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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

After registering a decade of strong growth, the Senegalese economy was impacted by the Covid-19 pandemic, but was amongst the minority of economies that managed to avoid recession. However, during 2023, domestic socio-political unrest alongside political and security tensions in neighboring areas led to shifts in consumption and investment patterns, impacting sectors such as manufacturing (textiles, agri-food), agriculture (fertilizer and transport prices), and retail and hospitality. Consequently, economic growth was constrained (+4.1%, still below its pre-pandemic level, as per the IMF). In 2024, GDP growth is poised for a significant leap forward, propelled by hydrocarbons. The nation is banking on the initiation of two offshore fields, one for gas and the other for oil, to stimulate production, exports, investment, and tax revenues. The IMF forecasts growth at 8.8% this year and 10.2% in 2025.

Concerning public finances, the authorities remain steadfast in their commitment to achieving fiscal consolidation objectives. In 2023, they anticipated that enhanced revenue collection and improved spending control would decrease the fiscal deficit to 4.9% of GDP. Looking forward to 2024, reaching a fiscal deficit of 3.9% of GDP hinges on implementing measures to streamline tax expenditures and reduce energy subsidies to 1% of GDP. This year, authorities are accumulating liquidity buffers to ensure debt service payments during January-April 2024. Debt is projected to peak in 2023 (81% of GDP) and gradually decline as a percentage of GDP over the medium term, reflecting sustained fiscal consolidation and economic growth (decreasing to 67.6% by 2025 – IMF). Inflation receded to 6.1% in 2023 (down from 9.7% one year earlier) and is not expected to return to the WAEMU target of 3% before 2025 (IMF). After focusing on the response to external shocks, the authorities are now focused on implementing the revised Emerging Senegal Plan (PSE). The objective is to promote strong and inclusive private sector-led growth through structural transformation and diversification, with a new emphasis on accelerating the domestic production of critical supplies through sectoral policies (IMF). Increasing revenue mobilization, rebuilding fiscal buffers, putting public debt on a downward path, improving the business environment, enhancing the social safety net, broadening access to quality education, addressing youth unemployment, and tackling financial system weaknesses are the key challenges identified by the IMF.

According to the World Bank, if PSE reforms continue, the poor layer of the Senegalese population would progressively be able to access high-growth or value-added sectors, such as horticulture or agricultural processing. In 2022, the unemployment rate of the country was at 3% (World Bank, ILO estimate). In Senegal, several statistical studies conducted by the ANSD indicate that nearly 97% of economic units operate informally, with 96.4% of the active population engaged in the informal sector, encompassing both urban and rural areas. Overall, poverty (using the low middle-income poverty line) remained stable around 36.3% in 2022, while the country's GDP per capita (PPP) was estimated at USD 4,209 (World Bank).

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP <i>(billions USD)</i>	27.74	31.14	35.19	39.67	42.62
GDP <i>(Constant Prices, Annual % Change)</i>	4.0	4.1	8.8	10.2	5.2
GDP per Capita <i>(USD)</i>	1,570	1,715	1,886	2,069	2,164

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
General Government Gross Debt <i>(in % of GDP)</i>	76.6	81.0	72.1	67.6	66.2
Inflation Rate <i>(%)</i>	n/a	6.1	3.3	2.0	2.0
Current Account <i>(billions USD)</i>	-5.53	-4.55	-2.77	-1.44	-1.16
Current Account <i>(in % of GDP)</i>	-19.9	-14.6	-7.9	-3.6	-2.7

Source: IMF – World Economic Outlook Database , October 2021

Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

MAIN SECTORS OF INDUSTRY

Senegal is rich in minerals, especially phosphates and iron ore. The country is one of the world's leading phosphate producers and has significant deposits of zirconium, titanium, marble, gold, and limestone, as well as several types of precious stones. Although only 19.9% of the land is arable, agriculture employs 22% of the workforce and contributes to 15.5% of the GDP (World Bank). Senegalese agriculture is highly vulnerable to climatic hazards and locust threats. Senegal's main crops are peanuts, black-eyed peas, cassava, watermelons, millet, rice, and corn. Fishing is also an important source of revenue. To facilitate the processing of agricultural products, the government is setting up four agro-food processing hubs ("agropoles"). According to the Ministry of Commerce, Small and Medium Industries, horticultural production in Senegal reached a record level of 435,000 tons during the 2022-2023 campaign.

The industrial sector contributes to 24.5% of the GDP and employs 23% of the workforce (World Bank). It is based essentially on the production of fertilizers and phosphoric acid - which is sent to India, as well as peanut processing (oil and cattle meal) and seafood processing (despite a growing depletion in resources). The most important industrial segment is food production, followed by textiles and chemical industries. Senegalese industries also produce construction materials, machinery, equipment, electricity, and water. The government is supporting the establishment of an integrated park for the pharmaceutical, biomedical, and pharmacopoeia industry ("Pharmapolis" – IMF). Overall, the manufacturing sector is estimated to account for 15% of the country's GDP. According to the national statistical office, over the twelve months of 2023, industrial production decreased by 0.9% compared to the corresponding period in 2022.

The service sector contributes 50% to the GDP and employs 56% of the workforce (World Bank). It benefits from the country's excellent telecommunications infrastructure, which fosters investment in tele-services and the Internet. This sector has been expanding steadily. Tourism has also been growing, particularly among European travelers.

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	21.6	22.6	55.8
Value Added <i>(in % of GDP)</i>	15.7	24.5	49.7
Value Added <i>(Annual % Change)</i>	0.3	1.1	6.2

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
CFA Franc BCEAO (XOF) - Average Annual Exchange Rate For 1 USD	593.01	582.09	555.72	585.90	575.59

Source: World Bank - Latest available data.

FOREIGN TRADE

Senegal is an open economy where foreign trade accounts for 80% of its GDP (World Bank's latest available data). According to Comtrade, in 2022, the country's main exports were petroleum oils (17.8%), gold (16.3%), diphosphorus pentoxide and phosphoric acid (13.2%), frozen fish (excl. fish fillets, 4.8%), and molluscs (3.8%). Meanwhile, main imports included petroleum oils (27.9%), rice (4.6%), wheat and meslin (3.1%), and light-vessels (3.1%).

The country's main export destinations in 2022 were Mali (19.9%), India (15.2%), Switzerland (11.6%), China (4.0%), and Australia (3.9%); whereas imports came chiefly from China (10.0%), France (9.2%), India (7.5%), Belgium (6.3%), and Spain (6.1% - data Comtrade). Senegal is a member of the Economic Community of West African States, and the country has trade agreements with several countries, including the EU, the United States, Switzerland, South Korea, Japan, and Australia. Given its growing influence in the African continent, China has become an increasingly important partner of Senegal. The country's trade policies are designed to help reduce the trade deficit, ensure regular supplies to the domestic market, promote local value chains, strengthen the regional integration process and access to international markets and promote competition. Under the Emerging Senegal Plan, the government seeks to deepen regional integration by further developing the infrastructure network; eliminating barriers to the free movement of persons, goods, and services; and developing intra-community trade.

Senegalese foreign trade is characterized by a structural current account deficit, which historically represents more than 10% of GDP. However, offshore oil production should help narrow the deficit in the medium term. In 2022, imports of goods increased to USD 10 billion (+11.3% y-o-y) while exports of goods stood at USD 5.4 billion (+4% y-o-y - WTO). In the same year, the country imported services for the total value of USD 3.5 billion while its services exports amounted to USD 1.1 billion. The overall trade balance was estimated to be in deficit by 26% of GDP by the World Bank (from 19.9% in 2021).

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Goods (million USD)	8,071	8,144	7,812	9,699	10,802
Exports of Goods (million USD)	3,623	4,179	3,929	5,202	5,413
Imports of Services (million USD)	1,698	1,861	2,642	3,789	3,562
Exports of Services (million USD)	1,421	1,408	874	1,289	1,186

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade (in % of GDP)	61.8	64.2	60.0	69.1	80.6
Trade Balance (million USD)	-3,396	-2,880	-2,797	-2,998	n/a
Trade Balance (Including Service) (million USD)	-3,673	-3,334	-4,564	-5,498	n/a
Imports of Goods and Services (Annual % Change)	9.0	6.8	7.0	15.5	29.1
Exports of Goods and Services (Annual % Change)	8.2	14.7	-13.2	22.6	8.1

Foreign Trade Indicators	2018	2019	2020	2021	2022
Imports of Goods and Services <i>(in % of GDP)</i>	38.8	39.3	39.3	44.5	55.4
Exports of Goods and Services <i>(in % of GDP)</i>	22.9	25.0	20.7	24.6	25.3

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	12.0	23.7	16.7	6.4	4.8
Volume of imports of goods and services (Annual % change)	6.3	1.4	5.6	3.7	5.2

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Senegal is a member of the [Economic and Monetary Union of Western Africa](#) (UEMAO) and also adheres to the [Franc Zone](#)

Main Partner Countries

Main Customers <i>(% of Exports)</i>	2022
Mali	19.9%
India	15.2%
Switzerland	11.6%
China	4.0%
Australia	3.9%
See More Countries	45.4%

Main Suppliers <i>(% of Imports)</i>	2022
China	10.0%
France	9.2%
India	7.5%
Belgium	6.3%
Spain	6.1%
See More Countries	61.0%

Source: Comtrade, Latest Available Data

POLITICAL OUTLINE



Current Political Leaders

President: Macky SALL (since 2 April 2012)

Prime Minister : Amadou BA (since 17 September 2022)

Next Election Dates

Presidential: 15 December 2024

National Assembly: July 2027

Main Political Parties

Senegal maintains a robust multi-party system, where the number of parties is important. The major political parties in the country are:

- **United in Hope** (BBY): coalition between the APR, AFP, PS and Rewmi. Centre to centre-left
- **Liberate the People** (YAW): big-tent coalition led by the Democratic Party of Senegal, comprising the Party for Unity and Rally, the African Patriots of Senegal for Work, Ethics and Fraternity, and others
- **Alliance for the Republic** (APR): centre, liberal
- **Democratic Party of Senegal** (PDS): liberal democratic, centre
- **Alliance of Progressive Forces** (AFP): progressive liberal party, which believes in social justice and development
- **The PS** (Socialist Party of Senegal): socialist democratic Party, whose base of the electorate is at the level of the unions
- **The African Party for Democracy and Socialism**: socialist revolutionary party
- **URD** (Union for Democratic Renewal): liberal democratic party.

Executive Power

The President is the chief of state and is elected by a popular vote for a five-year term under the new constitution of 2001 (earlier it was seven years). The President is the commander-in-chief of the armed forces and enjoys immense executive powers which include implementation of the law in the country and running the day-to-day affairs. He appoints the Prime Minister as Head of the government. The Council of Ministers (cabinet) is appointed by the Prime Minister in consultation with the President.

Legislative Power

The legislature in Senegal is unicameral. The parliament called National Assembly has 165 seats with its members are elected by direct, popular vote to serve five-year terms. President has the right to dismiss the National Assembly. Legislative power is vested in both the government and the parliament. The people of Senegal have considerable political rights.

COVID-19 COUNTRY RESPONSE

Travel restrictions

Regularly updated travel information for all countries with regards to Covid-19 related entry regulations, flight bans, test and vaccines requirements is available on [TravelDoc Infopage](#).

To find information about the current travel regulations, including health requirements, it is also advised to consult Travel Regulations Map provided and updated on a daily basis by [IATA](#).

Import & export restrictions

A general overview of trade restrictions which were adopted by different countries during the COVID-19 pandemic is available on the [International Trade Centre's COVID-19 Temporary Trade Measures](#) webpage.

Economic recovery plan

For the general overview of the key economic policy responses to the COVID-19 pandemic (fiscal, monetary and macroeconomic) undertaken by the government of Senegal please consult the country's dedicated section in the [IMF's Policy Tracker platform](#).

Support plan for businesses

For an evaluation of impact of the Covid pandemic on SMEs and an inventory of country responses to foster SME resilience, refer to the OECD's [SME Covid-19 Policy Responses](#) document.

You can also consult the World Bank's [Map of SME-Support Measures in Response to COVID-19](#).