "In 2022, SNIM alone contributed 22% of the state's budget, 32% of the country's export volumes, 9% of its GDP and we are the largest employer in Mauritania after the state, with a workforce of 6,700 people," the CEO notes.

The company's mining operations are based in the heart of the iron-rich Tiris Zemmour region in the north of Mauritania. After extraction, the iron ore is moved to one of SNIM's three factories in Zouerate, the capital of the region, where it is crushed, screened and blended,



CEO and Board Member Société Nationale Industrielle et Minière (SNIM)

or enriched to boost the iron content using magnetic separation technologies.

The ore is then transported on the company's own railway line, which is over 430 miles long, directly to SNIM's dedicated Atlantic-coast port at Nouadhibou, Mauritania's economic capital. Once at the port, the ore undergoes further, finely calibrated crushing and assessment before being shipped to clients across Europe, Asia, Africa and Oceania.

While the company's robust railway line has the capacity to carry about 65 million metric tons of ore a year, about five times its current usage level, until recently the potential for SNIM to dramatically increase its in-demand exports was limited by the berthing capacity at its port. That situation is now resolved, thanks to a \$110-million expansion project co-financed by SNIM, the African Development Bank and the European Investment Bank, work on which was completed in 2021.

The Nouadhibou loading port has been widened and deepened from 53 feet to 60 feet, enabling the facility to service larger vessels of up to 230,000 metric tons. At the same time, SNIM is financing the construction of a new \$15-million shipping line at the port to add flexibility and facilitate more frequent dockings and loadings. These projects will raise the company's efficiency, global competitiveness and profitability.

Vital contributor to local development

Fully aware of its importance to the economic fabric of Mauritania, "SNIM has always been an economically profitable, sustainable and socially responsible company. We have been ISO 9001 certified since 2005, ISO 14001 certified since 2011 and labeled 'Corporate Social Responsibility Committed — confirmed level' on the Afnor certification evaluation system, which is based on the ISO 26000 standard, since 2021," states

In addition to the direct financial inputs it makes to Mauritania in terms of GDP, tax revenues and salaries, the firm is a key player in developing the communities it operates in. Last year, for example, SNIM purchased goods and services to the value of \$55 million from 157



SNIM is the largest employer in Mauritania after the state.

diverse local businesses, which created employment for over 3,500 people.

It also contributes millions every year to social and community projects. Furthermore, he reveals, "The SNIM Foundation, which was created in 2007, has invested heavily in the areas around our mines and the Nouadhibou-Zouerate railway corridor. Our foundation intervenes in the fields of education, health, access to water and energy, local development and so on."

The company's focus on education extends to extensive skills training programs, both for its workforce and for other Mauritanian employers. As well as operating its own Technical Training Center at Zouerate, "We have developed partnerships with public technical training establishments to place qualified professional workers and technicians on the job market, thus contributing to the national training effort," notes Telmidy.

When it comes to sustainability, SNIM is at the forefront of industrial decarbonization and pioneer in renewable energy generation: it installed a wind power plant at Nouadhibou as early as 2012 and is currently constructing a 12 megawatt solar facility in Zouerate. According to the CEO: "The decarbonization of our activities is a priority of our corporate strategic plan. Discussions are underway to develop a plan for decarbonization with national commitments, within the framework of the country's greenhouse gas reduction objectives."

Trusted partner of foreign investors The company's strategic development plan also

focuses on significantly expanding its operations, he states: "SNIM wants to reach new levels in its production and especially in the promotion of its product. To begin with, after recording a sales record of 13.35 million metric tons of iron ore in 2022, we targeted exports of 14 million metric tons for 2023." In the near term, the company will produce another approximately 2 million metric tons of high-quality hematite iron ore annually when its F'derick mine comes on line before the end of 2025. The F'derick mine holds ore with 60% iron content that can be extracted extremely cost effectively and, due to SNIM's prudent financial management, it is inancing the project independently.

"We have also just launched a feasibility study for a new Tizerghaf mining project, from which we aim to produce 6 million metric tons of concentrated iron ore annually. In 1984, SNIM set up its first enrichment plant to create iron ore concentrate from magnetite ore, which contains less iron than hematite, thus inaugurating a new era of primary transformation in Mauritania. Currently, almost half of our production comes from concentrate production plants," Telmidy Going forward, SNIM is building up its re-

lationships with international partners in order to further extend its activities. The company has a long history of successful cooperative ventures with global industry players, says Telmidy: "These partnerships have allowed both parties to pool their complementary resources and experiences." Its two largest collaborations at the moment are in the Mauritania Saudi Mining and Steel Company (Tekamul) and El Aouj Mining company (EMC). Tekamul is a 50:50 joint venture with a subsidiary of Saudi Basic Industries Corporation (SABIC), which concerns the exploitation of iron ore deposits in the Atomai area of Tiris Zemmour and their value-added conversion into high-grade direct reduction pellets. EMC, on the other hand, is a 50:50 joint venture with Switzerland's Glencore that will extract iron ore from an open pit mine in the same region, which will then be concentrated to over 66% pure iron.

"The Tekamul project is currently in the front-end engineering design (FEED) phase, after the completion of its feasibility study, while the El Aouj project is in the funds mobilization phase, having completed its FEED stage," updates Telmidy. "Our partnerships with Glencore and SABIC to develop iron ore beneficiation and pellet manufacturing projects have an annual capacity of 11.3 and 10 million metric tons, respectively. Our infrastructures, such as our railway and port, have the capacity to support this huge level of increase in production capacity."

Transitioning iron and steel to net zero

As part of SNIM's focus on decarbonization, the company is also seeking to collaborate with international specialists to maximize the benefits of Mauritania's upcoming influx of cheap, domestically sourced natural gas and green hydrogen. Among other things, the latter fuel opens up the possibility of manufacturing large quantities of green steel for export, which would support that global industry's transition to net zero.

"SNIM intends to take advantage of future energy solutions because they are opportunities for a profound advance in our activities and we are studying to what extent emerging solutions, such as gas or green hydrogen, can help improve the added value of our iron ore. The transformation of part of our production into pellets or green steel is one of the new directions included in our development strategy and we have already signed memorandums of understanding with Emirates Steel and ArcelorMittal to study partnership opportunities in the field of pellet and green steel production," he reveals.

MOHAMED VALL MOHAMED TELMIDY CEO AND BOARD MEMBER SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIÈRE (SNIM)

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In a bid to help promote Mauritania's industrialization, this September the company contracted the South African engineering specialist EPCM Holdings to carry out feasibility studies for a proposed 466-mile-long pipeline that will bring natural gas from the country's offshore fields to Nouadhibou. In addition to its current cooperative ventures with international entities, "SNIM has sufficient resources and assets to seal new partnerships, whether in the exploitation of iron ore, its enrichment, its transformation or in renewable energies and the production of green steel," Telmidy declares.

The final pillar of the company's development strategy is diversifying its mining operations to tap into the wealth of Mauritania's wider resources, he comments: "Within that context, in 2021 we took over a research permit for gold, copper and associated metals in the Inchiri region of northern Mauritania and the results of the research campaign we carried out there in 2022 turned out to be very encouraging."

Telmidy would recommend international mining and energy companies to consider investing in Mauritania. "The stability of our country and its geographical position are major assets for investment and, in my opinion, Mauritania has one of the most attractive investment codes and mining codes in the sub-region. The number of active players prospecting for various minerals and other oil and gas resources is proof of the attractiveness of our country."

The government offers investors in the mining sector numerous incentives, including a zero-rated value added tax on mining exports, while partners of SNIM may receive additional negotiated benefits - its subcontractors, for instance, are exempted from paying customs duties on any imported materials they use in their work. On top of that, Telmidy asserts, "SNIM's weight, experience, openness to collaboration, plus its significant railway and port infrastructure, are all very favorable factors for the development of partnerships in Mauritanian mining."

SECOND IN AFRICA FOR IRON ORE



Iron ore reserves estimated at over 10 billion MT



Plans have been implemented to produce 42 million MT of iron ore a year in the medium term



SNIM produced a record 13.35 million MT of iron ore in 2022



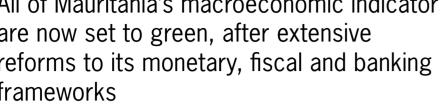
SNIM's railway can transport 65 million MT a year and its port can handle vessels up to 230,000 MT



The Nouadhibou loading port can service vessels of up to 230,000 metric tons.

Macroeconomic stability and reduced debt

All of Mauritania's macroeconomic indicators are now set to green, after extensive reforms to its monetary, fiscal and banking frameworks



ike the rest of the world. Mauritania has been buffeted by COVID-19, the war in Ukraine and rocketing energy prices. De-✓spite these challenges, the country's macroeconomic stability has actually been strengthened, thanks to targeted measures undertaken by the government, particularly the monetary ones implemented by the Central Bank of Mauritania (BCM). Because the nation imports a large part of the goods it consumes, one substantial issue it faced was rising worldwide inflation, says the BCM's governor, Mohamed Lemine Dhehby, who describes the bank's mandate as, above all, "to ensure price and financial stability."

To keep domestic inflation under control, "BCM tightened its monetary policy and increased its key rate twice in 2022. In total, we raised it by 300 basis points to 8%," reveals Dhehby. The central bank also increased the mandatory reserve rate of banks operating in the country from 6% to 8%, which reinforced bank deposits and further reduced liquidity on the market. In addition, "We have renovated the framework of our monetary policy and deepened the money market by diversifying liquidity management instruments," he explains. "Consequently, we obtained an exceptional result for inflation, which fell from 11% year-onyear on December 31, 2022 to 3% on September 30, 2023. Furthermore, we have not experienced a price-wage spiral."

BCM also took actions on the foreign exchange market to prevent any major depreciation of Mauritania's currency, the ouguiya, against the US dollar. "We have a fairly stable currency and BCM is currently reforming the foreign exchange market to introduce more flexibility in its management. Obviously, we are not going to float the currency right away, but we are going to float it within bands that will widen or narrow as the market deepens," states Dhehby. "Regarding foreign exchange reserves management, we have improved our capacities in this and now hold the equivalent of five to six months of imports." BCM has suc-



Mohamed Lemine Dhehby

cessfully adapted its investment policy as well, he adds: "In 2021, the bank achieved \$2.5 million in income from \$2.4 billion in reserves. Over the first nine months of 2023, we generated \$50 million in revenue, on reserves that had fallen to around \$1.8 billion due to increases in the price of basic neces-

BCM has bolstered its regulation of the 18 banks that operate in the country too. "We have developed new tools and stress tests. The results of our simulations have not detected any crisis warning signs and our banks show good general health and stability," Dhehby declares. "All banks have also made clear progress in internal governance. It is a sector that is growing significantly and contrib-

uting significantly to national wealth." To boost financial stability even further, Mauritania has reformed its budgetary processes to introduce medium-term spending frameworks, reduced the complexity of tax regimes and improved its debt portfolio. "A few years ago, we were classified as being in severe debt. In 2021 and 2022, we renegotiated some debts, including one with Kuwait that was reduced and rescheduled over 20 vears. We also renegotiated a Saudi loan on very concessional terms. Thanks to this, our debt-to-GDP ratio fell by half to 42%." As a result, in 2023 the International Monetary Fund confirmed that the country's risk of debt distress had dropped to

The government's ongoing efforts to preserve Mauritania's macroeconomic stability, strengthen its fiscal and monetary policy frameworks and improve governance are supported by a 42-month IMF Extended Fund Facility and Extended Credit Facility with a value of about \$87 million that was signed in 2022. An IMF first review of the country's reforms to date held in October 2023 foresaw that "the authorities' economic and financial program is on track and its implementation has been satisfactory." According to Dhehby, "All Mauritania's macroeconomic indicators are green and consistent with the forecasts of the program agreed

> MOHAMED LEMINE DHEHBY GOVERNOR, CENTRAL BANK OF MAURITANIA (RCM)

"BCM is currently reforming the foreign exchange market to introduce more flexibility in its management."

Also in October, the IMF approved a \$253-million Resilience and Sustainability Facility program for strengthening the nation's resilience to climate shocks, enhancing its disaster risk management capacities and expediting its transition to cleaner energy. As Dhehby points out, "Usually, the IMF concludes programs with countries experiencing significant macroeconomic imbalances. That is not

the case with Mauritania. We signed up with the IMF for the purpose of better management, technical assistance, good surveillance and because of our commitment to macroeconomic stability."

The bank's reforms have helped the country prepare for the natural gas revenues that will start flowing in next year, he asserts: "I can't tell you exactly how the income will be distributed, but part will be used to pay off our most expensive debts, part will finance budget deficits because we want to ensure social safety nets and part of the gas windfall will be used to improve our foreign exchange reserves, for which our monetary and exchange rate policy frameworks are now reformed. Therefore, we will be able to manage these reserves in a rational and optimal manner."

Another focus of BCM is supporting the financial sector's digitalization. "Mauritania has passed laws on electronic money and digital payments, and today almost all our banks have their own electronic solutions, which Mauritanians have fully embraced," says Dhehby. Progress has also been made on digitalizing BCM's own processes. For example, it has implemented real-time electronic clearing systems and set up a central securities depository, making it possible to digitize the whole money market and facilitating the establishment of a future stock exchange. Furthermore, comments the governor, "We have created a sandbox for fintech within the central bank and distributed approvals to a number of fintech firms for their solutions. Currently, we are working on an instant payment switch project with the World Bank for interoperability. After we achieve that, financial inclusion in the country will leap up, which we have

The sector's digitalization mirrors that of the wider economy, Dhehby states: "Mauritania is a country that is modernizing, digitalizing, diversifying and growing, while also managing its public nces and currency well, following all international standards of governance, and preserving its

Banking sector support for the economy's transformation

Mauritania's strong and well-governed banks are helping to upscale traditional industries, facilitate emerging sectors, develop SMEs and boost financial inclusion

auritania's banks are robust supporters of the country's economic growth and transformation, says Iohamed Bouna Moctar, president of the Federation of Financial Institutions — an affiliate of the National Union of Mauritanian Employers that represents all companies in the country — and director general of Banque El Amana (BEA), a large universal bank offering a complete range of services to businesses, institu-

"The economy is mainly focused on traditional sectors like mining, agriculture and fishing, making it vulnerable to fluctuations in commodity prices, climatic hazards and variations in international demand. Banks play an essential role in reducing this dependence and promoting economic diversification," Moctar reveals. He explains that the sector is doing this is by, for example, providing enterprises in those industries with the financing to modernize their equipment, introduce sustainable practices and move up the value chain into manufacturing and exports.

Mauritanian banks are also supplying essential services for the country's leap into hydrocar-

The Services Federation

is a socio-professional

organization affiliated

to the National Union of

Mauritanian Employers.

bons, Moctar notes, "These projects require significant investments and ongoing support for the local and international companies bringing them to fruition." BEA is a significant enabler of this diversification, he adds: "The bank stands out for its leadership in artisanal fishing and agri-food and for its trade expertise, as well as being at the forefront of the energy, telecommunications and construction sectors."

According to Moctar, "Mauritania is evolving rapidly and now offers a favorable business climate, incentives and benefits for investors with numerous opportunities. As a dynamic and secure bank, BEA is a key partner for those looking to invest in the country. With nearly three decades of experience, strong international business and banking relationships, plus a commitment to health, safety and environmental compliance and standards, we are ready to support and advise investors at every stage of their investment journey."

One challenge for the nation is financial inclusion, with only 21% of the population holding a traditional bank account in 2022. However, "Mobile payments have gained in popularity since 2020, with intensive communication campaigns

together more than a hundred companies

port, logistics and maritime operators,

to telecom, digital and innovation sector

The Services Federation brings

players — to contribute to the

APM TERMINALS SOCIETY AGL *MAURILOG SOCIETY AP SA

socioeconomic development of

Mauritania and the establishment of

local and international partnerships.



Mohamed Bouna Moctar Director General, Banque El Amana (BEA)

led by banks. The number of mobile payment app users grew from 270,000 in December 2021 to 800,000 in September 2023, increasing the level of financial inclusion to 38%," he states.

BEA is a good example of the sector's focus on innovative services, notes Moctar: "We invest in the steady development of digital banking and mobile payment solutions to meet the changing needs of our customers and provide greater flexibility and convenience. Thanks to our highly successful Amanty application for mobile payment services, our full-service digital banking app and our bea website, BEA is perfectly positioned to strengthen its market share?

Widespread adoption of smartphones plus mobile and online banking has catalyzed the country's fintech sector; and in 2023, the government introduced a bill that will help expand it. "Startup ACT Mauritania is a framework aimed at encouraging innovative startups and small and medium-sized enterprises. It includes various measures, including mechanisms to facilitate access to financing," he explains. The country's banks already work with SMEs in all sectors to support their growth, Moctar continues: "Banks are seeking to develop innovative financial solutions and are collaborating with government institutions and development organizations. The objective is to make credit more accessible and

affordable while minimizing risks." Supporting Mauritania's SME's is a major focus of Banque Mauritanienne de l'Investissement (BMI), one of the country's five biggest universal banks in terms of balance sheet and branch network, which is part of a well-established group that also operates in energy, construction, telecommunications and the distribution of comput-

"În partnership with the European Investment Bank, the International Financial Company and the French Development Agency, we have launched financing of \$75 million aimed at advancing SMEs by providing them with the necessary financing for their development, helping them to structure themselves and better organize themselves," reveals BMI's director general Mohamed Yahva Sidi.

"As part of that, BMI has contracted longterm credit lines of over \$40 million with the EIB and \$20 million with the IFC to finance projects with high added value in the fishing, services and food industry sectors." Financing from these initiatives is set to particularly benefit startups and



young people, and the partnerships represent the first time the Mauritanian financial sector has worked with either the EIB or the IFC in nearly These collaborations indicate the confidence

top international institutions have in the capabilities and governance of a fast-growing shariah-compliant bank, which provides its clients with services that include commercial banking, investment banking and wealth management. Those services are available through its branches and its Sedad digital bank that is used by 230,000 customers. As Sidi explains: "We have built strong relationships with a network of foreign banks This has been possible because the organization of BMI is perfectly aligned with commonly accepted standards in terms of governance. Our financial indicators comply with central bank guidelines and are all above prudent standards and the national average."

BMI's management standards reflect the recent progress Mauritania's wider banking sector has made in improving its governance mechanisms, which is supporting its greater integration into the global banking order. "The central bank has put in place a regulatory framework around governance within banks that is largely based on commonly accepted international standards. For example, one third of a bank's board must be made up of independent directors who must satisfv well-defined conditions," details Sidi.

"In addition, virtually all Mauritanian banks respect ratios calculated according to the Basel directives. In terms of compliance and the fight against money laundering, the banks have put in place a system that allows them to comply with most of the Financial Action Task Force recommendations, and we have a very effective know-your-customer and operations monitoring system that has proven itself.

In line with Mauritania's other leading financial institutions, BMI is working hard to help realize the nation's potential in energy sectors, Sidi states: "It is now clear that Mauritania has significant gas reserves in terms of volume and quality, as well as enormous capacities in solar and wind energy, which will enable the country to become an energy hub in the sub-region. Local banks are striving to support the growth of these new activities through targeted financing that is intended to provide the logistics and infrastructure necessary for the smooth running of those industries."

Setting the agenda for digital transformation

nia's government, which established a ledicated Ministry of Digital Transformation, Innovation and Modernization of the Administration in 2021. The following year, this ministry launched the National Digital Transformation Agenda 2022-2025, a strategy based on four axes: digital infrastructure, digital government administration, support for the transformation of economic sectors, plus ebusiness and innovation. In the following interview, the man heading the new ministry, Mohamed Abdallahi Louly, discusses his priorities within the national agenda and the progress the country has made toward digitalization.

When the agenda was published in 2022, Mauritania had one international submarine fiber-optic connection with a second planned, about 2.500 miles of fiber-optic backbone and a mobile network coverage rate of 95%. How crucial is the construction of additional digital infrastructure for the country?

Our status regarding infrastructure is much better than it was in 2019. Our main urban areas now have 4G, with some telecoms operators having full 4G capabilities and a good level of bandwidth. The challenge is for the rest of the country, and it is critical for the main regional capital cities. Out of our national agenda's four strategic directions, the first priority is digital infrastructure. We need to do a lot of work to develop infrastructure, which is the most challenging aspect of our digital transformation, because we have a very expansive country and we need to cover some areas that present many challenges to provide remote communities with broadband access.

We are going to invest at least \$30 million over the next two years in fiber backbone projects that ensure we have inclusive high-speed internet in every major densely populated area of the

MOHAMED ABDALLAHI LOULY MINISTRY OF DIGITAL TRANSFORMATION. INNOVATION AND MODERNIZATION OF THE ADMINISTRATION

"We are going to invest at least \$30 million over the next two years in fiber backbone projects that ensure we have inclusive high-speed internet."

country, and we are making significant advances on this road. For instance, I recently presented a project that will cover Mauritania's entire south and southeast borders. We have designed it to be able to provide 4G services by building on the nation's existing fiber backbone and it will utilize an innovative renewable energy technology. This is a good example of the type of infrastructure project we want to construct. Its design and implementation is being financed through a government fund, the first phase starts this year and it should take about seven to nine months to execute.

Many other projects are still to come and we are in discussions with Mauritania's main national operators to accelerate the development of our infrastructure, which is a strategic imperative.

Where does digitalizing government services rank in your list of priorities and how advanced is Mauritania in this area?

Developing a set of e-government services is the second element of our national agenda and some have already been deployed. We are starting with governmental administration services, and have digitalized 12 out of 26 ministerial departments for mail processing services so far. We are putting an emphasis on value for money, which requires significant efforts toward integration, change management and change of leadership, if needed, to deliver our targeted results. This project will be finished by the end of the year and it will reduce some tasks' completion time from

An additional e-government service we are in the process of introducing is the ability for customers to track the processing of their requests. We are focusing on three ministries: justice, education and health. In education, we have already eliminated 500,000 requests that people

Rapid development of high-standard digital infrastructure is a strategic imperative for Mauritania's government



were submitting. Previously, to enroll children in schools people had to request a document from a government agency and then submit the same document to another department. That is no longer the case. Now, we have an automatic, integrated system that sends the information from department to department. This has removed hassle and backlogs and is an example of what digitalization with value can bring the country.

We are also working with the Ministry of Health to create an integrated, central, electronic health record and to accelerate the digitalization of processes in hospitals and other medical facilities. Many more digitalization projects will be forthcoming, which are outlined in our national agenda. Again, our mindset in executing the agenda is focused on value. If something doesn't bring value, then we don't spend money on it.

In September, you presented a new Startup ACT Mauritania bill to the country's Council of Ministers. What part does this play in your plans to boost innovation in the economy?

Our strategy for innovation is focused on three main pillars. One is the Startup ACT and the idea behind it is strong and effective, but simple. We are creating a label for Mauritanian startups with innovative products or services and

potential to grow. The startups that obtain this label will receive support from the government, increased access to public markets, tenders and facilities, plus special incentives on import duties and taxation. This label will be issued in a publicly transparent manner, it will create a virtuous competition to obtain it and it will vastly improve the quality level of our startups.

The second pillar is IBTIKAR, a dedicated science and technology park that will cater to Mauritania's technology needs and the Startup ACT's future ecosystem. The third is an innovation fund. We have targeted innovation through three pillars as a comprehensive approach to extracting effective, measurable value from innovation.

Education is a major focus of the government.

How is digitalization being utilized to enhance the education system? Education is an important subject that we are

addressing on two fronts. The first concerns our development of digital infrastructure: by providing good bandwidth, you immediately open access to education, which can now be obtained online. You can access a free, high-quality course at the Massachusetts Institute of Technology, for example, when you have a good internet connection. We are also working closely with the Min-

Wealth of resources and potential in

hydrocarbons, renewable energies,

green hydrogen, mining, agriculture.

livestock, fishing and tourism

expansion makes it an ideal

manufacturing



Mohamed Abdallahi Louly

Minister of Digital Transformation, Innovation and Modernization of the Administration

istry of Education on the digitalization of education. Currently, we are supporting them regarding the authenticity and credibility of certificates and diplomas, how to digitize exams, an initiative for digital schools, and providing digital platforms with curricula content and connectivity.

On the other front, we have a center dedicated to training in digital technology, which supports the institute of the Ministry of Higher Education and Scientific Research. We also deliver many capabilities, including 10 gigabyte internet access, to the University of Nouakchott. The "icing on the cake" in our education program is that we will soon launch two masters' of excellence in artificial intelligence and robotics, which will enable us to compete in the global knowledge economy.

US investments in Mauritania so far have focused on the oil, gas and mining industries. What opportunities are available in the digital sector that you would like to highlight?

We really want to see more investment from the US in our digital infrastructure. High-quality infrastructure is the key to everything. Additionally, we are targeting big players in information technology such as Microsoft. Amazon and Google to establish a first-class data center in the country and we would be very happy to engage in discussions about that — Mauritania needs to fulfill all the requirements to have secure cloudbased public services. We aspire to be the second, or third, country in Africa to host a high-standard public cloud infrastructure data center like they now have in South Africa, and we could channel its capacity through the Sahel countries.

What would be your message to potential investors in all sectors of the economy?

Mauritania has a strategic location and very important security and stability features. Digitalization enhances our attractiveness — it makes the country a place where investors can come to

TOP 5 REASONS TO INVEST IN MAURITANIA



Strategic location between North and sub-Saharan Africa, the US, Europe and the Middle East, with over 450 miles of Atlantic coastline



A beacon of political, economic and social stability and security in the Sahel region



Open to investments, Mauritania has a highly attractive business environment, a revitalized investment code and a one-stop shop for investors

DIGITALIZATION GOALS FOR 2025

5,000 miles of fiber-optic backbone networks

100% internet coverage across the whole of the Mauritania

75% of the country to be

200 high-quality startups labeled under the Startup ACT Mauritania

\$760 million in annual revenues from private-sector digital goods and services

A mobile revolution in Mauritanian financial services

Digital banking solutions have helped double financial inclusion levels in just a few years

efore the start of this decade, the pene-tration of banking services in Mauritania languished at under 20% of the population. Expanding financial inclusion in a vast country with huge expanses of desert, limited infrastructure and widely scattered cashbased communities presented the nation's banks with understandable challenges, which had proved too costly to surmount.

That began to change in 2019, when banks started releasing mobile and digital banking apps in response to Mauritanians' rapidly rising usage of smartphones and the internet, as well as the availability of technologies like unstructured supplementary service data, which allows users to make banking transactions on non-smart mobiles in areas with no data coverage.

The first mobile banking solution came from Banque Populaire de Mauritanie (BPM), a universal bank created in 2012 that is now the national frontrunner in retail and corporate banking. According to its deputy CEO, Abderrahmane Hama-Vezaz, "Today, BPM has more than 550,000 individual, professional and business customers in Mauritania."

The bank released its solution under the Bankily brand name. "Bankily is the leading mobile bank in the country both in terms of users and transaction volume and it became the mobile bank of choice for Mauritanians in urban and rural areas by offering them a free, local banking solution. More than 470 points of sale form the brand's distribution network, which are located throughout the country," says Hama-Vezaz. "With its launch, BPM revolutionized

the banking market in Mauritania and its digital transformation by solidifying the entire mobile banking ecosystem." Through Bankily, customers can easily transact with fellow users, major utility and telecom companies, supermarkets, medium-sized and smaller businesses.

Among Bankily's innovative elements, money can be transferred using just a recipient's telephone number, a linked Facebook account, tap-and-pay or a QR code. "Banking innovation remains at the heart of BPM's digital transformation strategy and we are about to launch a new version of our mobile and omnichannel bank with new features," Hama-Vezaz reveals.

Most of Mauritania's other banks quickly followed BPM into the market with their own mobile and digital banking solutions, which have also proved successful: by September 2023, financial inclusion had risen to around 38% of the population. To encourage further uptake, the Central Bank of Mauritania (BCM) will soon publish a national financial inclusion strategy that, among other things, aims to expedite the use of and promote access to mobile banking services.

BCM's 2023 launch of an automated transfer system will also have a big impact on inclusion, says Mohamed Bouna Moctar, director general of another leading bank, Banque El Amana: "This project introduces instant interbank exchanges, strengthening both mobile payments and digi tal banking services. BCM adopted this strategic orientation to improve the efficiency and security of payment systems, reduce cash payments and facilitate greater access to financial services for disadvantaged populations."



Competitive, Reliable, Secure

The independent Port of Nouakchott, known as the Port of Friendship, plays a fundamental role in Mauritania's economy and in the commercial exchanges of the country, most of which transit through sea routes.

Located 9 miles from the capital city and opening onto the 4 main axes of the country, the Autonomous Port of Nouakchott enjoys a privileged geographical position south of the Sahara, at the crossroads between Europe, Africa and the two American continents.







Private sector is key to driving development

Business leaders are playing a crucial role in economic diversification and improving the nation's investment environment

s the World Bank notes in its 2022 report on the country's economy, Mauritania benefits from a resilient and employment-creating private sector that is central to the nation's ongoing economic transformation and diversification. Mohamed Zine El Abidine Ould Cheikh Ahmed, president of the Union Nationale du Patronat Mauritanien (National Union of Mauritanian Employers/ UNPM) expands on the sector's significance: "Working in close consultation with the government, the private sector plays a leading role in Mauritania, with 90% of jobs generated in Mauritania coming from companies.

Set up in 1957, UNPM is the umbrella organization representing all businesspeople in the country, which is made up of 18 separate sector-specific federations that together cover every area of the economy. It is also the conduit for the nation's public-private consultative efforts to develop the economy that have become more expansive since 2019.

"UNPM is the sole interlocutor between the government and the private sector, according to a 2017 decree. President Mohamed Cheikh El Ghazouani understands the importance of the private sector, which he considers to be the engine of the economy, and he is particularly attentive to our members' needs," explains Ahmed. "Four years ago, for instance, the government created an interministerial committee to monitor the business climate, which UNPM is a member of. The committee meets every month and evaluates obstacles to be addressed and areas for improvement to be worked on. This committee has enabled Mauritania to make great progress on its business climate."

Ahmed is very upbeat about the country's economic prospects. "I have noticed a real economic boom in Mauritania over the last two years and I am convinced that this will accelerate further next year once the country starts exporting natural gas. In addition, the government's establishment of a High Council for Investment will help bring investors closer to Mauritania. We have good infrastructure, a framework con-

in service industries

auritania's gross domestic product

is "expected to grow by 5.9% on av-

erage between 2023 and 2026," says

Mohamed Waled, president of the

Fédération des Services (Federation of Services/

FS). "The primary sector will be driven by ag-

riculture and fishing, and the secondary sector

by natural gas and iron ore. Our thriving tertiary

services sector, which represents 44% of GDP,

Working under the umbrella of Union Na-

tionale du Patronat Mauritanien, FS represents

all companies operating in some of the biggest

tertiary sub-sectors, including telecommuni-

cations, information and communication tech-

nologies, ports, transportation, logistics, consul-

tancy and other expert professions. Its role is to

promote its members' interests to national and

international stakeholders, while stimulating

growth, innovation and collaboration in their

will grow by 6.5% on average over the period."

Major infrastructure

development program

Extensive investments in industrial, transport,

logistics and digital infrastructure cement

Mauritania's attractiveness for investors



Mohamed Zine El Abidine Ould Cheikh Ahmed Mauritanien (UNPM)

ducive to investments and great potential in various sectors, particularly renewable energies,"

"UNPM is a partner and a supporter for investors in all industries and major foreign companies have already invested in Mauritania's mining and hydrocarbons sectors. As an illustration of the country's attractiveness to investors, in the last two years we have welcomed 40 new gold factories, each of which is processing and producing 1,400 ounces of gold per month."

Agriculture is another buoyant industry that supporting the nation's sustained economic growth. "Mauritania benefits from 400 billion cubic feet of water and 594,000 hectares of arable land, so it offers very rich agricultural potential. The Mauritanian private sector currently cultivates two seasons of rice a year amounting to approximately 120,000 hectares, which covers almost all our domestic needs in that crop. We have also diversified our production into watermelon and millet, for example," Ahmed details.

"The livestock sector is an important pillar of our economy a well, representing around 10% of

gross domestic product and employing 10% of the active population. Mauritania is very prosperous in the field of fishing too and that sector

has grown significantly over the last four years: by 2022, we had 80 fish freezing and processing plants. We also have many import-export companies in Mauritania, as we import 90% of our needs and we re-export a lot of goods to neighboring countries." Productive and logistics businesses in the

country gain from its membership of trade blocs such as the Economic Community of West African States, which offers duty-free access to more than 300 million consumers in 15 nation states. And the opportunities for companies in those sectors are about to multiple, as a result of the government's investment in infrastructure to secure Mauritania's position as a regional trade center and the upcoming launch of the African Continental Free Trade Area, which will be the world's largest free trade area, covering 1.3 billion people in 55 countries with a total GDP of

Building up industrial capabilities

As well as representing its members before public authorities and contributing to the design and implementation of governmental economic strategies, UNPM provides companies with a range of services to build their capabilities. Skills development is one example of this. "We have a lack of qualified labor in Mauritania, which represents a big problem and sometimes forces us to import foreign labor. To help alleviate that, UNPM has affiliated with schools and training centers. Each year, we inform the state about our members' professional training needs and education institutes take this into consideration,"

"We also provide training to encourage entrepreneurs and enable them to access markets and calls for tender. We strongly support the creation of new businesses and carry out numerous activities in that regard, many of which are aimed at women and young people.

UNPM works hard to promote its members and the country's investment opportunities on the international stage as well. For example, it maintains close relationships with embassies in Mauritania, it regularly hosts forums for global business groups and it has signed a range of cooperative agreements with public and private sector entities from nations such as Kuwait, Saudi Arabia, Morocco, Algeria, Qatar, Germany

MOHAMED ZINE EL ABIDINE OULD CHEIKH AHMED PRESIDENT, UNION NATIONALE DU PATRONAT MAURITANIEN (UNPM)

"President Mohamed Cheikh El Ghazouani understands the importance of the private sector. which he considers to be the engine of the economy."

"In my opinion, American investors have not yet realized Mauritania's potential across different economic sectors. We have trade with the US, but many of our exports pass through European countries first, which is a shame because, geographically speaking, we are the closest country to the US. However, I believe that once the Kosmos and BP natural gas projects begin operations, they will attract the attention of US investors to other Mauritanian sectors," states Ahmed "We have a lot of opportunities in several areas, we need investors and, moreover, at the end of 2023 we will have a new investment code. US investors can be reassured that they will find a reliable and stable partner in Mauritania.



Mauritania's existing ports have been rehabilitated and two new ones constructed.

production and distribution hub. "Infrastrucstate, which is reflected in the amount of public investment devoted to it and in the efforts to promote public-private partnerships for its financing and management," he states. Recently developed transport and logistics infrastruc-

industries. According to Waled, "Thanks to poture includes an expanded road system and new ports at Tanit and Ndiago, while existing ports litical, economic and social reforms undertaken by the government in consultation with the prihave been rehabilitated, Waled notes: "Today, vate sector, Mauritania has developed competithe Autonomous Port of Nouakchott and the tiveness and profitable investment opportunities Port of Nouadhibou Free Zone have efficient loin various sectors. Without being exhaustive, I gistics platforms offering satisfactory services to national and international operators." would cite mining, hydrocarbons, agriculture, livestock and fishing and the processing of those

The government has targeted investments in infrastructure to take advantage of the country's location, which predisposes it to be a regional tural development constitutes a priority for the

Many more projects are in the pipeline, such as dry ports, urban and intercity transport sysindustries' products; plus services and infratems, a toll highway between Nouakchott and Boutilimit that will facilitate trade to and from Mali, plus a railway running to the north and south of the country. Further projects are being constructed in the southern Trarza region. Near the border with Senegal, this area boasts excellent agricultural lands and freshwater fishing, as well as significant untapped tourism potential, due to its cultural history, diversity of wildlife, and landscapes ranging from a stunning coast-line and the vast Senegal River, to lakes and des-

> Projects in the works for Trarza include a road bridge across the Senegal River. This will dramatically speed up the transport of goods to Senegal and connections with trans-African corridors and Europe. To complement this, a new Trarza industrial zone will act as a hub for investors in agricultural, livestock and river-fish processing and logistics, as well as tourism. Companies based there will benefit from easy access to inland markets and from its close proximity to

the state-of-the-art Port of Ndiago. Mauritania has also invested in its digital connectivity. "Projects executed so far include a



Mohamed Waled President, Fédération des Services (FS)

additional submarine cable," reveals Waled. FS supports its members to leverage emerging technologies, he adds: "Convinced of the importance of human capital in our businesses' development, my federation places professional training at the heart of its concerns. We participate upstream in the implementation of training programs and in the management of training structures, for example." He is confident that the ongoing investment in infrastructure will cement the country's appeal for international investors and travelers: "Mauritania is a secure business location with proven potential that is rich in its diversity, and it is also a tourist destination worth discovering."

Bringing you the bounties of Mauritania's sea to your plate

Octopus · Cuttlefish · Squid · Sole Courbine · Dentex · Pargo · Cherne Red Mullet · Baila Grouper · Sar Trout · Ray · Dorade · Lobster Shrimp · Sea Bream · Dogfish Marble · John Dory · Sardinella Sardine · Horse Mackerel and more.

MAURITANIAN COMPANY FOR FISH MARKETING (SMCP)

www.smcp.mr



THRIVING BUSINESS ECOSYSTEM



national fiber-optic network, local loops and an

Over 4,500 new companies were registered in Mauritania in 2022



Service sectors represent 44% of GDP and are forecast to grow by an average 6.5% a year to 2026



The private sector creates 90% of employment in the country



The biggest and fastest-growing service sectors include telecoms, ICT, transport and logistics

One of the world's richest fishing grounds

Mauritania's fishing sector is a prime example of how the country is seeking to develop its food production industries by boosting the sustainable exploitation and local transformation of its resources

he upward trajectory of Mauritania's economy is being supported by its increasingly dynamic fishing and agricultural industries. In 2022, for example, the nation's fish exports brought in a record \$759 million, 23% above 2021's total. The fishing sector currently represents 4%-6% of Mauritania's gross domestic product and 30%-50% of its export volumes, with the industry's outputs reaching about 60 international markets. Even so, it has the capacity to contribute much more, says Yahya Ould Ahmed El Waghef, director general of La Société Mauritanienne pour la Commercialisation de Poisson (the Mauritanian Fish Marketing Company/SMCP): "40%-45% of our exceptional fishing potential of around 1.6-1.8 million metric tons a year remains unexploited."

The semi-public SMCP, which is 70% owned by the state and 30% by local industry players and banks, is dedicated to helping the sector realize its capabilities. "SMCP was created in 1984 to promote, develop, export and market fishing products. Historically, it had a monopoly on marketing, however the sector and the company have evolved. It no longer owns any product, but it still plays a vital role in marketing and remains the only entity authorized to export," explains Waghef. "Today, our top priority is the promotion and enhancement of Mauritania's fish products. We place particular emphasis on ensuring the quality of our products and on ensuring that quality is appreciated in international markets. Beyond this main role, SMCP's vision encompasses the preservation of our fishery resources, the creation of added value and jobs, plus judicious exploitation of the sector's potential."

Most of that potential is in Mauritania's Atlantic exclusive economic zone that covers 200 nautical miles and constitutes one of the world's richest fishing grounds. The country's coastal waters are home to nearly 600 species of marine life, over 200 of them having commercial value, which include cephalopods like octopus, cuttlefish and squid; deep-water fish such as seabass, bream, grouper and sole; shellfish; tuna; and pelagic species that swim near the surface, including sardinella, sardine and mackerel.

"All Mauritanian fish products are of exceptional quality and are recognized as being among the world's best, especially in the cephalopod category," Waghef asserts. This quality has helped the country to become one of the five biggest suppliers of octopus worldwide. It exported about 40,000 metric tons of octopus in 2022, equating to around 8% of global production. "Cephalopods such as octopuses are high value. However, our potential in pelagic fishing is particularly remarkable. Those species are lower value, but they are abundant," reveals Waghef.

An exclusive economic zone

for fishing that covers

200 nautical miles

One of the world's top 5

producers of octopus



Director General, Société Mauritanienne

two sub-sectors: artisan fishing, which accounts

SMCP's rigorous oversight of that quality is weigh and certify each item," Waghef states.

YAHYA OULD AHMED EL WAGHEF DIRECTOR GENERAL, SOCIÉTÉ MAURITANIENNE POUR LA COMMERCIALISATION DE POISSON (SMCP)

"40%-45% of our exceptional fishing potential of around 1.6-1.8 million metric tons a year

The industry provides Mauritanians with over based on this center's recommendations and they



pour la Commercialisation de Poisson (SMCP)

for about 70% of employment, and larger-scale industrial enterprises that produce goods for export. The industry is entirely privatized, he points out: "The state intervenes in regulation, quality and marketing, leaving the private sector to take charge of most other operations. The objective of public intervention is to preserve the nage of Mauritania and product quality."

supported by other entities. "For example, the coastguard ensures the traceability of products' origin, fishing date and legality, while a Ministry of Fisheries center inspects goods and guarantees their compliance with buyers' standards. Within SMCP, we ensure that no product is exported without these controls having been validated. We also have our own quality controllers that check,

remains unexploited."

SMCP has a research center dedicated to maintaining the sustainability of fishery resources as well, he adds: "It carries out assessments, supervises the fishing effort and we observe four non-fishing months for biological rest each year. In addition, all vessels are given an annual quota 220,000 direct and indirect jobs and is split into must cease activities when those are reached."

600 species of fish, more than

200 of which have high

Record fishing exports worth

\$759 million in 2022

Mauritania's fishing industry is split into artisan and larger-scale industrial sectors.

Fishing provides a significant proportion of Mauritania's export volumes.

Once validated, SMCP exports the fish, which mainly goes to Europe and Japan. "Some of our products are processed in Europe and then re-exported to the US. Until now, America has not been a direct sales target for us, but our ambition is to establish direct relationships with this market," reveals Waghef.

Addressing the industry's challenges

While the sector's potential is clear, it faces challenges. "These include policing our 450-mile coastal zone to prevent illegal exploitation by foreign actors. The government has invested in better managing that and our National Center for Oceanographic Research and Fisheries as well as our coastguard play a crucial role in this," he says. Other challenges present profitable opportunities for inward investors, according to Waghef: "The first concerns trawlers specializing in pelagic fishing. These are substantial investments and national players generally do not have the means to make them. Conditions for investors are transparent: by bringing their own vessel, they can obtain a license and a fishing quota until our potential is saturated."

The government has invested in consolidating fish landing, cold storage, primary processing and export capacities, which are sufficient to handle current catch volumes. "However, if we increase our fishing in the future, additional investment will be necessary in these areas," he notes. At present, over 90% of the sector's exports consist of whole frozen fish or basically processed goods and another major opportunity for investors is more complex transformation. "We are ambitious to significantly increase the locally added value of our products within the next three years," Waghef states. Incentives to encourage processors are mounting up, he adds: "The Nouadhibou free zone offers rapidly available facilities and efforts are underway to develop a new investment plan for the sector."

Investors are beginning to take advantage of this opportunity. For instance, 2022 saw the inauguration of a local entrepreneur's \$16-million freezing, storage and sardine canning factory. And this October, Norwegian company Star Seafood announced its intention to invest nearly \$110 million into a facility for manufacturing

Omega 3 fish oil capsules, fish filleting, canning and shrimp aquaculture.

Waghef, who is a former prime minister of Mauritania, is optimistic about the future of not just the country's fishing sector, but the nation in general: "With its stable governance, consultative climate and solid economic prospects, our country is on the right track for sustainable and inclusive development.

Sustainable development is a particular concern for both fishing and an equally underexploited agricultural sector, which contributes about 10% of GDP and employment for around 50% of the population. That is because Mauritania is extremely vulnerable to climate change impacts like rising coastal and land temperatures. droughts and floods, explains Minister of the Economy and Sustainable Development Abdessalam Ould Mohamed Saleh.

YAHYA OULD AHMED EL WAGHEF DIRECTOR GENERAL, SOCIÉTÉ COMMERCIALISATION DE POISSON (SMCP)

"All Mauritanian fish products are of exceptional quality and are recognized as being among the world's best.

"Addressing climate change is a priority and one focus of our new cooperation with the US's Millennium Challenge Corporation. We are working to promote adaptation measures by supporting farmers to better manage water and land resources, and to introduce good agriculture and livestock practices. Mauritania is also part of the Great Green Wall Initiative to combat climate change and desertification, a multibillion-dollar program launched by African countries and supported by the European Union and others, including US philanthropic institutions," he states. "On the mitigation side, Mauritania is not a significant emitter of greenhouse gases, but the global climate action agenda offers a unique opportunity for us to tap into our huge renewable energy potential to accelerate the energy



THE POTENTIAL IN MAURITANIA'S OCEAN

BPM is the leading retail and corporate bank in Mauritania with more than 48 branches in the country Since 2020, BPM has launched the first mobile banking solution which is today the leading digital bank with more than 500,000 customers and 500 branches (mobile banking network). BPM has significantly improved financial inclusion in Mauritania within two years and stands out from the

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SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIÈRE

Unlocking Mauritania's mining potential

SNIM is a major contributor to the Mauritanian economy:



Annual sales:

13.5 million tons of iron ore (2022)



Direct jobs: 6,700



Turnover:

\$1.26 billion (2022)



Contribution to the state budget:

22%



Contribution to national GDP: 9%



Shares in the country's exports: 32%

SNIM is also a major player in local development (2022):

\$14.4 m

Investment in social and community projects

157

Number of national supplier companies, creating more than 3,500 jobs

\$55 m

Amount of local purchases

As part of the company's strategic plan to increase production and diversify into new minerals, SNIM has just launched, with its own funds, its F'derick project, which will produce **2 million tons** of naturally rich iron ore by the end of 2025. A feasibility study is also currently being carried out to produce 6 million tons of concentrate per year, in the Tizerghaf zone.

Partnership is part of our development model

SNIM is currently engaged in two important partnership projects:

EI AOUJ MINING COMPANY (EMC)

Partnership with Glencore, which will produce 11.3 MT of iron ore concentrates a year.

MAURITANIA SAUDI MINING & STEEL (TEKAMUL)

Partnership with SABIC of Saudi Arabia, which will produce 10 MT of pellets a year

