



CASABLANCA FINANCE CITY
القطب المالي للدار البيضاء

Newsletter

December 2013

Casablanca Finance City

Your Gateway to Africa

Editorial

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About CFC Authority

CFCA, formerly Moroccan Financial Board, is a public-private partnership dedicated to positioning Casablanca as a regional financial center and a premier gateway into African markets for multinationals, financial institutions and professional services firms. CFCA is empowered by law with the overall management and promotion of Casablanca Finance City.

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With a spurt of growth in foreign investments, opportunities are becoming realities in the Greater North West Africa Region (GNWA). New FDI projects in Africa have grown at a compound rate of 13 % between 2007 and 2012. In GNWA, Ghana, Congo and the Ivory Coast have among the highest growth rates in new FDI projects and Morocco is still in the top 5 African FDI destinations¹.

With this wind of optimism blowing from Africa, Casablanca Finance City has gained significant momentum. It now emerges as the natural platform for a growing number of investors willing to enter the region.

Forbes magazine has recently explained how major foreign groups such as Bombardier and GDF Suez heavily invest in the Kingdom to use it "as a springboard to access opportunities in the wider region." Additionally, last year the Middle East's largest private equity company, Abraaj Capital, acquired a significant stake in the leading pan-African insurance company Saham Finances. This year, the European listed investor group Wendel, which recently acquired the CFC status, has in turn become a direct shareholder in Saham Group. More large scale investments are to be expected next year.

The recent visit of HM King Mohamed VI to President Obama, will also foster investments and bolster regional economic integration as both leaders see Morocco as a strong, stable and sustainable platform for investors in the region.

One of the closest and fast growing countries in the region is Senegal. With a 5.1% projected growth in 2014, the most stable country in West Africa is featured in our "Under the radar" section. Earlier this year, in July, the visit of President Macky Sall to HM King Mohamed VI in Rabat has resulted in seven new bilateral agreements in numerous sectors including tourism and investment promotion.

On the other side of the Atlantic, CFC held a road show in the U.S. to meet global investors and key players in the finance industry. We have also recently organised a London Reinsurance Roundtable. Most African countries lag behind the rest of the world in terms of Insurance. This implies that there is substantial scope for future development, which in turn offers profitable opportunities for (re)insurers. I invite you to read our breaking news alert and post-event supplement featured on our website. All our key events are further detailed in the CFC News section.

Finally, we are pleased to interview a committed contributor to Africa's development, Jean-Louis Billon, Minister of Commerce of the Ivory Coast. Mr. Billon firmly believes in a strong and integrated North West African fabric supported by an unwavering political will from the highest level of the different states.

I hope you enjoy this year's final edition of our newsletter and invite you to contact us with any query regarding Casablanca Finance City. We remain convinced that together, we can turn the region's potential into reality and build on Africa's assets to further its development.

Best wishes,

Said Ibrahimi,
Chief Executive Officer of CFCA



¹ Ernst & young Africa attractiveness analysis 2013





Overview

Senegal is considered one of the most stable countries in West Africa. It has succeeded in maintaining peace since its independence from the French colony and from Mali federation in 1960. Senegal has adopted a multiparty system since 1981, and in 2001 it approved a new constitution by referendum that shortened the presidential term. Since 2012, President Macky Sall runs the country. He has promised to follow the "Path to Progress" during his mandate, and to lead numerous reforms.

Thanks to a good harvest, Senegal has recovered from the 2011 slowdown. With a GDP of US\$14.2 billion in 2012, it has realised a growth of 3.5% up from 2.1% with an inflation rate of 1.4%. The socio-economic programs led by the new government and the IMF's Policy Support Instrument usher positive prospects. Growth is projected at 4.3% and 5.1% in 2013 and 2014, respectively. Due to increased imports associated with infrastructure projects, external deficit is expected to remain above 6% of GDP until 2015.

The current government focuses its efforts on infrastructure and governance in order to improve the ease of doing business in the country, reduce dependency on the primary sector, and optimise management of public resources.

Within the Senegalese primary sector, the largest activity remains agriculture. As weather conditions were favorable in 2012, the sector contributed 16.7% of GDP and employed 78% of the country's workforce. The accession of Senegal to the Food Security Alliance by the end of 2013 is expected to boost investment in agriculture. Today, all crude oil is imported and refined locally satisfying two thirds of local demand. The country's oil resources offer a huge potential. Offshore exploration is currently underway and production is expected to start by 2020.

The secondary sector represented 22.2% of GDP in 2012, a contribution that is expected to increase given the stabilisation of the unrest in Mali. The secondary sector relies on the production of phosphates, cement, sugar, textile, and energy.

Dakar is a hub for shipping and transportation in French West Africa. The tertiary sector, contributed 58.2% to the economy in 2012, with an annual growth of 4% driven by financial services, trade, and telecommunications. The 4% growth rate is expected to be sustained in 2013 and 2014 thanks to the betterment of the European economy, the end of the Malian unrest, and the recovery of the tourism activity. Tourism, exports in fisheries, phosphates, and groundnuts, along with remittances are a significant source of foreign currency for the nation. Furthermore, foreign direct investments amounted to US\$286.1 million in 2011 and are expected to rise given increased stability in the region and improved infrastructure.

Senegal aspires to become an upper middle income country by 2020. The country is expected to gain momentum as domestic and regional problems are addressed. Depending on the completion of projects in the electricity, roads and infrastructure, and also on the recovery of the agriculture and energy sectors, economic growth is expected to reach 5% in the next two years.

General Information

Capital city	Dakar
Official Languages	French (official)
Area	196,190 km ²
Coastline	531 km
Population	13.73 Million
Currency	West African CFA franc
Time zone	UTC

Macroeconomic Indicators

GDP (Current USD)	\$14,2 billion
GDP (PPP)	\$27.01 billion
GDP (PPP) - per capita	\$2,100
GDP composition by sector (2011)	
• Agriculture	15.9%
• Industry	23.3%
• Services	60.7%
FDI - Net Inflows	\$286.1 million (2011)
GDP growth rate	3.6%
Inflation rate	1.4%
Unemployment rate	48% (2007)
Labor force	5.906 million
CPI (2011)	126
Country risk assessment	B
Business Climate Assessment	B
S&P Credit Ratings	BBB-
Human Development Index Ranking	154

Monetary data

Reserves of foreign exchange and gold	\$2.082 billion
Central bank lending rate (2010)	0.25%
Market Cap	NA
Currency conversion rate	0.0021
Bank account penetration rate	6.00%

Natural Resources

Natural gas production (2011)	0.71 billion cubic feet
Electricity production	2.66 billion kilowatt hours
Arable lands	3,767.81 Sq km

Trade/ FDI

Imports	\$5.733 billion
Exports	\$2.382 billion
FDI (2011)	\$286.1 million

Infrastructure

Total Road Length	906 km
Annual airports traffic	7730
Container port traffic (2011)	369,137 (20 foot equivalent units)
Paved Roads Length	5248.7
Road Infrastructure investment (2010-2015)	\$3.3 billion

National Account

National expenditures	\$4.213 billion
Public debt (% of GDP)	36,10%
Public debt	\$4.222 billion

(* Most recent available data

Source: World Bank, S&P, UN Data, Oxford Business Group, Invest in Senegal, CIA fact book, Coface





Focus: Major Infrastructure Projects

Senegal has a national plan that aims to massively upgrade infrastructure and prepare the country for a wider economic growth.

5 year road infrastructure program – Zoom on Diamniado toll Highway project :

- Among the major projects undertaken by the country, there is the 5-year road infrastructure program (2010–2015) with a total budget of US\$ 3.3 billion. The program aims at improving the Dakar–Bamako corridor, developing new corridors and new road networks and rehabilitating the existing ones, developing farm-to-market roads, and improving urban mobility.
- Diamniado toll road is one of the major projects undertaken under this program. It's a project of a total budget of US\$ 531.4 million aiming at providing the Dakar peninsula with 32 km of double 3 lane highway in order to fluid the flow of people and goods between the capital and the rest of the country including the new international airport Blaise Diagne and the Dakar integrated special economic zone.
- This project has a high economic importance as it also seeks to establish sub regional links from Dakar to Bamako, Banjul (Gambia), Bissau (Guinea Bissau), and Conakry (Guinea Conakry). In fact, preliminary socio-economic studies show that return on investment for this project lies between 16 and 18%.

Dakar integrated special economic zone:

- Another example of Senegal's commitment to build state-of-the-art infrastructure is the Dakar Integrated Special Economic Zone (DISEZ) that will be built on a total area of almost 15000 hectares at 45 km from Dakar.
- The project plans to integrate an industrial park, service spaces, offices and logistics platforms, as well as a commercial area, tourist complexes and residential areas at a later stage.
- The completion of the last phase of the park is set for 2020. Initial development will take place in 4 phases of 150 hectares each, with an estimated FDI of US\$200 million allocated to each phase.

Blaise Diagne – Senegal new international airport:

- The airport is expected to be ready by the 1st quarter of 2014 and attract 10 million passengers per year by 2020.
- Built on 2 600 hectares of land in the administrative region of Diass, 45 km outside of Dakar, Blaise Diagne airport will replace the current airport, Léopold Sédar Senghor International Airport and double its capacity.
- The project's total cost amounts to US\$775 million and is ensured by the African Development Bank, the French Development Agency, the West African Development Bank, and other banks from South Africa, Canada and Saudi Arabia.

Agreements signed between Morocco and Senegal include (non-exhaustive list)

- **April 1996:** Signature in Dakar of a cooperation agreement between the Chambers of Commerce and Industry of Dakar and of Casablanca. The agreement is intended to help increase trade and expand economic cooperation between the two chambers.
- **February 2000:** Signature in Rabat of a Memorandum of Understanding for the creation of a Moroccan-Senegalese bank "SENBANK" that would complete the acquisition of Air Senegal by the Royal Air Morocco.
- **March 2002:** Signature in Dakar of six cooperation agreements between Morocco and Senegal including: equipment, prevention of tax evasion, and the development of roads and highways.
- **March 2005:** Signature in Nouakchott of an agreement between Morocco, Mauritania and Senegal on the establishment of a maritime line between the ports of the three countries in order to promote trade and strengthen ports' cooperation.
- **October 2006:** Signature in Casablanca of an agreement for the acquisition of the Senegalo-Tunisian Bank by Attijariwafabank.
- **November 2006:** Signature in Senegal of several cooperation agreements: an agreement on reciprocal protection and encouragement of investments, a framework agreement for cooperation and technical assistance on the organisation of the building and public works sector, a cooperation agreement in the field of civil protection, and an agreement on air transport.
- **December 2009:** Signature in Marrakesh of two MoUs: the first between the council of the region of Laayoune and the council of the region of Ziguinchor in Senegal, and the second between the municipal councils of Lagouira and Maw-Tapée.
- **February 2010:** Signature in Dakar of a contract between the International Finance Corporation (IFC) of the World Bank Group (WB), and the National Electricity Office (ONE). Under this agreement, the IFC, the World Bank responsible for financing projects for socio-economic development in Africa, acquired 16.6% stake in COMASEL capital.
- **July 2013:** new agreements signed during the royal visit to Senegal include:
 - A protocol on maritime transport aiming at the development of trade between the two countries.
 - A partnership agreement between the National Council of Employers of Senegal (CNP) and the General Confederation of Enterprises of Morocco (CGEM) for the creation of a platform for the promotion of Moroccan-Senegalese investments in agriculture and infrastructure in West and Central Africa.
 - An agreement between La Caisse des Dépôts et des Consignations of Senegal (CDC) and la Caisse de Dépôts et de Gestion (CDG) of Morocco for the exchange of experiences on SMEs financing, social security, and engineering.
- **September 2013:** Signature in Casablanca of an agreement between the Moroccan Capital Market Authority (AMMC) and the Regional Council for Public Savings and Financial Markets (CREPMF) of West Africa to promote the listing on various stock exchanges and facilitate securities investment.





Casablanca Finance City conducted a road show between New York and Washington D.C. from October 7th to October 12th. Mr. Said Ibrahim, CEO at CFC, has presented CFC's recent activities to the Morocco Finance Club, a circle that gathers young influential Moroccan leaders. On October 8th, CFC participated to the Breakfast event "Morocco Unlocked", hosted by the Financial Times in partnership with the Moroccan Investment Development Agency (AMDI). Mrs Najwa El Iraki, Head of Business Development at CFC, presented the CFC initiative on a panel focused on Morocco's investment and business opportunities over the next five years. Then, on the sidelines of the IMF/World Bank annual meetings, one to one meetings were held with high profile officials and business leaders.



CFC co-organised a Reinsurance Roundtable on the 12th of November in London with the Insurance Insider around the theme «benefits of global reinsurance hubs, more specifically in Africa». Mr. Said Ibrahim and Mrs Najwa El Iraki participated in the roundtable discussion alongside international reinsurers firms, brokers, accountants and lawyers. Mr. Ibrahim presented the advantages CFC offers to international reinsurers looking to enter the fast growing African insurance market. Reinsurance is one of the main sectors CFC is looking to focus on as reinsurance hubs are becoming preferred locations for international players. Favourable regulatory frameworks, improved tax environments, well-developed infrastructure and the availability of skilled workforces are key factors which support the inflow of foreign reinsurers to these hubs. More information by clicking here:

http://www.casablancafinancecity.com/upload/wysiwyg/files/CasablancaBreakingNewsStory_new.pdf



CFC was invited to speak at the MENA Economic Forum on the 8th of November, the largest and most significant business meeting on Euro-Arab relationships. It brings together both public and private stakeholders to address global issues and reflect on innovative solutions to achieve sustainable growth and development in the MENA region. Mr. Said Ibrahim participated to the panel "The Role of Financial Institutions in Support of Massive Requirements" to highlight the importance of a strong, inclusive, and efficient financial sector.



Casablanca Finance City was invited to speak on a panel at the MEDays Forum held in Tangier from November 13th to November 16th. The annual strategic meeting gathers key global players in geostrategy, politics, and economics to enhance the North-South relations. During the panel "Banks and financial places: How to create a fair and balanced economic growth?", Mr. Said Ibrahim has in particular underlined the need for a strong financial system in Africa which will catalyse domestic savings as well as foreign resources.



Casablanca Finance City (CFC) and the Chartered Institute for Securities & Investment (CISI) have signed a Memorandum of Understanding on November 25th, to provide and promote global financial services qualifications in Morocco and the region. The CISI is the largest and most widely respected professional body for those who work in the investment industry. Every year over 40,000 examinations are taken in more than 50 countries around the world by candidates who are employed by 92% of the world's top banks.



CFC took part in the African Securities Exchanges Association (ASEA) 17th Annual Conference hosted by the Bourse Régionale des Valeurs Mobilières (BRVM). The event was held in Abidjan from December 1st to December 4th 2013, under the theme "From promises to achievements: the key role of capital markets". The Conference resulted in particular in a cooperation agreement between Casablanca and BRVM Stock Exchanges on information and expertise exchange.

Upcoming Events



Africa CEO Forum

To be held in Geneva, Switzerland



World Economic Forum Africa

To be held in Abuja, Nigeria



Kellogg Africa Business Conference

To be held in Chicago (Evanston), US



Super Return PE Africa

To be held in (TBC), Africa

For further information about the above events, please contact us.



4 Questions to...

Mr. Jean-Louis Billon



Jean-Louis Billon is the Minister of Commerce, Craft & SME Promotion of Ivory Coast. CEO of SIFCOM, Jean-Louis serves as Chairman of the Board of SIFCA since 2001, the largest Ivorian private company in the agribusiness sector.

In 2002, Jean-Louis was elected president of the Chamber of Commerce and Industry of The Ivory Coast. That same year, he was also elected vice-president of the UEMOA—the West African Economic and Monetary Union—and vice-president of the West Africa Francophone Consular Chamber. In 2008, he has been awarded the French Legion of Honor.

1/ What do you think of the economic and financial potential of the Greater North West Africa (GNWA)?

In my opinion, this region will remain one of Africa's engines of growth. In this sense, we have launched at a regional level (UEMOA - West African Economic and Monetary Union) several negotiations on trade and investment preferential agreements among which Morocco is the most advanced project.

As a matter of fact, the good results in the Moroccan economy and the resilience it has shown addressing the international economic crisis is to be welcomed. I also think that the reforms led by the Kingdom allowed it to reinforce its activities with foreign investors and to maintain a sustained growth for more than a decade.

The regional approach for the realisation of business opportunities is completed, on a national level, by an intensified bilateral trade cooperation, building on the excellence of the friendly South-South relations between countries such as Morocco and Ivory Coast.

2/Your current function as Minister of Commerce, Craft and SME Promotion, and your successes in the agribusiness industry make you a key player in the intra-Africa cooperation. What is, in your view, the most effective ways to further encourage GNWA integration?

Above all, political will should be mobilised at the highest level. It is one of the most effective ways to build a stronger economic cooperation between the different GNWA states and to nurture an integrated economic and social development.

This way, key players participating in the trade process can work together within the framework of

joint missions. The goal is to find suitable solutions to the problems encountered and to make propositions towards an improvement of these exchanges for a better integration.

3/ Casablanca Finance City is aimed at fostering regional financial integration by aggregating the GNWA opportunities in a single platform. What is your opinion on this initiative?

Aiming at defining the economic capital of Morocco as a regional financial hub in the GNWA region is an ambitious initiative. On the investors' perspective, this initiative offers several advantages, particularly in terms of taxation.

It is very fortunate that the cooperation agreement signed with the Singapore Cooperation Enterprise allows CFC to benefit from Singapore's experience

with regards to financial activities development and management. This also encourages the promotion of

Morocco's image as a foreign investment destination.

Another strength of the project is its ability to bring together companies from North and West Africa.

4/ You have travelled the world, what do you like most about Morocco?

I am particularly sensitive to the beauty of Morocco. I enjoy going to Marrakech and Fes. These two cities have a rich historic heritage and they have something indescribable that make you want to come back.

Also, it is always a pleasure to visit Morocco as Ivory Coast and the Kingdom of Morocco share strong historical ties thanks to the brotherly relations which date back to the late Président Felix Houphouët-Boigny and His Majesty King Hassan II.

“The strength of the project is its ability to bring together companies from North and West Africa”

