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INVEST

FOREIGN DIRECT INVESTMENT

Senegal hosts a large stock of FDI compared to its region, and FDI inflows have been dynamic in recent years, despite the global economic crisis triggered by the Covid-19 pandemic, as the government is leading an active policy to encourage FDI inflows. According to UNCTAD's [World Investment Report 2023](#), Senegal's FDI inflows were stable at USD 2.58 billion in 2022. In the same year, the total stock of FDI stood at USD 11.7 billion, around 42.7% of the country's GDP. The announced greenfield project values experienced a surge, reaching over USD 1.4 billion, more than doubling in value. International project finance deals amounted to USD 1.2 billion, with the most significant deal involving the development of a 300,000 m3 per day reverse osmosis plant costing USD 671 million. This project was sponsored by ACWA Power (Saudi Arabia) in collaboration with the National Water Company of Senegal. Additionally, in early 2023, logistics company DP World (United Arab Emirates) pledged USD 1.1 billion for port construction in Senegal. France is the largest investor in Senegal (17% of the stock), but recently there have been important investments from China, Turkey, and the United Arab Emirates. Some other key investors are Canada, Mauritius, Morocco, and Côte d'Ivoire (IMF). Sectors attracting substantial investment include petroleum and natural gas, agribusiness, mining, tourism, manufacturing, and fisheries (U.S. Trade Administration).

The authorities are working on overhauling the labor market, facilitating access to land, improving the commercial justice system, reducing the regulatory burden through modernizing the administration, and strengthening the competition framework. A new Public-private partnership (PPP) framework has also been designed to help accelerate and broaden the implementation of major investments. There is no legal discrimination against businesses conducted or owned by foreign investors, and there are no barriers to full ownership of businesses by foreign investors in most sectors. Senegal's strengths include competitive production costs, a skilled workforce, a strategic geographical location, good international and regional political relations, and a competitive economy. Some of the barriers that might impede investment are economic vulnerability, low activity diversity, underdeveloped infrastructure, inefficient and non-transparent regulation, bureaucracy, high factor costs, and lack of security. Senegal ranks 93rd among the 132 economies on the [Global Innovation Index 2023](#) and 109th out of 184 countries on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	1,846	2,588	2,586
FDI Stock <i>(million USD)</i>	9,066	9,670	11,729
Number of Greenfield Investments*	10	8	14
Value of Greenfield Investments (million USD)	606	654	1,426

Source: UNCTAD - Latest available data.

Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Senegal	Sub-Saharan Africa	United States	Germany
Index of Transaction Transparency*	7.0	5.5	7.0	5.0
Index of Manager's Responsibility**	1.0	3.5	9.0	5.0
Index of Shareholders' Power***	6.0	5.5	9.0	5.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

WHAT TO CONSIDER IF YOU INVEST IN SENEGAL

Strong Points

The main assets of the country are:

- Strategic geographical location strengthened by good-quality international and regional political relations, allowing privileged access to regional and international markets
- Membership in the West African Economic and Monetary Union (UEMOA) and the CFA franc zone, guaranteeing monetary stability and access to capital with low-interest rates
- Competitive production costs
- Low-cost and skilled workforce
- Significant offshore natural resources of oil and natural gas
- A relatively healthy and competitive economy
- Various pro-business reforms that have emerged in recent years such as the renovation of the legal and fiscal framework
- Donor support under the Plan Sénégal Émergent, easing the pressure of debt on the economy and reassures the markets
- A very advantageous business environment in which investors can: register a company in 24 hours, set up a limited liability company (LLC) without the need for share capital or obtain a building permit online in 40 days.

Weak Points

The country has many obstacles to FDI. The main weaknesses of the country are:

- Vulnerability of the economy to climatic hazards and changes in the price of commodities
- Low business productivity and low activity diversity
- Infrastructure is still largely underdeveloped, particularly in energy and transport
- Slow and corrupt administration that does not establish quickly the structural reforms expected by markets
- Despite some improvements, the business environment is still disrupted by a strong government bias towards interventionism, partial and slow justice, and generally weak regulations
- Insecurity, especially on the border with Mali

- Significant current account deficits

Government Measures to Motivate or Restrict FDI

During 2017, the Senegalese government put in place numerous incentives for investments. Some of these measures are:

- Greater protection of investments
- The definition of priority sectors for investment
- The creation of a new company is now cheaper (reduction of notary fees for the registration of a company and reduction of the mandatory initial investment) and faster. The approval documents are issued in 10 days.

A law has been adopted in Senegal to establish the regime of special economic zones (SEZ). Tax and customs benefits can be granted to companies approved under the SEZ regime for a maximum of 25 years, including: exemptions from duties and taxes on imports of goods, raw materials and equipment (except for community levies); the application of a reduced corporate tax rate of 15%; and exoneration from some taxes such as business tax and property tax. Today there are three SEZs: one in the suburbs of Dakar, one in Sandiara and another in Ndiass.

INVESTMENT OPPORTUNITIES

Tenders, Projects and Public Procurement

[Tenders Info](#), Tenders in Senegal

[Globaltenders](#), Tenders & Projects from Senegal

[DgMarket](#), Tenders Worldwide

Finding Assistance For Further Information

Investment Aid Agency

[Investment promotion agency in Senegal \(APIX S.A.\)](#)

Other Useful Resources

[Invest in Senegal](#) (website of the Government of Senegal, in French)

Doing Business Guides

[Economic Developments and Prospects in Senegal - African Economic Outlook](#)

[Doing Business in Senegal - World Bank](#)

[Doing business in Senegal - Chambers and Partners](#)

[Senegal Commercial Guide - ITA](#)