

Mauritania

A key player in Euro-Mediterranean regionalization

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IN JOINING THE UNION for the Mediterranean, Mauritania has confirmed its commitment to an economic and social process that should lead it to definitively emerging from under-development. The path to regional integration remains a long one. The country still needs a great deal of effort to emerge: structural reforms need to be put in place, measures must be taken for macro-economic stability, security must be reinforced at every level, and investment has to increase so that domestic and external commercial exchanges can follow suit, until the country is capable of taking full advantage of the natural and human resources that constitute its immense wealth.

MAURITANIA WILL NOT BE the only country to benefit from its entry into the Euro-Mediterranean process. It will, in fact, play an eminently strategic role in the region's construction. This role is twofold, since it is determined by Mauritania's median position. The country is unusual in that it is both Maghrebi, on its north

side, and black African, on its south side. To the north, it is well placed to get involved as much as possible in the Maghreb block's integration, while making sure that it consolidates and secures the Mediterranean area's Saharan frontiers. To the south, it can provide an interface between the Mediterranean world and black West Africa. Acting as both frontier and opening, Mauritania shall form a precious link between the Euro-Mediterranean's present and its future. For this reason, it should in no way be treated as a poor relation of regional integration, but rather as a key player in regionalization.

NATURALLY, THE COUNTRY will only accomplish this mission through constant effort and the unflinching political will of its leaders. For several years, successive governments have shown their attachment to favouring the Euro-Mediterranean option, through ensuring the country's progressive membership of most regional decision-making bodies. →



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→ It is therefore now time for private and institutional stakeholders in the region to relay public and political action. The time has come for businesses and Mediterranean investors to take part in organizing this strategic area by bringing employment, know-how and confidence. This appeal should not be taken lightly: there are numerous opportunities and large-scale projects to be had.

THE PRESENT REPORT gives an overview of these opportunities, listed under the four most promising sectors of the new Mauritanian economy: fisheries, agriculture, livestock farming and the mining industry. It also presents, divided according to the three main infrastructure

and equipment sectors (energy, transport and water), the progress that the economic environment will have to make if this potential is to be developed. This work is the fruit of a study mission led by IPeMed in September 2010, the aim of which was to list and define the factors of economic potential likely to arouse interest among Euro-Mediterranean entrepreneurs. The presentation does not attempt to be exhaustive; it simply aims to set straight those who associate Mauritania with vast, empty sweeps of Saharan desert of no particular interest, and show the astonishing fertility of a territory rich in resources and promise.

Jean-Louis Guigou Delegate-General of Ipemed

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The New Mauritania

Overview

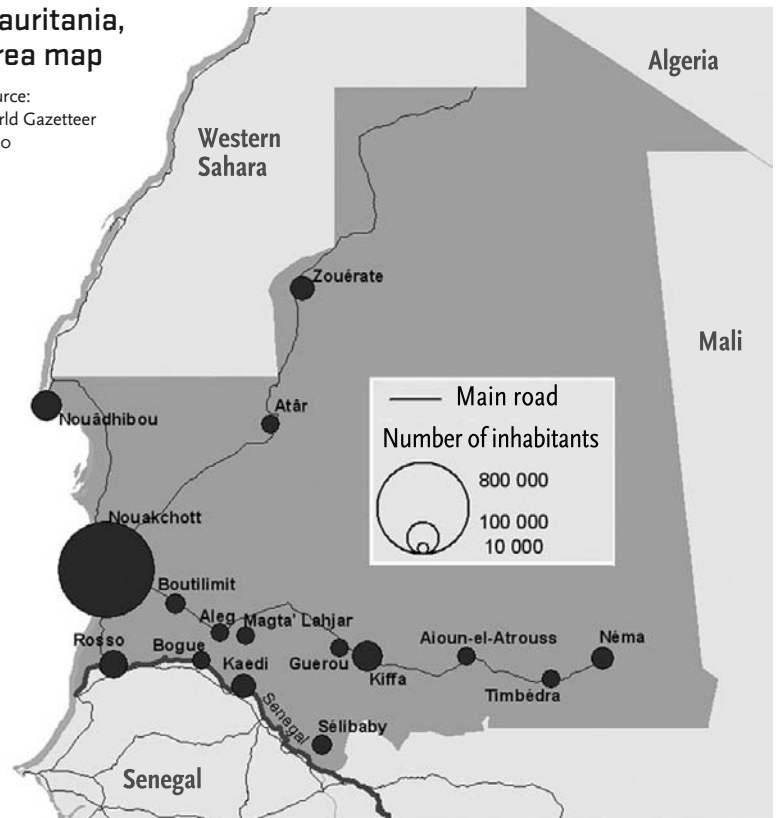
ON 13 JULY 2008, a few months after it joined the Euromed Partnership⁽¹⁾, the Islamic Republic of Mauritania became one of the 43 founding members of the Union for the Mediterranean. For a long time, the country was excluded from association agreements with the European Union (EU) and southern Mediterranean countries, based on claims that it was not an immediate neighbour of Europe. Twelve years after the Barcelona Process, it finally entered the vast Euro-Mediterranean area of regional cooperation. Mauritania's integration into the Euro-Mediterranean block is not based on strictly geographical criteria, since 1,000 km separate the extreme north of this Atlantic country from Mediterranean shores.

However, regional geopolitical issues were decisive factors. Apart from the EU's desire to strengthen cooperation with Saharan countries in order to tackle the rise of terrorism and clandestine migrations across the Sahara, it was in particular Mauritania's membership of the Maghreb region that justified its entry into the Union for the Mediterranean. Added to this, the partial failure of the Barcelona Process encouraged those advocating its renovation to take better stock of the variety of situations in the South and agree to privileged partnerships between the best-integrated regional sub-groups⁽²⁾. As a geographical and political unit, the Maghreb, with its reduced exposure to the Israel-Palestine conflict and its strong links to Latin countries with which it has been involved in twenty years of western Mediterranean 5 + 5 dialogue, emerged as an obvious priority target for a Euro-Mediterranean process aiming at pragmatism.

For Mauritania is an undeniably Maghrebi state. Originally peopled by Berber tribes made Arabic and Islamic over one thousand years ago, the Moorish country⁽³⁾, or rather the territory it covers, has for a long time been part of Greater Maghreb, this long peninsular⁽⁴⁾ between the Mediterranean and the Sahel that

Mauritania, Area map

Source:
World Gazetteer
2010



(1) Mauritania had been a Euromed Partnership observor since 1995, and became a full member after the 9th Euromed conference held in Lisbon on 5 and 6 November 2007.

(2) Frédéric Allemand (Ed.), *L'Union pour la Méditerranée : Pourquoi? Comment?*, Paris, Fondapol, 2008, p. 74.

(3) The Moors, who exercised political control over the Mauritanian territory for centuries, are of mainly Arab-Berber mixed descent.

(4) In Arabic, *Al-Djazirat Al-Maghrib* means "sunset peninsular".

opens out into the Libyan desert and ends with the Atlantic Ocean on the coastal fringe of the Western Sahara. The cultural, religious and commercial links that unite Mauritania with the rest of the Maghreb are ancient and numerous. They developed in the Middle Ages with the trans-Saharan salt and gold routes that linked Black Africa to the Mediterranean. Updated by European colonization, these links took a political turn after independence. Independent Mauritania – governed by Arab-Berber elites, involved in the Spanish Saharan conflict and keen to develop major mining activities in the north of the country – swiftly targeted diplomacy efforts at its Moroccan and Algerian neighbours. In 1989, along with Tunisia and Libya, it founded the regional organization of

the Arab Maghreb Union (AMU), thus focusing its membership on the Maghrebi geopolitical block⁽⁵⁾ and, and by extraction, its integration into the Euro-Mediterranean area.

Following Mauritania's involvement in NATO's Mediterranean dialogue in 1995, and then its official entry into the 5+5 Dialogue in 2004, the country's 2007 membership of the Euromed Partnership had the effect of definitively securing its Mediterranean allegiance.

Yet despite its prominent leaning towards the Maghreb, Mauritania's geopolitical configuration is in fact a lot more ambiguous. With a third of its territory in the Sahel, the country is also part of Black Africa, with which it enters into contact in the Malian Sahara and along the length of the Senegal River, which forms its frontier with the country of the same name. Even more significantly, Mauritania's socio-economic progress lends increasing weight to its sub-Saharan side. The growing influence of its southern regions results from a central government decision in the 1980s to build up the south via a vast project to develop the Senegal River valley. The project led to the development of sedentary farming and large rice-producing zones, so that the valley is now the country's principle agricultural area. This shift of the demographic and economic nexus towards the South⁽⁶⁾ contributed to reinforcing the country's geopolitical split between its Maghrebi North, characterized by the mining economy, and its Black African South, characterized by an agricultural economy. Connected to both the Mediterranean and sub-Saharan worlds, the country seems to be more of a hinge between black Africa and the Maghreb than ever.

The regional integration challenge

FROM THE MAURITANIAN authorities' point of view, the country's geopolitical and racial duality represents anything but a scission. Since independence, it is officially through cultivating Mauritanian double identity and guaranteeing a balance between the different communities that the government aims to reinforce national integration. Notwithstanding the socio-cultural tensions that hinder this national unity project in different places in the country, this approach appears all the more necessary given that its African and Maghrebi aspects both have a major role to play in the country's

CONNECTED TO BOTH THE MEDITERRANEAN AND SUB-SAHARAN WORLDS, THE COUNTRY SEEMS TO BE MORE OF A HINGE BETWEEN BLACK AFRICA AND THE MAGHREB THAN EVER.

(5) The preamble of the Mauritanian constitution declares that the "Mauritanian people will work towards the achievement of the unity of greater Maghreb." Camille and Yves Lacoste (Ed.), *Maghreb, Peuples et civilisations*, Paris, La Découverte, 2004, p. 48.

(6) Jean-François Troin (Ed.), *Le Grand Maghreb*, Paris, Armand Colin, Coll. U Géographie, 2006, p. 264.

(7) The Economic Community of West African States is an economic organization created by the Lagos Treaty of 28 May 1975. ECOWAS groups fifteen West African states: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

(8) The "Highway of Hope", built at the end of the 1970s, links Nouakchott to central and eastern regions as far as Néma at the Malian frontier.

future. Mauritania's status of hinge-nation is in fact its main strategic asset, since it is in the perspective of regional integration with Africa and the Maghreb that the country's economic development potential currently lays.

Although its low level of development and weak demography, intensified by the population's low density and the scattered nature of inhabited zones, show the narrowness of the Mauritanian domestic market, on the other hand, the two sub-regional markets constituted by the West African countries (ECOWAS⁽⁷⁾) and the Maghreb, are directly accessible from Mauritania. For Mauritania, the issue of regional integration is extremely profitable because these two major neighbouring markets, totalling 244 million people in the ECOWAS zone and 60 million in the Maghreb, lack certain resources, some of which Mauritania possesses in great quantities (meat, fish, agricultural products, minerals, etc.).

In reality, economic integration with West Africa is already active, although difficult to quantify, since exchanges are significant but remain mostly informal (e.g. Mauritanian meat is abundant in the Senegalese, Guinean and Gambian markets). Reinforced by the development of regional road transport infrastructures like the "Highway of Hope"⁽⁸⁾, this integration, which relies on longstanding transboundary social circuits, could serve as a basis for formal economic projects that aim to structure commercial relations between Mauritania and West Africa. To the North, integration with the Maghreb countries seems to have been upset by the Sahrawi conflict and difficulties in developing the Saharan area. However, the 2008 completion of the Mauritanian stretch of the Eurafrican road linking Tangiers to Dakar via Nouadhibou and Nouakchott facilitates the development of new trade options with the Maghreb and Europe. The reinforcement of the North-South road axis, which is a regional integration priority, will also allow the Mauritanian economy to be better connected and so promote its national resources more successfully. The country's economic insertion into the regional environment is currently all the more likely since it is in a phase of political and economic transition.

The pattern of democratic transition

AFTER THE 1978 FALL of the Mauritanian Republic's first president, Mokhtar Ould Dadah (1960-1978), Mauritania underwent twenty-seven years of authoritarian military regime, most of it under Colonel Ould Sid'Ahmed Taya, who commanded the country from 1984 to 2005. Although he did start off a process of democratization in 1991, installing a multi-party system and organizing presidential elections, paradoxically it was through the 2005 putsch that the country saw the beginnings of a democratic transition. This non-violent coup d'état attempting to depose Colonel Taya led to the installation of an interim government led by Colonel Ely Ould Mohamed Vall, who was committed to taking the country to democratization within the space of two years. This transitory phase, during which significant democratic progress was made (i.e. liberation of political prisoners, limitation of presidential mandates, strengthening of opposition parties, etc.), ended in March 2007 with the organization of free presidential elections without a single candidate representing the junta in place.

The transparent election of Sidi Ould Cheikh Abdallahi in March 2007, who was the first democratically elected president since independence and the first civil president since 1978, received an enthusiastic welcome from the international community, who recognized the sign of a successful transition. Supporting this progress, most institutional investors and countries providing public development aid strengthened their cooperation with Mauritania. Yet, in August 2008, scarcely fifteen months after he took office, President Abdallahi was himself removed from power by a military coup. The strongman behind the putsch, General Mohamed Ould Abdel Aziz, accused Sidi Abdallahi of holding close relations with corrupt political figures from the Taya era and being lax with Islamists, and he took power with the aim of swiftly reorganizing presidential elections.

Sweeping aside the protestations of Mauritania's main partners (France, United States, the African Union, and also the IMF and the World Bank), the new regime rapidly prepared the return to constitutional order by organizing a new presidential election in July 2009, backed by the international community and



Mauritania and regional organizations

THE COUNTRY'S ECONOMIC INSERTION INTO THE REGIONAL ENVIRONMENT IS CURRENTLY ALL THE MORE LIKELY SINCE IT IS IN A PHASE OF POLITICAL AND ECONOMIC TRANSITION.

with the participation of all the country's political forces. General Abdel Aziz won the election at the first round, under inspection and with no apparent fraud, allowing the Mauritanian state to regularize its relations with the international community. Despite the turmoil since Colonel Taya's fall in 2005, the country's traditional authoritarian model seems to have succeeded in progressively transforming into a democratic one.

TABLE 1 Macroeconomic indicators

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (millions)	2.6	2.6	2.7	2.8	2.9	3	3	3.1	3.2
GDP (billions of current US\$)	1.08	1.12	1.15	1.29	1.55	1.84	2.66	2.64	3.54
GDP per inhabitant (current US\$)	415	419	418	454	532	615	869	842	1 101
Foreign debt (billions of current US\$)	2.38	2.28	2.26	2.34	2.32	2.31	1.62	1.70	1.96
Public aid for development received (millions of current US\$)	221	272	357	249	188	182	203	341	310
Annual growth in GDP	2 %	3 %	1 %	6 %	5 %	5 %	12 %	2 %	4 %
Share of agriculture in GDP	28 %	27 %	26 %	28 %	26 %	24 %	13 %	13 %	...
Share of industry in GDP	30 %	28 %	27 %	24 %	28 %	29 %	48 %	47 %	...
Share of services in GDP	43 %	47 %	47 %	49 %	46 %	47 %	39 %	41 %	...
FDI (millions of current US\$)	40	77	67	102	392	814	105	138	338
Rate of inflation	3.3	4.7	3.9	5.2	10.4	12.1	6.2	7.3	7.3
Human development index	...	0.45	0.465	0.48	0.486	0.55

Security issues

MUCH HAS BEEN SAID over recent months of the Islamic threat in Mauritania, manifested in the actions of the Salafist Group for Call and Combat. This point is worth clarifying, since the situation, although preoccupying, is in reality a lot less critical than it appears. The abduction and murder of tourists and humanitarian workers clearly merit focus in the news, and could discourage those seeking to get involved in Mauritania, yet it is worth noting that the country, as well as playing a clear role in fighting terrorism, is a relatively unlikely harbour for an explosion of Islamic violence.

Firstly, the terrorist groups appear to be mainly confined to the desert areas at the frontier with Mali and Algeria, which limits their influence on Mauritania's business zones (major towns and southern regions). This geographical location also helps explain the ideological motives behind the groups, in as much as they are generally combined with economic motives that existed well before the rise of radical Islamism in the zone (i.e. contraband, clandestine migration)⁽⁹⁾. Secondly, the state of Mauritania is protected by the fact that it can hardly constitute an enemy target for Islam. Mauritania is an Islamic republic in which Islam is the state religion; its leaders have always held close relations with traditional religious heads, who hold authority throughout the country and reject Islamic terrorism⁽¹⁰⁾. Thirdly and lastly, Mauritania's democratic transition, through encouraging freedom of expression and the constitution of regular Isla-

(9) Cédric Jourde, "Au Sahel, la 'guerre au terrorisme' entre réalité et fictions", in Bertrand Badie et Sandrine Tolotti (dir.), *L'État du monde 2009*, Paris, La Découverte, 2009, pp. 276-282.

(10) Zekeria Ould Ahmed Salem, "Islam in Mauritania between political expansion and globalization: elites, institutions and knowledge", in Benjamin Soares, et René Otaïek (dir.), *Islam and Muslim Politics in Africa*, Palgrave Macmillan, New York, 2007, p. 29.

(11) Oil prospection, which started in Mauritania in the 1960s, did not obtain conclusive results until 2001, when an offshore field was discovered at Chinguetti, off the country's coastline. Despite the discovery of several other offshore deposits between 2003 and 2006, the Chinguetti oilfield, where production started in 2006, is now the only active oil field in the country. The field's output, initially estimated at 75,000 barrels/day, is subject to significant technical problems that currently limit it to 18,000 barrels/day. Prospection continues

mic parties, is progressively reducing the influence of clandestine groups. Thus, even though the risk of an isolated attack obviously exists in Mauritania, as it does in every country in the world, the country's controlled zones do not appear to be a hotbed for Islamic fundamentalists, whose actions currently remain scattered and cloistered in the desert hinterland.

The modernization of the Mauritanian economy

IN PARALLEL WITH these political changes, the economic modernization process that started in the 1990s accelerated sharply in the 2000s, independently from the upheavals taking place on the country's political scene. The instigation of liberal reforms largely contributed to stimulating the national economy: the 2002 establishment of a new mining code more favourable to the private sector accompanied the revival of the mining industry, and the privatization of different economic sectors (air transport in 1999, telecommunications in 2001) resulted in the growth and diversification of domestic and foreign investment in the country. In addition, the discovery from 2001 of several oilfields near the Mauritanian coastline opened up vast development perspectives⁽¹¹⁾ (box), encouraging the authorities to boost national strategy for promoting private investment. For example, in 2002 the government adopted a law allowing the creation of free zones.

Keen to consolidate this movement, as soon as the 2005-2007 interim government came to power, it started tackling the modernization of state bodies responsible for managing the economy. After years of bad budget management, the crucial need to rationalize the management of public finances led the new authorities to reinforce collaboration in this area with the World Bank and the IMF, under whose authority a PRGF programme (Poverty Reduction and Growth Facility) was set up in 2006. The implementation of this programme was judged satisfactory until the 2008 regime change, after which the IMF suspended its cooperation with Mauritania. However, seeing the Abdel Aziz government's pursuit of reforms and the return to constitutional order after the 2009 presidential election, the IMF launched a new three-year programme in 2010, this time in the form of an ECF (Extended Credit Facility).

From 2003, increased FDI, particularly in the oil and mining sectors, marked a turning point for the Mauritanian economy. Growth, which rose to over 5% between 2003 and 2005, finally reached almost 12% in 2006, thanks to the launch of oil production on the Chinguetti oil field (non-oil growth was over 4% in 2006). This sustained growth, which made it possible to reduce financial imbalances and the country's current deficit, was accompanied by another piece of good news for the national economy. In June 2005, the G8 agreed to abolish debts held by eighteen states, including Mauritania, with the IMF, the World Bank and the African Development Bank. This Mauritanian debt relief, which profited development projects, arrived right in the middle of a poverty reduction phase, and saw poverty rates go down from 56.6% in 1990 to 47.6% in 2004 and 42% in 2008⁽¹²⁾. The positive wave therefore seems to continue, although most international funding institutions agree that it is only greater implication from the private sector that can now help Mauritania achieve economic lift-off, however modest it may be to begin with. **TABLE 1**

**ONLY GREATER
IMPLICATION
FROM THE
PRIVATE SECTOR
CAN HELP
MAURITANIA
ACHIEVE ECONOMIC
LIFT-OFF.**

PERSPECTIVES CURRENTLY open to the private sector are all the greater since they fit in with Mauritania's sustained efforts to modernize its investment policy. Since 1989, the state's successive regimes have adopted a number of measures aiming to stimulate private investment: privatization of national companies, opening up of trade, promotion of private initiatives, creation of a department for promoting investment, etc. In this area, the current government continues in the vein of its predecessors. To improve investment legislation and facilitate procedures for setting-up business, it continues, aided by the World Bank, to work on reforming the investment code and create a regulation authority⁽¹³⁾. This continuity shows the unerring will of the Mauritanian state to adapt to the rules of globalization.

Despite these advances, Mauritania's strong dependence on public development aid and its difficulties in mastering imported inflation continue to make the country vulnerable to external economic shocks. Added to this, the political instability of recent years and the terrorist threat still damage the country's image. Under these conditions, the Mauritanian government is obliged to continue its efforts to develop and diversify the national economy, through supporting the country's basic infrastructure facilities and modernizing its administration. Without such measures, there is a risk that the potential on which this report focuses may remain underexploited for some time yet. ●

inland: Sonatrach and the Total group are currently exploring the Taoudenni basin north east of the country, where large reserves of hydrocarbons are likely to be discovered.

(12) Source: FMI.

(13) According to the World Bank, barriers to investment in Mauritania are linked to ill-adapted legislation in force and heavy bureaucratic processes concerning investment.

Fisheries



THE MAURITANIAN COAST possesses exceptional fishery resources, both in quality and diversity. At present, however, most of these resources are caught by foreign, mainly European, operators whose ships leave the Mauritanian seas without touching land. Unlike Senegal and Morocco, Mauritania is therefore the only country in the region not to profit from land-based fishery activities (unloading, processing, transformation, etc.). While some processing and transformation plants have emerged in the country and fishing agreements made with the European Union are due to be renegotiated in 2012, the country is starting to support its burgeoning fishery industry, in particular by creating adequate port facilities.

Challenges

THE MAURITANIAN COASTLINE, which is 720 km long, is one of the world's richest in fishery resources, partly due to the permanent rising of water levels in the northern part of its national waters. The country's Exclusive Economic Zone (EEZ), which stretches over 234,000 km², has an estimated capture potential of over 1.6 million tonnes a year and concerns nearly 170 marketable species, broken down into three categories:

- Demersal resources, which have a high commercial value, present an annual exploitable potential of 200,000 tonnes, including 100,000 tonnes of scaly fish and 50,000 tonnes of cephalopods.
- The exploitation potential of bivalve molluscs (clams) is estimated at over 300,000 tonnes.
- Pelagic resources offer a potential of over one million tonnes of sardinelles, pilchards, mackerels and anchovies.

In 2008, the Mauritanian EEZ's total production was over 990,000 tonnes, 85% of

which was comprised of small pelagic fish. The share of artisanal and coastline fishing was only around 80,000 tonnes, of which 15% was destined for the local market.

Currently, the vast share of industrial production (81% in 2008) is caught by foreign operators in mainly European boats, in conformity with a fishing agreement between the European Union and Mauritania renewed in 2006 and lasting six years. This agreement allows an annual contingent of European boats to have access to Mauritanian fish resources if they buy a licence and stick to a restricted tonnage. In exchange, the Mauritanian state receives financial compensation, part of which goes to developing the local fishery industry⁽¹⁾ (conservation of resources, development of artisanal fishing, etc).

Because this agreement, unlike the one between the EU and Morocco, does not include a clause obliging European operators to unload fish in Mauritanian ports, this control of fish production by foreigners has meant that the fish industry has not been developed on national territory. The 150 European boats authorized to fish in the Mauritanian EEZ each year follow strictly European production circuits, including unloading their catch in Las Palmas port, which offers better land storage conditions than any Mauritanian port, and processing their catch on board, on factory boats. The result of this system is that over 85% of fish production realized in Mauritanian waters is unloaded, processed and transformed abroad.

These conditions, exacerbated by the dilapidated state of the Mauritanian flotilla, which creates an obstacle to developing national industrial fisheries, have not encouraged the emergence of a competitive fish industry in Mauritania, as has been the case in Morocco⁽²⁾, and to a lesser extent Senegal. Fishery-centred port infrastructures are currently limited to around sixty factories and refrigerated warehouses, located in the Autonomous Port of Nouadhibou (PAN), Lévrier Bay Port (EPBR) and a few unloading points at the centre of the coastline. These installations, which mainly focus on artisanal fishing, cannot absorb more than 130,000 tonnes of fish per year. The quantities unloaded, frozen and re-exported are marketed through the SMCP. **BOX 1**

These industrial loopholes, made worse by the country's structural gaps in energy and infrastructure (especially for unloading and

(1) Since 2006, the European Union has paid Mauritania a lump sum of 86 million euro per year, 11 million of which are devoted to the sustainable development of the industry. After a revision of the agreement in 2008, it was decided that the EU would pay Mauritania 92.5 million euro per year, including 16.25 million euro for sectorial development. Licence fees bring the country 15 million euro per year.

(2) In Mauritania, the fishery industry employs 30,000 people. In comparison, it employs 250,000 people in Morocco, where fishery production is equivalent in tonnage to that of Mauritania.

BOX 1 Mauritanian Commercial Fish Company

Société mauritanienne de commercialisation du poisson

► The Mauritanian Commercial Fish Company was created in June 1984 as a public enterprise with an industrial and commercial focus. The SMCP had a marketing monopoly on fish

products “subject to an unloading obligation”, i.e. frozen products (fish and cephalopods), and bought boat production undertake and then sold on the products at its own risk.

The system quickly proved incompatible with the principles of liberal economic policy, and was gradually transformed into a public private partnership of which the state holds 35% of

capital with the rest owned by private producers and a few banks. The company maintains its initial objectives of price regulation, currency repatriation and tax collection.

BOX 2 RIMPESCA

► In March 2010, the company RIMPESCA opened a fish processing plant in Nouakchott industrial zone, a few kilometres south of the capital. Operating with a staff of 35, the factory has a processing capacity of over 20 tonnes a day. It currently specializes in processing and packing octopus and cuttlefish, which it exports in

containers to Japan via Nouakchott port. In addition, the company exports fresh fish to Europe on demand, and its management intends to take advantage of the new road linking Mauritania to Morocco and swiftly develop a lorry export line towards Europe. They also foresee opening a fishmeal factory close to the current unit.

The founders of RIMPESCA drew up this industrial unit project with support from their main Japanese client, who agreed to buy a certain quantity of products from them. The partnership has been a success, and only a few months after it opened, the factory was already working at full output. For its first year of business, the

company anticipates making a turnover of around 3 million euro. Apart from a few difficulties in the operational domain, like the need for a booster electricity generator to ensure that cold storage rooms and icemakers can stay in operation, RIMPESCA's managers particularly deplore problems in obtaining fish supplies. Up until

now, the narrowness of Nouakchott port, and fishing from dugout boats, have prevented the factory from increasing production, even though its customers have expressed a demand. Without adequate port facilities, and despite its investment capacities, the company's ambitions remain curbed.

transport), hamper the development of land-based fishery activities. Nevertheless, several companies have managed to successfully develop a local activity in the fishery industry (BOX 2). These food processing and transformation experiments (exports of fresh fish, ready-prepared meals, canned food, and fish meal factories) show both the recent progress in infrastructure made by the country and the diverse opportunities that the fishery sector currently offers in Mauritania.

Opportunities in the fishery sector are linked to the following activities:

Industrialization

INITIALLY, OPPORTUNITIES lie in the industrial development of pelagic resources, in order to build up exports towards developing countries (Egypt, Nigeria, Russia, etc.). Other important areas are developing the fish industry through setting up processing facilities

(canning, fishmeal, prepared meals, etc.) and initiating technical and commercial partnerships. Regarding demersal resources, opportunities also exist in processing and exporting fresh fish.

Commercialization

COMMERCIALIZATION activities involve setting up a purchasing centre and developing exports towards local, regional and global markets.

“Emerging fisheries”

EMERGING FISHERIES, which have not yet been promoted, specialize in producing unexploited, available resources, such as breeding shellfish (clams) and aquaculture (shrimps and oysters).

Renewal of the Mauritanian fleet

THE DILAPIDATED Mauritanian fleet needs indispensable renewal to develop coastline fishing. Opportunities concern lease-purchases of new and second-hand ships to accelerate the modernization and standardization of catch tools, and their adaptation to available resources. This activity can open the way to creating naval shipyards for industrial and artisanal fishing.

State response

FISHERIES REPRESENT a crucial activity for the Mauritanian economy. The sector contributes to around 10% of GDP and provides the state with 25% to 30% of its revenue budget. However, the lack of processing and transformation activities to bring added value at local level is detrimental to the country, depriving it of significant knock-on effects, including jobs. The Mauritanian government has thus made a strategic priority of domesticating land-based fishing activities. The renegotiation of the European Union agreement in 2012 will provide an opportunity to promote local unloading of catches made in Mauritanian territorial waters and support the emergence of a local fishery industry.

As well as negotiations with the European Union, the government intends to continue implementing a fishery industry strategy, including the step-by-step implementation of

a programme to develop port facilities that will attract industrial investments. The strategy not only involves creating unloading facilities, but also improving and rehabilitating existing infrastructures. Priority projects planned for 2010-2015 are:

- Creation of an unloading complex and promotion of pelagic species in Nouadhibou. Currently, quays at Nouadhibou port could receive all demersal and deep-sea pelagic fish with just a few simple improvements (handling equipment, renovation of storage processing factories). However, the unloading of small pelagic fish caught by large trawlers would involve building a pelagic port at Nouadhibou. As well as unloading facilities (fishing and commercial quays), the project calls for refrigerating units for storing large quantities of produce unloaded from pelagic ships, and equipment and service outbuildings for maintaining and refuelling ships. The total cost of the project is estimated at 90 million US dollars.
- Construction of Tanit port for artisanal and coastal fishing, located 65 km north of Nouakchott in the centre of the country. Tanit Bay – which is located over 60 km north of Nouakchott, has been chosen for its hydrographic qualities (depth and calm) and its suitable geographical location (between Nouakchott and Nouadhibou). The total cost of the project is estimated at 80 million US dollars.
- Construction of unloading docks on several sites, and in priority Nouakchott fish market and Tiguint port in the south of the country. ●

THE SECTOR CONTRIBUTES TO AROUND 10% OF GDP AND PROVIDES THE STATE WITH 25% TO 30% OF ITS REVENUE BUDGET.

Agriculture



THE MAURITANIAN TERRITORY possesses unexploited arable land, mainly in the regions along the Senegal River, which enjoy a particularly favourable climate for tropical crops. In recent years, development of the agricultural sector has mainly focused on irrigated rice fields and extensive cereal crops, because of the remoteness of potential production zones. Through farming this available land, it should be possible to satisfy high local demand for farm produce (national and regional) and develop export markets for certain exotic products in Europe and the Maghreb. To make the most of the country's agricultural potential, the state intends to reinforce energy supplies and improve access to farming regions.

Challenges

ALTHOUGH IT IS MAINLY Saharan, Mauritania's territory is suitable for agricultural development. The country's total arable surface area is over 500,000 hectares, and its irrigable land potential, for which it would be easy to marshal water resources, is estimated at 221,000 hectares. This land, which is concentrated in southern regions along the Senegal River and in the southeast, enjoys favourable rain and sun conditions for growing numerous agricultural products.

Despite these natural assets and land availability, the agricultural sector remains largely undervalued and orientated towards extensive crops. Land developed for farming covers only 49,200 hectares, of which 4,750 are in oases and 44,000 in the Senegal River valley. This land, which is mostly used for rice farming, is only worked for half the year during the rainy season, and yields are low and costly, in stark contrast with the much more developed Senegalese side of the river. The other agricultural

products farmed in the country (millet, corn and vegetables) are all consumed by their growers.

Mauritania suffers from under-exploitation of its farming potential, since domestic demand is high. National cereal crop production satisfies a scant third of Mauritania's local demand, and imports of food produce account for nearly 10% of the country's total imports. During droughts, this rate rises considerably. The local market is therefore large, and in itself enough to justify the agricultural sector's development.

Apart from substituting imports, there are numerous and diverse opportunities for developing agricultural exports. These mainly concern market garden produce and the likely targets are sub-regional and European markets. Several experiments over recent years have shown that it is both technically and economically possible to produce a range of fruit and vegetables that can be exported to Europe in autumn and winter, and at the same time satisfy a portion of Mauritanian demand. These experiments were partly made by private farming operators, who are increasingly investing in Mauritania. **BOX 3**

THE MAIN MARKET gaps opened by the agricultural sector are:

Fruit and vegetable produce

THIS INCLUDES MARKET gardening produce, and particularly tropical fruits and vegetables (melons, gombos, chilli peppers, cherry tomatoes, papayas, etc.). Given the availability of virgin land, an organic line could also be envisaged.

Cereal crop production

OPPORTUNITIES exist to substitute imports with produce that can be farmed in a tropical climate (e.g. rice, millet, sorghum), develop exports to satisfy shortages in the ECOWAS sub-regional market, and grow crops for fodder (even livestock farming).

THE AGRICULTURAL SECTOR REMAINS LARGELY UNDERVALUED AND ORIENTATED TOWARDS EXTENSIVE CROPS.

Traditional local produce

THIS SECTION INCLUDES, for example, farming gum arabic (**BOX 4**) and date palms— the country contains 10,000 hectares available for developing date production.

The main problems encountered by farmers operating in Mauritania spring from the country's energy shortages and deficient logistics system, affecting both its road transport network and its ports. Most potential production zones are in rural locations, even though

an alternative transport solution exists in the logistical option of exporting from the port of Dakar (which, however, is increasingly saturated, entailing different logistical problems). The country's vulnerable electricity supply has until now ruled out the development of logistical export circuits needed to access the European market (industrial units, respect of the cold chain, refrigerated transport, traceability, phytosanitary standards, etc.). Lastly, some land tax issues exist in the country's main agricultural zones, where customary law still pre-

BOX 3 The Grands Domaines de Mauritanie company

► The Grands Domaines de Mauritanie (GDM) company is a subsidiary of a French fruit group active in West Africa, and has been working in partnership with the Mauritanian government and local specialized farmers since 2000 on an experimental project to diversify agricultural production in the Trarza wilaya in the southwest of the country. The project involves developing industrial market

gardening aimed mainly at exports (i.e. melons, cherry tomatoes, green beans, gombos, papayas and chilli peppers). Thanks to the know-how of private operators working on the project, the production zone has seen the progressive introduction of new packing, conservation and processing techniques, thus creating the conditions for establishing an efficient food industry.

The newly created production circuit mainly links into the logistic corridor that joins the Senegal River to Dakar port, but it has also benefited from facilities recently installed at Nouakchott's port and airport (container carrying and cold storage rooms). In five years, over 2,300 tonnes of fruit and vegetables have been exported in the project, over 2,200 tonnes of them

by boat, representing a turnover of around 2.5 million euro. The melons and cherry tomatoes produced are commercialized on British and Dutch markets, with other products going to Rungis wholesale food market outside Paris. Although the experiment is viewed as a success, the reason is not so much GDM's turnover figures as the fact that it has made it possible to identify commercial diversifi-

cation opportunities (market gardening in the dry and wet seasons) and demonstrate how certain logistical options work (particularly for the port of Dakar). Yet economic operators and farmers in the valley aspiring to invest in diversification still come up against general logistical difficulties, and more specifically the lack of infrastructures suitable for transportation of fresh produce.

BOX 4 Gum arabic

► Gum arabic is produced from sap extracted from two types of acacia, *Acacia Senegal* and *Acacia Seyal*, which grow throughout Saharan Africa. It is used in the manufacture of numerous industrial products, and in diverse sectors like food (cakes, sweets, low-calorie food and drink), printing (stamps) and pharmaceuticals

(medication capsules). The gum is increasingly popular with manufacturers, partly due to rising demand for the product in emerging countries. Mauritania was formerly one of the leading gum arabic exporters in the world, with an annual production of over 5,000 tonnes. However, the long years of drought that hit the country

throughout the 1970s caused the deterioration of a large portion of the natural plants, and led to a gradual and almost total decline in national production levels. Mauritania now only exports 145 tonnes of the gum per year, way behind other producing countries like Sudan and Chad. Nevertheless, spurred by international demand, gum arabic

farming is slowly regaining a foothold in Mauritania. Since 2001, exports of the gum have seen an annual increase of 20% on average, and a number of pilot projects to replant *Acacia Senegal* have been successfully implemented in the regions of Assaba, Guidimagha and Trarza. Yet the promise of a massive surge in production is

particularly thanks to the return of private enterprises to the country. In 2003, a Saudi operator launched a major project to farm 20,000 hectares, leading to the creation of the *Société Mauritanienne pour l'Exportation de la Gomme Arabique (SOMEGA)*, in which the Mauritanian government is actively involved.

vails over official Mauritanian land tax law. Local inhabitants are slow to give up the traditional system of collective land management, despite the government's efforts to impose the same system as in the rest of the country. The problem does not significantly hinder agricultural development and experiments have shown that it could be resolved through simple negotiation with local communities (renting, purchases, etc.).

State response

IN ITS CONCERN to reinforce the country's food security and diversify exports, the Mauritanian government is implementing a sectorial strategy linked to the development of a transport network and an electricity grid covering the whole country.

The state's main objective regarding transportation is to open up access to production zones. The opening of a road linking Rosso and Boghe and another joining Kaedi and Sélibaby, both under construction, will help increase access to zones along the Senegal River. For energy, the main aim is to electrify zones from the Manantali Dam, which currently feeds Nouakchott⁽¹⁾, and then from the Felou Dam. Lastly, it is worth pointing out that the government can be an important mediator in negotiations between the private sector and local communities in charge of land tax administration. ●



THE COUNTRY IS ONE OF THE LARGEST CATTLE PRODUCERS IN THE REGION. MAURITANIAN MEAT IS MAINLY EXPORTED TO MALI, SENEGAL AND GAMBIA, AND TO A LESSER EXTENT, MOROCCO AND ALGERIA.

(1) See energy sector, page 20.

Livestock farming

MAURITANIA POSSESSES a significant and diverse livestock population. Extensive livestock farming, which involves relatively low production costs, is a traditional activity in the country and numerous informal networks for exporting cattle on the hoof are already highly active in the African sub-region. There is strong potential to reorganize the sector, through developing processing activities (i.e. slaughter, cutting, milk production, hide industry) and in particular in targeting the high demand for halal meat in the Maghreb. Advances in livestock farming are currently favoured by the country's progress in transportation and energy supply, though greater state involvement in food security is still called for (building slaughter houses to international veterinary standards, food inspections, etc.).

Challenges

MAURITANIA HAS A PASTORAL tradition and possesses considerable livestock resources. In 2006, national livestock comprised 1.8 million cattle, 1.4 million camels and 16.7 million small ruminants (sheep and goats). Based on these figures, total annual production of red meat can be estimated at 111,585 tonnes, including 26,445 tonnes of beef (24%), 22,890 tonnes of camel meat (21%) and 62,250 tonnes of mutton, lamb and goat meat (55%). These resources mean that Mauritania is self-sufficient in red meat, and can exploit excess production evaluated at over 40,000 tonnes in the form of 79,000 cattle, 48,000 camels and 1,273,000 small ruminants. The country is viewed as one of the largest cattle producers in the region. Mauritanian meat is mainly exported to Mali, Senegal and Gambia, and to a lesser extent, Morocco and Algeria.

**PRODUCTION
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AND IS MAINLY
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ECONOMY.**

Mauritanian livestock in 2006

	Number (heads)	Ave. carcass weight
Cattle	1 763 000	150 kg
Camels	1 413 000	180 kg
Small ruminants	16 670 000	15 kg

Despite the extent of resources and the regional trade that has developed around them, the economic potential of livestock is in reality badly exploited. Production remains extensive and dispersed throughout the national territory, and is mainly the output of an informal economy. The vast majority of exports linked to livestock concern live cattle, since sales abroad take place during transboundary transhumance. Produce linked to livestock is consequently also underexploited. Excess leather, skin, horn and hooves are practically unexploited, and most of the milk consumed by Mauritians continues to be imported, despite the significant stock of cattle.

Nevertheless, the general context is favourable for developing the sector. Firstly, apart from the risk of foot-and-mouth disease, cattle hygiene conditions are generally satisfactory. Rinderpest was wiped out in 2006, and vaccination campaigns against bacterial and parasitic diseases are regularly organized. Secondly, grazing⁽¹⁾ reduces meat production costs, and the development of crops for fodder in agricultural zones would supply significant quantities of cattle feed during the lean season (e.g. rice straw, corn). Thirdly and especially, there is high regional demand for livestock produce. As well as the West African market, where Mauritanian livestock farmers have established effective trade circuits that could be further developed, Mauritania could also target the Maghreb, where demand for meat, particularly halal, is high; and even the Gulf States for products like mutton⁽²⁾ and camel's milk.

There are numerous opportunities for developing and organizing the livestock sector, mainly relating to four lines of production.

Red meat

THE MEAT MARKET could prove particularly strategic and profitable since, beyond national requirements, it could primarily target exports to markets in sub-regional Africa and the Maghreb. Demand there is high, and proximity to Mauritania could prove an important asset.

Currently, regional requirements are mainly met by producers in distant countries. In 2005, ECOWAS countries imported almost 5 million US dollars' worth of mutton and lamb from Australia and New Zealand. In the Maghreb, Mauritania could take advantage of its geographical proximity to Algeria, which traditionally gets supplies from Europe and also imports a high quantity of Australian meat. Morocco could be a market for camel meat, which is appreciated by the Moorish inhabitants of the former Western Sahara. The completion of the road linking Mauritania to Morocco will also make it possible to open up a market for camel meat in El Aioun and Dakhla. Elsewhere to the south and north, tarmacked roads linking Mauritania to adjacent countries already mean that production circuits can be rapidly put in place.

The red meat industry's development is currently hindered by weak livestock concentration capacities, and especially by insufficient facilities (BOX 5). Thus, to fully exploit export channels for cattle on the hoof and red meat, where hygiene standards are crucial, transit procedures need to be set up that are capable of tracing cattle, slaughterhouses (cutting rooms) need to be built, as well as systems for storing the meat (cold rooms) and factories for processing.

Dairy industry

MILK IS A TRADITIONAL drink for Mauritians, and domestic demand is high. Between 2004 and 2007, the country imported milk and dairy products worth an average of 33 million US dollars, peaking at 57 million dollars in 2007. The extent of these imports can be explained by the fact that dairy resources available in the country, whether cow's or camel's milk, are not well harnessed. There are currently only three milk-processing units (into packs) in Nouakchott, which satisfy part of the capital's requirements but are in competition with imported milk.

The opportunity in this sub-sector centres on the capacity to organize the industry, from milk collection to retailing. The project calls for skills both in the domain of livestock concentration (semi-intensive farming) and in industrial milk processing and packaging (bottling, powered milk, etc.).

(1) The surface area of Mauritanian pastures is estimated at 15 million hectares. It covers total animal feed requirements for 6 to 8 months per year.

(2) The Gulf States imported over 224 million US dollars' worth of mutton in 2005, mainly from Australia and New Zealand.

BOX 5 Nouakchott slaughterhouse

► The only slaughterhouse in Nouakchott belongs to a state enterprise called Société des Abattoirs de Nouakchott (SAN). Located 15 km east of the town, the site opened in 2004 under particularly difficult conditions (mainly energy and water supply problems). Initially focusing on slaughtering large ruminants, the

establishment recently opened a slaughter line for camels, allowing it to reach the 180-animals-per-day production level it needs to cover capital requirements. However, this quantity performance is relative, since the slaughterhouse is totally deficient. Basic hygiene conditions are absent all along the production line.

Slaughtering is carried out on the bare floor, there is no cold storage room, and meat is transported in unrefrigerated vans to market stands and butchers'.

According to the SAN's director, Nouakchott slaughterhouse could nevertheless be transformed into an export centre for livestock produce.

Such a project would clearly involve increased slaughtering capacities and the installation of a cold room and a cutting room that respect international hygiene standards. However, the outfit already has the clear advantages of being in place, having connections with several networks of livestock breeders, and being in a position to

receive consequent public investment. A partnership with a foreign operator specializing in animal slaughter currently appears to be the best option. Such an opportunity is all the more likely since the government, which anticipates revising the SAN's status in the near future, is officially thinking about privatization.

Cattle feed industry

THE CATTLE FEED industry is a particularly strategic sub-sector of livestock farming, since it is an integral part of the project for reorganizing the sector on a semi-intensive model. Due to recent developments in pastoral practices, animal feed is already widely used in the country, which imports an average 85,000 tonnes of animal feed each year.

Leather tanning industry

THE LEATHER AND HIDE INDUSTRY is underexploited in Mauritania. There is nevertheless high potential, with an estimated annual production of 176,000 cattle hides, 127,000 camel hides and 4,100,000 small ruminant skins. Volumes of retrievable horns and hooves are in proportion. Even though functional export circuits do exist, particularly to Tunisia, China, Africa and Europe⁽³⁾, most hides are lost, and those that are exported are done so in their natural state with no prior treatment.

Development of the industry faces the obstacle of artisanal slaughtering conditions (branding, hides still bearing scraps of flesh, tearing, etc.), disorganized collection channels, and non-existent functional tanning units⁽⁴⁾. The objective is to first create industrial units capable of flaying and processing hides and horns, and then, set up a tannery focusing on exporting semi-tanned hides.

APART FROM THE LACK of infrastructure identified for each of these industries, until now several obstacles have stood in the way of developing the livestock sector. The first of these is the high cost of transportation, which is not just due to the inadequate national road network, but also the difficulties breeders face in finding lorries capable of transporting their animals. The lack of suitable transit routes prohibits the collection of livestock and milk needed to develop exports and the dairy industry. At the same time, insufficient energy, which affects the whole country, does nothing to encourage the creation of industrial units in potential livestock-producing zones. Lastly, heavy administrative procedures throughout the production circuit strongly discourage the formal trade of livestock products, especially when leaving the country (i.e. veterinary formalities, expedition tax, customs services and exit authorizations). Given these conditions, local entrepreneurs have not gathered the funds necessary to take charge of organizing the whole production circuit, which would involve bearing all the costs of commercializing the meat (i.e. rearing, transport, risk and funding intermediaries).

(3) Annual hide exports to Tunisia and Europe are estimated at nearly 500,000 US dollars.

(4) Two traditional tanneries exist in Nouakchott with low treatment and processing capacities. There are other tanneries further inland.

State response

TO TACKLE THE NEED to organize the livestock sector, the government has adopted a strategy to modernize circuits for commercializing cattle on the hoof and packaged red meat, plus hides and leather. This strategy consists in opening up cattle-producing zones, developing a national road network, and intensifying the fight against the principle epizootics with the aim of improving the hygiene status of the country's livestock (mainly via funding vaccination campaigns, as well as hygiene inspections, which are currently sorely lacking). In addition, incentive measures to encourage private operators could contribute to developing livestock activities (e.g. the announced privatization of the Nouakchott slaughterhouse).

However, if these objectives are to be met, the government will have to increase public investment in the livestock sector. The share of public investment in this sector has gradually diminished over the last decade, and only represented 5% of investment in the rural sector in 2007. Moreover, organizing hygiene in livestock channels does not appear to be a government priority, even though it is indispensable to the sector's development. ●

THE STATE INTENDS TO OPEN UP CATTLE-PRODUCING ZONES AND INTENSIFY THE FIGHT AGAINST THE PRINCIPLE EPIZOOTICS. THESE OBJECTIVES CAN ONLY BE MET IF THE STATE INCREASES PUBLIC INVESTMENT.

Mining industry



THE MAURITANIAN territory is rich in a variety of mineral resources. Yet apart from iron extraction, which has been continual since the 1960s, most of these resources have remained unexploited, mainly due to prohibitive production costs (in energy and water) and a lack of prospection. The increase in global demand for raw materials and the consequent rise in prices have sparked renewed interest in Mauritanian resources, and sustained prospection activities started again in the 2000s. Since then, the discovery of hydrocarbons (oil and gas) and the reopening of the copper mines have marked a renaissance in the country's mining sector and shown the extent of its potential. To reinforce the extraction of known resources (i.e. iron, copper and gold) and new ones (i.e. uranium, phosphates and diamonds), the state intends to improve production conditions (i.e. infrastructure and energy) and mining investment (i.e. licences).

Challenges

DUE TO ITS GEOLOGICAL formation, the Mauritanian territory harbours prodigious natural resources, present in its desert areas (mainly iron, gold and copper) fluvial zones (phosphates) and maritime territory (gas and oil). However, apart from iron extraction, which has been constant since the early 1960s, most of these resources have remained unexploited, mainly due to the prohibitive cost of production (water scarcity and insufficient energy) and a lack of prospection, springing from the state's long-standing incapacity to adequately communicate the country's mining potential.

The rise in global demand for raw materials, mainly due to the growing requirements of emerging countries, and the ensuing rise in prices, have led to renewed interest in Mauritanian resources. Iron provides a perfect illustration. High demand for this mineral from developing countries and especially China, leading to increased iron exports throughout the world, saw the price per metric tonne triple between 2000 and 2007. This renewal has lent the Mauritanian iron industry new wind, as seen by the setting-up of large-scale projects in the Zouérate region. **BOX 6**

It is in this favourable context that prospection activities started up again in earnest from the 2000s. The discovery of hydrocarbons from 2001 and the re-opening of copper mines in 2005 marked the renaissance of Mauritania's mining sector. The recent influx of investors and prospectors into the country is convincing proof of the potential at stake. Currently, over thirty companies, half of them foreign, are involved in looking for a range of minerals, with most of them focusing on the Saharan regions for gold, iron, diamonds and uranium.

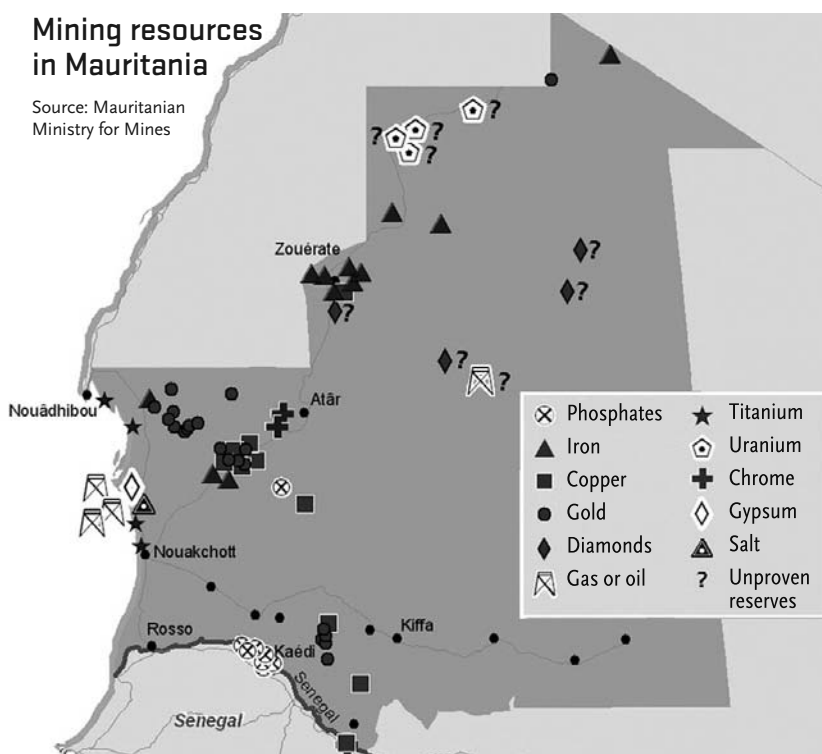
OPPORTUNITIES LINKED to the mining sector concern the following resources.

Iron

MAURITANIA OWNS the only iron mines in the extended Mediterranean area. Each year, the country exports over 11 million tonnes of minerals containing 65% iron, extracted from deposits in Zérouate, to the extreme north of the country. The mineral is transported by train on a 700 km-long railway that links the

Mining resources in Mauritania

Source: Mauritanian Ministry for Mines



mines to the mining port of Nouadhibou, before being exported by boat. With the steep growth in global demand for iron, technical production capacities are currently at their maximum level and cannot be expanded without new projects. These projects could focus on the efficiency of the mineral extraction system, the existence of basic infrastructures at Zouerate (water and energy) and in particular, the considerable iron resources available. With proven reserves of several billion tonnes of enrichable minerals, Mauritania has the potential to become the leading African iron producer. In this perspective, the arrival in Mauritania of the fourth largest mining group in the world, Xstrata, which envisages a production level of almost 50 million tonnes/year, could prove to be an important step.

Copper

MAURITANIA USED to export copper in the 1970s, and resumed its copper activity in 2004 following a sustainable rise in copper prices that justified the reopening of the Akjoujt

mine in the west of the country. This mine, which produces 120,000 tonnes of copper concentrate per year, currently belongs to the Société des Mines de Cuivre de Mauritanie, 80% of which is owned by the Canadian company First Quantum. The company is continuing its prospection around Akjoujt. The country's resources are estimated at around 20 million tonnes of mineral with an average copper content of 1.82%.

Gold

SINCE JUNE 2007, the US company Red Back Mining has been exploiting the Tasiast gold bed in the country's northeast. With a proven volume of 25 tonnes of reserves, the mine is currently ensuring production of 200,000 ounces of gold annually. Drilling undertaken in the zone around the mine has given hope of the discovery of new significant beds. The reserves already proven would amount to around ten million ounces. This figure could rapidly rise to 20 million ounces, which would make Mauritania one of the region's main gold producers.

BOX 6 The Guelbs II and Guelb El Aouj projects

► The site of Guelb el Rhein, 25 km north-east of Zérouate in the north of Mauritania, is the largest site exploited by the Société nationale industrielle et minière (SNIM), which is the main iron mineral operator in the country. Guelb's annual production level is currently limited to 10 million tonnes of raw coal, but the SNIM is aiming to increase the production of enriched mineral by undertaking several projects either on its own or in partnership with foreign companies.

Guelbs II project
With the "Guelbs II" project, the SNIM anticipates building and equipping a second iron enrichment factory alongside its main factory. This new installation will allow the company to extend its production capacities to 8 million tonnes of concentrated minerals per year, which is double its current capacity. The Guelbs project, for which the SNIM obtained funding of nearly one billion dollars, will soon be entering its execution phase (several appeals for bids are underway).

El Aouj project
Since 2001, the Australian company SPHERE has been the SNIM's main partner on a pelletization project planned for the El Aouj guelb site, where magnetite reserves are evaluated at 500 million tonnes. The project, which requires an investment of 2.5 million US dollars, comprises a new iron mine development, a concentration installation and primary transformation of the mineral (pelletization in direct reduction), making it possible to produce locally over 7 million tonnes of iron concentrate. Planned

for 2011, the extraction start date depends on the repurchase of SPHERE's share, since the latter is too small to ensure the project's implementation. Events accelerated recently, when the mining consortium Xstrata launched a takeover bid of 300 million euro for SPHERE in September 2010, which was favourably concluded the following November. The achievement of this project will mark an important step in the diversification of Mauritania's mining industry, since until now, the country has

only exported the raw material and has not yet produced iron mineral pellets locally.

The construction work required for the Guelbs II and El Aouj projects illustrates the main restrictions facing investors. Like elsewhere in the country, these are linked to difficult access to water, energy and transport. Apart from the enrichment factories, the projects foresee exploiting a local water table, increasing the capacity of Zérouate's thermal power station, and building new loading posts for trains.

Phosphates

OPPORTUNITIES LIE in the Bofal bed, located in the Brakna wilaya south of the country. Discovered in 1983, the bed contains almost 140 million tonnes of gold nugget reserves, 35% of which are fit for selling. Exploitation rights are currently owned by the joint venture, Société des phosphates de Mauritanie (Sophosma), which associates private Mauritanian partners and the German company Ferrostaal. Given that the potential production zone is hard to access, road and rail facilities will have to be developed before the bed can be exploited, so that the phosphates can be taken to a port in the region (Dakar or Nouakchott).

Diamonds

PROSPECTION IN the R'Gueibat ridge and the sedimentary basin of Taoudenni has indicated that large reserves could be found in these zones.

Construction material

OPPORTUNITIES ARE LINKED to the existence, in different zones around the country, of significant reserves of gypsum (cement and plaster), kaolinite (ceramics), red clay and rapakivi granite (wall coatings).

Salt

THE COUNTRY HARBOURS large deposits of salt and could develop exports in response to increasing demand from Nordic countries for salt for roads and melting snow. Exploiting these resources does, however, require a bulk carrier port in Nouadhibou.

THE MAIN OBSTACLES confronting mining industrials in Mauritania relate to the absence of transport facilities in certain production zones, and especially in the Saharan area, as well as water supply and energy problems in these same zones. However, most investors in the sector have succeeded in overcoming barriers by finding solutions adapted to the local context, like for example the Red Back group in Tasiast, which has built its own landing runway close to the mine so that it can transport gold by aeroplane.

State response

TO REINFORCE THE EXPLOITATION of known and new resources, the Mauritanian government is aiming to improve conditions for mining production and investment. As well as the priority given to projects for infrastructures likely to favour the mining industry, Mauritania intends to take suitable measures to bolster interest from foreign investors in the mining sector, like by attributing new exploitation licences in production zones.

Mauritania has also become a member of the Extractive Industries Transparency Initiative (EITI). After joining in 2005, the country was one of the first to commit to implementing the initiative, whose principle aim is to promote transparency in managing resources in extractive industries. Mauritania acquired the status of EITI Candidate Country on 27 September 2007, which marked the start of the validation process that is due to come to an end shortly. For several years in this capacity, Mauritania has received considerable assistance to reinforce its natural resource management. ●

AS WELL AS THE PRIORITY GIVEN TO INFRASTRUCTURES, MAURITANIA INTENDS TO TAKE MEASURES TO BOLSTER INTEREST FROM FOREIGN INVESTORS IN THE MINING SECTOR.

Energy



MAURITANIA IS significantly deficient in electricity. The low level of national and regional energy production, which results in high electricity costs and weak energy supply across the country, considerably hinders the development of economic activity. Although the reinforcement of hydroelectric production on the Senegal River recently resulted in general improvements, the government would like to definitively rectify insufficiencies by constructing a major gas power plant targeting the region (exports to Senegal), which will operate using gas resources discovered in the Mauritanian seas. Upgrading the national grid will also favour the development of subsidiary productions of renewable energy sources (wind, solar and hydroelectric power), especially with a view to connecting up to Maghrebi energy grids (i.e. solar plan, energy ring).

MAURITANIA IS ENERGY DEFICIENT, BUT NUMEROUS RESOURCES EXIST THAT COULD BE MARSHALLED TO INCREASE ELECTRICITY PRODUCTION.

Challenges

MAURITANIA IS SIGNIFICANTLY energy deficient: the country's electrification rate is 60% in urban zones (39% in greater Nouakchott) and only 3% in rural areas. The cost of electricity is excessive and, because the electricity grid is faulty, load shedding is frequent in all connected zones. These gaps significantly hinder the country's economic and industrial development, while industrial and private energy requirements continue to grow: electricity demand has risen by an average of 10% annually since the early 2000s.

This shortage, which mainly results from over ten years of difficulties facing the company responsible for electricity (**BOX 7**), is all the more deplorable given the country's considerable energy potential. Numerous resources exist that could be marshalled to increase electricity production. The country has an offshore

gas field, containing gas reserves estimated at between 1.4 and 2 trillion square feet, and several hydroelectric projects are feasible on the Senegal River. Moreover, the country could develop a national territory particularly well suited to renewable energy sources: the coastline between Nouadhibou and Nouakchott has an average wind factor of 7-9 m/s, and the country's solar power potential is 3.5 to 6 kWh/m²/day.

Even though implementing an emergency programme funded by FADES recently led to an improvement in the country's overall energy situation, the Mauritanian state still urgently needs to increase the country's production capacities. A list of priority projects has been drawn up by the government, which anticipates a budget of 918 million US dollars to carry them out. These projects are mostly regional. The development of major energy projects using domestic resources would make it possible to both export any potential excess to the African sub-region and connect up to the Maghrebi and European electricity grid.

GIVEN THE EXTENT of the work to be done, investment needs are very high. The principle projects identified, for which feasibility studies have already been done, are the following.

Gas power plant

THE MALAYSIAN company, PETRONAS, which prospects and exploits the Banda offshore gas field, has expressed an interest in building a 700 MW gas power plant in two 350 MW phases. The aim is to make the plant one of the main energy sources in the West African sub-region, by connecting the Mauritanian and Senegalese grids. However, blocked negotiations between PETRONAS and the Mauritanian government, which would like to involve other private operators in the project, have considerably slowed down the final decision. While waiting to conclude a satisfactory agreement, and given the urgent need to improve the country's energy situation, the government is thinking of building a 120 to 180 MW biofuel plant close to Nouakchott. This plant, which is currently the flagship energy project in Mauritania, could thus initially produce 50 MW of fuel-oil electricity

while waiting for the Banda gas to be available for the project. This solution has the advantage of launching the power station's construction before negotiations on its operating modes have come to an end. Several of Mauritania's institutional partners have expressed an interest in the project.

Hydroelectric power

SEVERAL PROJECTS are envisaged as part of the Organization for the Development of the Senegal River programme, which has just been extended to Guinea, and aims to develop interconnections between Mauritania and its southern neighbours. Two dam projects are underway in the Malian section of the river: the Félou Dam, which should be running in 2012 and supply 15 MW to Mauritania; and the Gouina Dam, for which work is set to start in 2011, supplying 22 MW to the country. Other hydroelectric development projects are being drawn up, notably on the sites of Koukou-tamba and Goubassi. These dams will make it possible to electrify around one hundred towns in the Senegal River valley by linking them up to the interconnected grid.

Solar power

A PLAN TO DEVELOP renewable energy is under study to optimize the approach applied to current projects. At the moment, these are mainly projects for decentralized electrification using solar kits in rural towns with dispersed inhabitants and/or very low demand. The principle constructors are ADER (using a standard rental-purchase scheme) and APAUS, which has created the first solar concessions for 5,000 solar kits.

In 2003-2004, the AFD's "Alizés" programme for rural electrification (worth 4.3 million US dollars, of which 2.2 million from the AFD), led to the installation of 3,000 solar kits in rural zones. The programme is due to be renewed in the near future.

Wind power

THE CONSTRUCTION of two wind power plants is anticipated: the first in Nouakchott, and another in Nouadhibou. The aim is to connect these plants to the national grid. The Nouakchott project involves coupling the

future plant with a seawater desalination unit of 20,000 to 30,000 m³/day. Studies undertaken over several years by HELIMAX and recently updated by TVIG have made it possible to determine the best options. The EIB has shown an interest in helping to finance the project, the cost of which is estimated at between 20 and 25 million US dollars.

International interconnections

THE MAURITANIAN state envisages creating an electric liaison between the capital, Nouakchott, and the economic capital, Nouadhibou. This line would make it possible to connect up to Morocco, which currently boosts the southern part of its electric network, and thus towards Europe, to which Morocco is connected. The project is all the more relevant in the perspective of electricity production from gas and/or wind power on the Mauritanian coast. To the south, Mauritania is mainly working with countries in the sub-region on improving

BOX 7 SOMELEC

► Mauritania's current energy shortage is partly due to the privatization failure of the Société Nationale d'Électricité (SOMELEC), which until 1999 held the monopoly on producing, transporting and distributing water and energy in the country. With the idea of deregulating the energy sector, in 1999 the Mauritanian government embarked a process to privatize the company, which led in 2001 to the creation of a society focusing exclusively on managing electricity, the Société Mauritanienne d'Électricité (SOMELEC). However, the only purchase proposition, from the Moroccan Electricity

Office (10.5 million US dollars) was judged insufficient by the Mauritanian government, which was obliged to abort the privatization process in 2003.

This failure had disastrous effects on the Mauritanian energy sector. The state, while waiting for SOMELEC to be purchased, had suspended almost all investments in energy development for four years, which significantly widened the country's development gap in electricity. Since then, numerous difficulties in picking up SOMELEC's activity have only served to worsen the situation: the company, weakened by years of

interruption, is fully absorbed by running the grid and does not dispose of adequate resources to undertake any developments. Today, the Mauritanian state, supported by the World Bank, is putting in place a reorganization programme for the energy sector, which includes a recapitalization of SOMELEC involving the SNIM, the highest electricity consumer in the country. This SOMELEC reactivation programme is currently coming to an end, and will once more provide Mauritania with a finance framework for projects and partnerships with foreign operators, leading to an upgrade of the electricity sector.

the regional electric grid and extending it to Guinea. The objective is to evacuate potential excess energy produced by the gas station through the interconnected grid.

State action

AWARE THAT THE SECTOR needs developing and that, given SOMELEC's unhealthy state, there is a need for more diverse funding sources for projects, the government would like to see greater involvement from the private sector in electricity production projects. However, participation from foreign operators involves a number of difficulties, mainly the long decision-making process (e.g. the gas plant) and the inexistence of a specific legal framework for PPPs. Moreover, given the large number of projects envisaged by the state, the Mauritanian authorities will need to rank them in order of importance to ensure that the accent is put on those most likely to encourage the country's economic development.

The existence of natural resources usable for energy production and the recovery of SOMELEC nevertheless make it possible to envisage a short-term acceleration in the implementation of priority projects. The recent creation of a national agency for the development of renewable energy sources (ANADER) shows that the authorities are keen to make the most of the country's potential. ●



THE STATE MUST DEVELOP LAND AND PORT INFRASTRUCTURES TO REDUCE TRANSPORTATION COSTS AND IMPROVE COMPETITIVENESS.

Transport

EXTENDING AND modernizing its land and maritime transport infrastructure is vital to Mauritania's economic development. Although it is important that the national road network be extended, particularly to create access to certain production zones, developing international connections is a strategic priority. Improving road connections would reinforce Mauritania's insertion into the major regional markets of the Maghreb and the African sub-region. Improved port connections would make it possible to extend export activities towards the region and Europe, given that regional ports are currently saturated, particularly Dakar port. The state is gradually setting up basic facilities, but some major projects require support from outside investors.

Challenges

TRANSPORT IS OF paramount importance for the development of economic activities in Mauritania. Currently, the lack of infrastructure for land and sea transportation not only holds back domestic trade, but also hinders foreign exchanges. Existing or potential production zones are mostly hard to access and far from consumption and export zones. In the absence of modern ports and tarmacked roads in the backcountry, logistical conditions prohibit the implementation of international commercial projects, and regional connections remain largely insufficient, both in the north and south. The livestock and agricultural sectors, which are likely to look towards exporting, suffer particularly from these deficiencies.

The national transport network is slowly organizing itself. The Mauritanian sections of the Eurafrican road that links Tangiers to Dakar were completed in 2007, and their

effect on trade and regional investment has been highly beneficial – the price of a kilometric tonne on the road between Nouakchott and Nouadhibou has practically halved⁽¹⁾.

The Tindouf Choum route, currently under technical study, will open up a second access to the Mediterranean area via Algeria. For the maritime sector, in 2009 Mauritania signed a convention with China for a 300 million Dollar loan destined to finance the extension of Nouakchott's Friendship Port. These projects show the government's capacity and will to invest in the transport sector. Yet although the progress made so far hints at a more dynamic economic activity, it remains insufficient. A more competitive national economy and reduced logistical costs are achieved through modernized land and maritime transport infrastructures.

In order to reduce the logistical costs of transport and improve the national economy's competitiveness, the Mauritanian government should promote the development of two types of infrastructure: land infrastructure and port infrastructure.

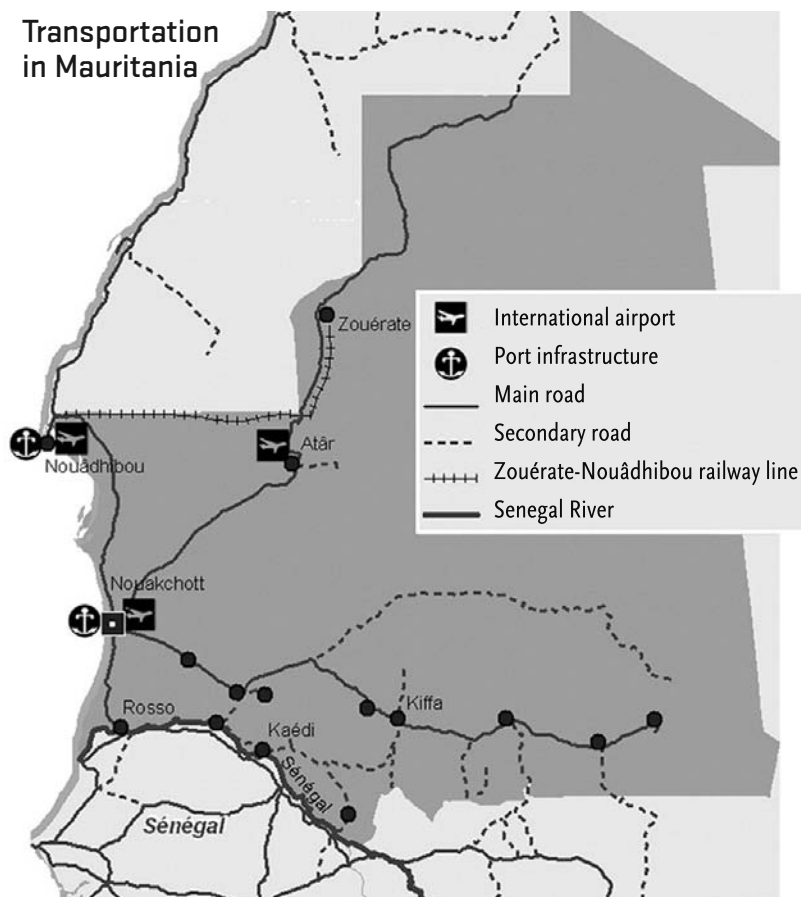
Construction and rehabilitation of the road network

IN THE ROAD SECTOR, Mauritania's needs are high: tarmacked roads and usable tracks account for a scant 34% of the national network, and lack of maintenance means that half of those are in an unsatisfactory condition. Priority objectives focus on completing and consolidating the North-South axis, which runs from the Maghreb (Morocco and Algeria) to Senegal, and the East-West axis, which follows the Senegal River path.

Both axes are highly strategic. By strengthening the North-South axis, particularly its transboundary sections, Mauritania could better integrate its economy into the regional environment, which is a condition for the country's development (BOX 8). Creating the East-West axis would open up agricultural regions in the south of the country and reinforce the link with Mali. In each of these two axes, the missing sections represent several hundred kilometres of road. Most of them have been identified.

Lastly, given the necessity of maintaining existing roads and protecting them from sanding over, the government anticipates creating

Transportation in Mauritania



a road maintenance fund. This would be financed from road tax revenues, which largely cover the maintenance costs of the existing network⁽²⁾.

Port infrastructures

THE THREE MAIN PORT infrastructures in Mauritania are the autonomous port of Nouakchott ("Friendship Port"), the autonomous port of Nouadhibou and Nouadhibou mineral port. The activity of these ports is constantly on the rise⁽³⁾, yet because of a relatively low rate of maritime freight, and the high costs of port-of-call and stocking merchandise, Mauritanian ports are less competitive than the neighbouring ports of Dakar, Abidjan and Casablanca. Mauritania's geographical location, which is at the crossroads of the maritime routes between Africa, America and Europe, and the saturation of regional ports, particularly Dakar port, are ample justification for developing the country's port infrastructures.

(1) From 80,000 ouguiyas to 50,000 ouguiyas.

(2) The expenditure that needs to be agreed to ensure maintenance of the Mauritanian road network is estimated at 8 billion ouguiyas (around 20 million euro). Road tax revenues, mainly from fuel tax, are in the region of 21 billion ouguiyas (around 50 million euro).

(3) Friendship Port, for example, recorded an 18% increase in annual tonnage from 2008 to 2009 (from 2,317,991 T to 2,731,017 T respectively).

BOX 8 Rosso bridge

► To boost commercial exchanges between Mauritania and Senegal, the two neighbouring countries intend to build a bridge on the Senegal River, at the Mauritanian town of Rosso. Measuring around 960 metres long and at least 13 metres wide, the construction will need to be high enough to allow boats to navigate in one of its spans. As well as constructing the bridge, the project will entail making around 2 km of access

routes and pedestrian paths, as well as creating lighting and horizontal and vertical signposting. This work is indispensable to reinforce the integration of Mauritania and Senegal, and more broadly the sub-region as a whole. The absence of a bridge on the Senegal River curbs the development of exchanges between Mauritania and the sub-region: crossing the river is only possible during the

daytime on ferry boats that make four round trips a day; the only other way of crossing the river is to go over the Diama Dam, around 100 km downstream. This alternative is, however, unsatisfactory, since there is no practicable road from Rosso to the dam, and only vehicles under 2.5 T can use the track that exists. At present, over a thousand people and 70 vehicles, half of them heavy goods vehicles, request a

passage across the river each day. Improving the flow of transboundary exchanges in Rosso would lead to a very significant increase in traffic between the two sides. The location of the bridge is particularly strategic, since it would not only ensure the continuity of the Eurafrikan road linking Tangiers and Dakar, but also open up access to the vast agricultural region located on both sides of the river. For

Mauritania, the economic gains to be had in the agricultural and livestock sectors would be considerable. Numerous institutions, like the African Development Bank, the European Commission and the Japan International Cooperation Agency, have expressed an interest in the project, which will cost an estimated 40 million US dollars and could be the object of a public private partnership.

Apart from developing the autonomous port of Nouakchott, which is currently being extended, the country's main maritime transport objective is to modernize Nouadhibou port. The site in question is particularly favourable for port activities: it has a natural, self-dredging channel that can be converted down to -22 m; it is half way between Casablanca and Dakar, and it is connected by railway to Zérouate, Mauritania's mining centre. Creating the necessary infrastructures would mean that the port could deal with minerals, container trucks, seafaring fishing boats and pleasure boats. In such conditions, Nouadhibou port would undoubtedly be capable of tapping into the increasing flow of maritime traffic, particularly if storage and transshipment activities can be developed.

State action

THE PROGRESSIVE completion of road infrastructures shows that the state and institutional donors are interested in developing the Mauritanian road network. However, the government is obliged to concentrate on road projects essential to the country's economic development by defining priority sections more clearly. Given the economic stakes of integrating the country into the West African

sub-region, it appears that not enough priority is being given to projects affecting the south of the country. Regarding maritime transport, the Mauritanian state should make sure that the development of Nouadhibou port gets going as soon as possible and should continue to modernize the port system by making institutional reforms to facilitate logistics (e.g. customs procedures and controls, collective agreement for materials handling and one-stop service).

Even though the state anticipates devoting a significant amount of the public development aid that it receives to major infrastructure projects, participation from outside parties is still required. The expansion, development, maintenance and modernization of infrastructures calls for investment levels over and above the country's financial capacities in the transport sector, thus opening up opportunities for PPP.

EVEN THOUGH THE STATE ANTICIPATES DEVOTING A SIGNIFICANT AMOUNT OF THE PUBLIC DEVELOPMENT AID THAT IT RECEIVES TO MAJOR INFRASTRUCTURE PROJECTS, PARTICIPATION FROM OUTSIDE PARTIES IS STILL REQUIRED.

Water



MAURITANIA'S HYDRAULIC resources are both limited and under exploited. Water scarcity weighs on the development of industrial activities and, more heavily still, on the country's economic and social development. For several years, the Mauritanian state has been implementing a sectorial strategy targeting supply and sanitation networks throughout the national territory. Recently, clear progress has been made, particularly in terms of hydraulic infrastructure and mobilizing resources for supplying the main towns (especially Nouakchott). However, much work remains to be done, calling for adequate funding.

Challenges

MAURITANIA'S HYDRAULIC resources are both limited and under exploited. Water is scarce throughout the country, and not just in the Saharan zones. Only 30% of inhabitants have access to drinking water in urban areas (towns of over 5,000 inhabitants), 40% in semi-urban areas (towns of 500 to 5,000 inhabitants), and 60% in rural areas (villages of less than 500 inhabitants). Similarly, sanitation facilities are almost inexistent: e.g. in Nouakchott, less than 1% of the population are connected to the municipal sanitation network.

Lack of water hinders the development of industrial activities in all sectors, and particularly in the food industry (fishing, agriculture and livestock) and mining. To improve the situation, there are three major lines of action. Firstly, to increase access to drinking water by extending the hydraulic supply in urban and rural areas, mainly through transferring water resources from excess zones to deficit zones. Secondly, to diversify supply sources, the use of surface waters should be developed and pro-

moted through constructions (e.g. dams, retention basins and desalination factories). Thirdly, wastewater treatment conditions in large towns need to be improved.

To reach these objectives, the Mauritanian state has recently carried out significant work in each of these domains. For example, for two years the company VEOLIA has been running the Aftout Essahli project, which involves constructing 200 km of pipelines to supply Nouakchott and other towns with drinking water from the Senegal River. More recently still, in February 2010, the Chinese company China Gezhouba Group was given the task of carrying out the first stage in the Nouakchott sanitation plan, worth 145 million euro. The government's capacity to marshal the funds needed to accomplish these large projects shows the extent to which the water sector is a priority.

Opportunities in the hydraulic sector are many and varied. Priority projects, which concern water supply and sanitation, are at different stages of progress: some are currently up for tender, while others are in preliminary study phases.

Improving access to clean water

THE MAIN PROJECT for improving the potable water supply is the continuation of the Aftout Essahli project, involving the installation of access to clean water for rural towns located along the pipeline. Other projects have been identified that will make it possible to improve water access to the east and south of the country, and to improve production conditions in the livestock and agriculture sectors. One of the projects is to exploit the Dhar water table near Néma, and another is to supply around 500 towns in the Aftout Charghi region with drinking water from the Fom Gleita dam.

Exploiting the potential of water desalination

SINCE THE MINING, fishery and industrial sectors require good-quality water, the country needs a policy for the rational management of natural potable water resources. This inevitably involves desalinating seawater and brackish water. Some industrial projects already possess desalination units for their

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own requirements (Guelbs I and II, El Aouj, etc.). BOT and PPP opportunities exist in this sector.

Sanitation

SANITATION PROJECTS concern the country's three main towns: Nouakchott, Nouadhibou and Rosso. For the capital, this initially involves extending current sanitation work to the rest of the town, followed by constructing 50 km of pipelines for draining rainwater. Sanitation projects for the economic capital, Nouadhibou, and Rosso are undergoing a feasibility study.

THE MAURITANIAN STATE HAS BEEN IMPLEMENTING A SECTORIAL STRATEGY TO DEVELOP WATER SUPPLY AND SANITATION NETWORKS.

State action

SINCE THE START OF THE 2000s, the Mauritanian state has been implementing a sectorial strategy to develop water supply and sanitation networks throughout the country in order to improve water access for business and individuals. The recent implementation of the Aftout Essahli project and Nouakchott's sanitation are proof that the government is making significant efforts in this domain. However, despite clear progress made, particularly in terms of hydraulic infrastructure and mobilizing water resources, there is still a vast amount of work to be done, and financial requirements are high. Several international institutions have shown keen interest in the work, such as AFESD, AfDB and AFD, giving hope that the funding required to implement these projects will be made available in the near future. ●

Concluding Summary

OFTEN PERCEIVED AS a desert country and an unstable zone located between the Maghreb and Black Africa, for a long time Mauritania has been overlooked by Maghrebi and European companies. The discovery of oilfields in the coastal basin and its improved political climate have recently aroused investors' interest in the country and the unexploited wealth with which it abounds.

The vast majority of this wealth is divided between four primary sectors that currently appear particularly attractive:

Fisheries

THE MAURITANIAN coastline possesses exceptional fishery resources. Yet most of its fish are caught by foreign operators, mainly European, whose ships leave without touching Mauritanian land. Unlike Senegal and Morocco, the country is the only one in the region not to benefit from land-based activities linked to fishing.

Agriculture

THE MAURITANIAN TERRITORY contains unexploited arable land, mainly in the regions along the Senegal River. Farming this available land would be a means to meet high local (national and regional) demand for agricultural produce, as well as to develop export markets to Europe and the Maghreb for certain exotic products.

Livestock farming

MAURITANIA POSSESSES a very large, diverse range of livestock. Extensive livestock breeding is a traditional activity in the country, and numerous informal export networks for cattle on the hoof are already very active in the African sub-region. The organization of the sector, through developing processing activities,

THE DISCOVERY OF OILFIELDS IN THE COASTAL BASIN AND ITS IMPROVED POLITICAL CLIMATE HAVE RECENTLY AROUSED INVESTORS' INTEREST.

represents strong development potential, particularly in response to high demand for halal meat from the Maghreb.

Mining industry

THE MAURITANIAN territory is rich with diverse mineral resources. However, apart from iron extraction, which has been constant since the 1960s, most of these resources have remained untapped, mainly because of the prohibitive production costs and lack of prospection. The increase in global demand for raw materials and the consequent rise in prices have led to greater interest in the country's resources, and prospection activities have started again in earnest.

THESE OPPORTUNITIES can only be developed on the condition that the Mauritanian government can commit itself to an effective development policy, involving rapid implementation of major infrastructure projects in the three fundamental sectors that form the backbone of the national economy:

Electricity

MAURITANIA SUFFERS from a significant electricity shortage, which considerably hinders the development of economic activity. The state intends to definitively overcome energy deficiencies by constructing a major gas power plant targeting the region, which will operate using gas resources discovered off the Mauritanian coast. Improvements in the electricity grid will also allow the country to develop subsidiary production of renewable energy sources (wind, solar and hydroelectric power), particularly with a view to connecting up to Maghrebi energy grids.

Transport infrastructure

The construction of infrastructures for land and sea transport is crucial to the country's economic development. Improving regional connections is a strategic priority, since it will reinforce Mauritania's integration into the sub-regional markets of the Maghreb and West Africa. In addition, port development would be a way of extending export activities towards the region and Europe, given that regional ports are saturated, particularly Dakar.

Water supply and sanitation

MAURITANIA'S HYDRAULIC resources are limited and under exploited. Water scarcity weighs on the development of industrial activity and the country's economic and social development. Although clear progress has been made recently, particularly in terms of hydraulic infrastructure and marshalling resources for supplying major towns, much work remains to be done, and appropriate funding is needed.

THE MAURITANIAN STATE MUST THEREFORE CONTINUE, WITH THE HELP OF INTERNATIONAL DONORS, TO IMPLEMENT AN AMBITIOUS DEVELOPMENT AND EQUIPMENT POLICY.

IN EACH OF THESE SUPPORT sectors, the Mauritanian state has already made significant efforts. Through implementing infrastructure projects, new opportunities have been created for Mauritanian and foreign economic operators, who have either participated in the major work done, or made the most of the new developments.

Greater involvement from the private sector now depends on development of the country's infrastructures. The Mauritanian state must therefore continue, with the help of international donors, to implement an ambitious development and equipment policy, and ensure that those projects most likely to remove hindrances to economic development are implemented. In pursuing this direction, Mauritania would be able to set in motion a development cycle initially based on exploiting the wealth of its primary resources. The dynamic effect would generate numerous opportunities for Mediterranean entrepreneurs. ●



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