



White Paper

Doing Business in West Africa

countries of

Benin, Ghana, Senegal, Nigeria & Angola

Over the past decade Africa supplied six of the world's ten economies with the fastest growth. It is attracting attention from investors seeking to profit from the emergence of a new class of African consumers. The opportunity to make investments in Africa is increasingly accessible especially in West Africa. This market research emphasizes on four Western African countries such as Benin, Ghana, Senegal, Nigeria & Angola.

1- Benin

Benin has a stable democracy and a small domestic market. The country's key estimated economic indicators for 2011 are as follows: Estimated Nominal GDP: \$7 billion; Estimated Real GDP growth rate: 3.1%; Per Capita GDP: \$749.5; GNI per capita: \$750; Inflation Rate: 2.1%. Benin's economy is closely tied to that of its neighbor, Nigeria, and is heavily dependent on regional trade. Currently, trade between Benin and the U.S. is small, but interest in American products is growing. The trade

balance is in favor of the U.S. with a trade balance of \$418.5 million according to U.S. Census Bureau 2011. Benin's economic freedom score is 57.6, making its economy the 101st freest in the 2013 *Index*. Its overall score is 1.9 points better than last year due to notable improvements in half of the 10 economic freedoms, including investment freedom, government spending, and business freedom. Benin is ranked 15th out of 46 countries in the Sub-Saharan Africa region, and its overall score is higher than the regional average.

Population

The population of Benin is 9.2 million. Benin's GDP is roughly 21 percent agriculture, 71 percent services, and 8 percent manufacturing. Cotton production and processing alone account for about one third of GDP

Ethnic group

The largest ethnic group is that of the Fon or Dahomeyans (about 25%), the closely related Adja (about 6%), and the Aizo (about 5%), who live in the south of the country and are predominantly farmers. The Goun (about 11%), who are related to the Adja, are concentrated around Porto-Novo. The Bariba (about 12%) are the dominant people in northern Benin. The Yoruba (more than 12%), essentially a farming people, came from Nigeria and are settled along the eastern boundary of the country. In the northeast, the Somba (more than 4%) subdivide into a number of distinct groups. The Fulani (about 6%), traditionally nomadic herders, gradually are becoming sedentary. Other groups include the Holli, the Dendi, and the Pilapila (or Yowa).

Education

Education is compulsory for children between ages six and eleven. After spending two to three years in kindergarten, it takes six years for them to complete and take the primary school certificate. Overall it requires seven years to complete both junior and senior high school. At the end of the four first years of junior high school, the students have to take the O-level (Brevet d'Etudes du Premier Cycle: BEPC). Then after three years the students have to take the A level (Baccalauréat: BAC) exam which is the equivalent of the U.S. high school diploma.

Language

French (official), Fon and Yoruba (most common vernaculars in south), tribal languages (at least six major indigenous languages, including Baatonum)

Religion

Catholic 27.1%, Muslim 24.4%, Vodoun 17.3%, Protestant 10.4% (Celestial 5%, Methodist 3.2%, other Protestant 2.2%), other Christian 5.3%, other 15.5% (2002 census)

Corruption level

Foreign investors should note that bribery regularly occurs in relation to several business procedures, including obtaining water connections, construction permits and commercial licences. The bribes demanded are reported to be especially high for foreign companies due to their alleged 'capacity to pay'. Most companies expect to give gifts in order to secure government contracts. Many observers note that public procurement and contracting procedures in Benin are highly corrupted. Tax and customs and excise laws are not always enforced uniformly and without discrimination as corruption and bribery can be used to influence the application of these laws. The government's commitment to combating corruption and attracting investment has resulted in a number of laws, regulations and

measures to improve the business climate, although several obstacles to attracting foreign investors remain the institutional setup for fighting corruption is quite well-established and Benin's anti-corruption strategy is seen as successful by many international observers. The government has established a one-stop shop in order to simplify procedures for starting up companies, registration, tax declaration and import licensing, thereby aggregating all the formalities facing a new investor in one place: the Guichet Unique within the Centres des Formalités (CFE) under the Chamber of Commerce and Industry (in French). However, the effectiveness of this one-stop shop has been mixed, and many investors continue to complain that the ineffective and corrupt bureaucracy is making the investment code difficult to implement in practice. Benin ratified the United Nations Convention against Corruption in 2004 and established the General Inspection of the Government (l'Inspection Générale de l'état, IGE) in 2006 with the aim of combating corruption within the public sector. President Yayi Boni installed a toll free line linked directly to the presidency providing a means for citizens to report corruption whenever witnessed in their everyday lives. The parliament of Benin passed a new anti-graft law in August 2011 binding public officials to declare their assets when assuming and leaving office.

Government structure

Benin's government structure is characterized by a framework of a presidential representative democratic republic, whereby the President of Benin is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the legislature. The Judiciary is independent of the executive and

the legislature. The current political system is derived from the 1990 Constitution of Benin and the subsequent transition to democracy in 1991.

10 most needed products and services in Benin

Despite its small market size, Benin, with its efficient and well-located port, is a re-exporting country for its landlocked neighbors and for Nigeria, which has a market of about 155.2 million consumers.

- Electronic products
- Cosmetics and toiletries
- Telecommunications equipment
- Electrical power systems
- Transportation equipment
- Cotton industry equipment
- Bakery products
- Meat and poultry
- Agricultural machinery

The best prospects for major projects are infrastructure projects, including road, airport, seaport and railway construction), housing, telecommunications, and energy.

The competitive countries for those products are China, Brazil, France, and Switzerland.

Market entry-Best contacts

U.S. companies considering entering the Beninese market, particularly if they have not previously done business in the region, should consider working with a reputable agent or distributor. They

should be fluent in both French and English and familiar with local business practices. An agent or distributor may need a French translation of the product's documentation and literature. U.S. and Beninese companies may wish to form a joint venture to participate in the privatization of a public company or in public procurements. With the assistance of a notary public the joint venture should be registered in court and published in an official gazette such as the governmental daily "La Nation".

Restriction and Regulatory issues

Goods are cleared by registered clearing agents hired by the importer. All required important documents are handed to them for customs procedures. Documents related to import requirements vary depending on the type of the imported goods. In general, the main documents to be produced by importers before the clearing of goods are the invoice, the bill of lading, the Inspection certificate issued by BIVAC or Bureau VERITAS Group, the importer's card, attestation of origin of the goods (if they are from a WAEMU or ECOWAS member state). U.S. company companies exporting to Benin must adhere to the requirements of the U.S. Bureau of Industry and Security (BIS) which regulates the export and re-export of sensitive goods and technologies.

Labeling and Marking requirements

There are no specific labeling requirements for goods. Well-labeled goods ease their identification and the customs clearance. However, Beninese law does not allow any foreign, natural or manufactured goods to leave or enter Benin, if those goods are labeled to wrongly reflect that they are from Benin or a country with

which Benin has signed a brand protection agreement. The imported products may include, depending on the nature of the product, the name of the product, the country of origin, the manufacture and the expiration dates.

Testing

Direction de l'Alimentation et de la Nutrition Appliquee (Food Safety Control Office) or DANA in the Benin Ministry of Agriculture is the only agency allowed to do testing of food products prior to their clearance at the port of entry.

2- Ghana

With its political stability, economic liberalism, abundant natural resources, highly motivated work force and infrastructure improvements, Ghana is positioned to become West Africa's premier gateway country, providing investors access to a regional market of over 250 million people. The government is committed to implementing policies that reduce the general cost of doing business in Ghana and to promote investor confidence in the country. Ghana's natural resource driven economy is the third largest in West Africa. It is the second largest exporter of lumber and gold on the continent, and the second largest exporter of cocoa worldwide. Ghana also enjoys ample mineral deposits of diamonds, bauxite, manganese and salt, and lays claim to a vast expanse of arable land, forests and marine and fishing stocks. The economy is seeing significant progress which is underlined by the relative political stability and macroeconomic reforms. The improvement in the

economy has brought about an influx of foreign investments of various forms as well as a gradual increase in middle-class professionals.

Demographics of Ghana

Population

Ghana has population of about 24.65 million people and is expected to increase to 27 million by 2020. It is one of the most populous countries in West Africa, second only after Nigeria.

Ethnic groups

Ghana is home to more than 100 different ethnic groups. The official language is English; however, most Ghanaians also speak at least one local language. The ethnic groups in Ghana are the Akan (the Fante, Akyem, Ashanti, Kwahu, Akuapem, Nzema, Bono, Akwamu, Ahanta and others) 49.3 %; Mole-Dagbani 15.2%; Ewe 11.7 %; Ga-Dangme (Ga and Dangme) 7.3%; Guan 4%; Gurma 3.6%; Gurunsi 2.6%; Mande Busanga 1%; other tribes 1.4%; other (Hausa, Zabarema, Fulani) 1.8% (2000 census). The religious distribution is as follows: Christian 68.8% (Pentecostal/Charismatic 24.1%, Protestant 18.6%, Catholic 15.1%, other 11%), Muslim 15.9%, traditional 8.5%, and other 0.7%, none 6.1% (2000 census).

Education

Education in Ghana from nursery school up to an undergraduate degree level takes about 20 years. Most children begin their education at the age of three or four starting from nursery school to kindergarten, then primary school, junior high school, senior high school, and finally university. The average age at which a child enters primary school is 6 years. School is accessible to both and girls although males outnumber females in many institutions

Language

As with many ex-colonies in Africa, the official language of Ghana is the English language. Nine languages have the status of government-sponsored languages: Akan, Ewe, Dagomba (Dagbani), Dangme, Dagaare, Ga, Nzema, Gonja, and Kasem. Akan has two literary dialects, Twi and Fante.

Religion

Christian 71.2% (Pentecostal/Charismatic 28.3%, Protestant 18.4%, Catholic 13.1%, other 11.4%), Muslim 17.6%, traditional 5.2%, other 0.8%, none 5.2% (2010 census).

Corruption level

Corruption in Ghana can be classified into three levels. The first level is the corruption lurking in the corridors of sitting governments-over pricing of government contracts, diversion of state funds to fund political activities, misappropriation of public funds etc. The second level deals with the private sector. The last one and the most cancerous one is found in everyday life. The police are considered one of the most corrupt institutions in Ghana, and companies should be aware of the potential for encountering demands for bribes from the police when dealing with court matters and vehicle registration as well as the transportation of goods. The Judiciary is tragically caught in a clutches of corruption. The visibility of state administration in rural areas is still limited, and companies can thus be subjected to local regulations and corruption when operating in rural areas. Ghana's traditional court system and British-based 'modern law' legal systems exist in parallel, creating insecurity, and sometimes making contract enforcement difficult. For that reason, many companies choose to settle disputes out of court, usually with the assistance of a lawyer. The country is politically stable, anti-corruption has been on the political agenda for many years, and the legal framework for addressing

corruption is generally well established. Ghana has showed great commitment to attracting foreign investments by improving the regulatory environment for the private sector in a number of areas, such as administrative procedures for starting a company, paying taxes and trading across borders. In March 2011, the government passed the Petroleum Revenue Management Bill, which seeks to bring greater transparency and accountability to the oil sector. Furthermore, in October 2011, the Public Interest and Accountability Committee was set up to manage Ghana's oil revenue and to ensure transparency. On 19 October 2010, Ghana was granted 'Compliant country' status by the Extractive Industries Transparency Initiative.

Government structure

The system of government practiced in Ghana is parliamentary democracy with separation of powers among the Executive, the Legislature and the Judiciary guaranteed under the constitution. The press enjoys a great deal of freedom which has nurtured it into one of the most vibrant in Africa. The 1992 constitution provides checks and balances which limit the powers of each of the Legislature, the Executive and the Judiciary. The constitution also provides a Council of State, made up of experienced elders with proven character, to advise the President on national issues. The constitution has also established a number of autonomous institutions such as the Commission for Human Rights and Administrative Justice (CHRAJ), the Electoral Commission (EC) and Economic and Organized Crime office (EOCO). These institutions are there to facilitate good governance. The Government is elected by universal suffrage.

10 most needed products and services in Ghana

Ghana's domestic market in Ghana is relatively small but is growing. Ghana is an important U.S. agricultural export market and offers expanding market opportunities due to its remarkable record of economic growth as well as its liberal import policies. US export of agricultural products to Ghana in 2011 is a record high at approximately \$110 million. Ghana imports mostly consumer-ready commodities such as Rice, Wheat, Sugar, poultry, Fish, forestry products. There are considerable investment opportunities in the Provision of Business Solutions (software and • networking services), Business Processing Outsourcing, supply of High-Tech Telecommunication Equipment, back Office Operations (especially for the Financial Institutions), E-commerce and Legal Database Services, Logistics Management Services and Medical Transcription Services. Ghanaian importers prefer consumer-ready products with the following characteristics: Relatively small-sized prepared and packaged products for one-time use, Bulk, intermediate products and ingredients that can easily be re-packaged in Ghana without large additional production costs, perishable food products processed and packaged for long shelf-life, and not requiring much refrigeration, mixed containers of high-value products and brands., and food products packaged with longer 'Best Before' dates.

U.S. export of consumer-oriented food products is increasing although it is low compared to the EU, Asian and South Africa and other suppliers. The low U.S. market share is mostly due to:

Higher freight charges for shipments from the United States to Ghana. There are few direct sea routes from the United States and most U.S. goods are transshipped through Europe, adding to shipping costs.

Lack of expiry dates/best before labels on some U.S. products creating difficulty for the Ghanaian importer during clearing process and in marketing products.

Some U.S. exporters are unwilling to meet Ghanaian importer demands especially on product specification and documentation.

Insufficient contact between U.S. exporters of consumer oriented products and Ghanaian importers.

Strong competition from traditional suppliers such as Asia, South Africa, and the EU

Market entry

New-to-market exporters from the United States should consider appoint a local agent/distributor or representative in Ghana to register the products with the appropriate GOG regulatory bodies, to introduce their products to the market, and to develop consumer demand, identify and sell through consolidators based in the United States who are already serving the West African region.

Restrictions and regulation

The Customs division is responsible for collection of Import Duty, Import VAT, Export Duty, Petroleum Tax, Import Excise and other taxes. All processed food products must be registered with the Food and Drugs Board (FDB), Ghana, prior to being exported to Ghana. The importer typically pays for the cost of the product registration unless the exporter agrees to pay this cost.

Tariffs

Ghana is a Member of the WTO and the Economic Community of West African States (ECOWAS). According to the WTO, Ghana has bound only 1 percent of tariffs on industrial goods. Along with other ECOWAS countries, Ghana adopted a common external tariff (CET) in 2008 that requires members to simplify and harmonize ad valorem tariff rates into five bands: zero duty on social goods (e.g., medicine, publications); 5 percent on imported raw materials; 10 percent on intermediate goods; 20 percent on finished goods; and 35 percent on goods in certain sectors. The fifth band – proposed by Nigeria – is still under negotiation among member countries. Ghana currently maintains 190 exceptions to the CET, and the highest tariff charged is 20 percent. The tariff rates for the items covered under these exceptions will require some changes to align with the CET.

STANDARDS, TESTING, LABELING, AND CERTIFICATION

Ghana has issued its own standards for most products under the auspices of its testing authority, the Ghana Standards Board (GSB). The GSB has promulgated more than 343 Ghanaian standards and adopted more than

1,362 international standards for certification purposes. The Food and Drugs Board is responsible for enforcing standards for food, drugs, cosmetics, and health items. Under Ghana's Conformity Assessment Program (CAP), some imports are classified as "high risk goods" (HRG) that must be inspected by GSB officials at the port to ensure they meet Ghanaian standards. The GSB has classified the HRG into 20 broad groups, including food products, electrical appliances and used goods. The classification of HRG is vague and confusing, and its scope has raised numerous questions. For example, the category of "alcoholic and nonalcoholic products" could presumably include beverages, pharmaceuticals, and industrial products under the same classification. The CAP process requires prior registration with GSB as an importer of HRG and GSB approval to import any listed HRG. The importer must submit to GSB a sample of the HRG, accompanied by a certificate of analysis (COA) or a certificate of conformance (COC) from accredited laboratories in the country of export. Most often, the GSB officials conduct a physical examination and check labeling and marking requirements and ensure that goods are released within 48 hours. Currently, the fee for registering the first three HRG is GHC 50 (about \$45) and GHC 20 for each additional product. Any HRG entering Ghana without a COC or COA from an accredited laboratory is detained and subjected to testing by the GSB. The importer is required to pay the testing fee based on the number and kinds of parameters tested. The GSB publishes most of its fees on its website. U.S. companies have expressed concern that the standards that the Ghana CAP utilizes are difficult to determine and that independent third party certifications and marks may not be recognized, resulting in costly and redundant testing. Ghana passed provisional biosafety legislation in March 2008 to govern agricultural biotechnology pending the passage of a larger biosafety regime. The legislation established regulations governing biotechnology products in three broad areas: field trials and contained work on biotechnology products; the release of these products into the environment; and the importation, exportation, and transit of agricultural biotechnology products. The law allows the National Biosafety Committee, through consultation with appropriate authorities, to issue guidelines on labeling. The

Cabinet is currently reviewing draft biosafety legislation that will establish the National Biosafety Authority, which will be the administrative body responsible for all issues related to biotechnology in Ghana.

3- Senegal

Senegal is one of Africa's most politically and economically stable countries. With its capital city of Dakar located on the westernmost point of Africa, Senegal is a gateway to the continent. Smaller than South Dakota, Senegal has some of the best transportation, telecommunications and communication infrastructure in West Africa. The Government of Senegal officially welcomes foreign investment, but potential investors, and indeed all businesses, face obstacles, including non-transparent regulation and high factor costs. There is no legal discrimination against businesses conducted or owned by foreign investors. There are no barriers regarding 100 percent ownership of businesses by foreign investors in most sectors. In some key sectors such as electricity, telecommunications, water and mining, and security-related services, foreign investors may have majority control, but may not acquire 100 percent ownership. The Senegalese are generally well disposed towards Americans, and actively seek U.S. trade and investment.

Demographics of Senegal

Population

Senegal, in terms of its structure by age and sex is still a young country population with a pre-dominance of females. Senegal has a population of over 11 million, about 70 percent of whom live in rural areas. Density in these areas varies from about 77 inhabitants per square kilometers (199/sq mi) in the west-central region to 2 inhabitants per square kilometers (5/sq mi) in the arid eastern section.

Ethnicity

Senegal has a wide variety of ethnic groups and, as in most West African countries, several languages are widely spoken. The Wolof are the largest single ethnic group in Senegal at 43 percent;

the Peul and Toucouleur (also known as Halpulaar, Fulbe or Fula) (24 percent) are the second biggest group, followed by others that include the Serer (15 percent), Lebou (10 percent), Jola (4 percent), Mandinka (3 percent), Maures or Naarkajors, Soninke, Bassari and many smaller communities (9 percent). About 50,000 Europeans (mostly French) and Lebanese as well as smaller numbers of Mauritians and Moroccans reside in Senegal, mainly in the cities. The majority of Lebanese work in commerce. Also located primarily in urban settings are small Vietnamese communities as well as a growing number of Chinese immigrant traders.

Education

Less than 50% of the Senegalese population is literate. We can therefore consider that illiteracy of the population is still an obstacle to the development of this country. These are obviously the women who make these numbers so low as 45% of men literate (almost one in two) while the figure for women is 20% (one fifth). In fact, girls often have less chance of being sent to school. But these differences fade significantly in urban areas. In Dakar (the capital), we see even reverse the situation slowly and several higher education institutions already see a majority of girls in their workforce.

Language

Some 39 languages are spoken in Senegal, including French (the official language) and Arabic. Linguists divide the African languages spoken there into two families: Atlantic and Mande. The Atlantic family, generally found in the western half of the country, contains the languages most

widely spoken in Senegal such as Wolof, Serer, Fula, and Diola. Mande languages are found in the eastern half and include Bambara, Malinke, and Soninke

Religion

Islam is the predominant religion in the country. Islam is practiced by approximately 94 percent of the country's population; the Christian community, at 5 percent of the population, includes Roman Catholics and diverse Protestant denominations. One percent has animist beliefs, particularly in the southeastern region of the country. Some Serer people follow the Serer religion.

Corruption level

Senegal's commercial climate is challenging for U.S. companies accustomed to a business environment where the driving forces remain fair competition, transparent rules and a level playing field. In Senegal, there is a continued real and perceived lack of transparency in the allocation of public contracts. This is particularly the case in the fast-expanding construction sector where allegations of corruption have motivated aggressive inquiries from the press, civil society and opposition parties. Judicial, tax, customs, property disputes and other regulatory decisions are frequently inconsistent, tardy and non-transparent.

Government structure

Senegal is a Republic under multiparty democratic rule. Politics in Senegal takes place within the framework of a semi-presidential, democratic republic. The President of Senegal is the head of state and the Prime Minister of Senegal the head of government. However, executive power in Senegal is concentrated in the president's hands. While Legislative power is technically vested in both the government and the parliament, the parliament rarely introduces legislation or votes down legislation proposed by the government. Similarly,

although the Judiciary is theoretically independent of the executive and the legislature, the executive branch seems to exert undue control over the judiciary.

10 most needed products and services in Senegal

- Rice
- Wheat
- Canned fruits and vegetables
- Tomato puree/ketchup
- Bottled vegetable cooking oil
- Fruit preparations and juices
- Spices and sauces including soy sauce
- Packaging equipment for local manufacturers

U.S. cosmetics are highly-regarded and sought-after, especially hair and skin products developed for the African-American market.

Sales opportunities remain in the procurement of desktop computers, routers, PBX and switching equipment for networks.

The competitive countries for these products are France, Italy, Brazil, china and India.

Market entry- Best contact

The specific type of representation that a U.S. firm establishes in Senegal must be tailored to fit the individual requirements of the product and its potential market. U.S. firms may employ the services of an agent, appoint a distributor or dealer, and/or establish a direct sales branch or subsidiary.

Preferably, the agent or the distributor should be a local business/firm, fluent in French, and aware of

Senegal's business practices. If the product requires some servicing, the U.S. exporter should make available a reasonable inventory of spare parts to his agent or distributor. U.S. companies also should provide brochures and marketing literature in French. The U.S. Embassy's Economic/Commercial Section provides an array of fee-based services to help U.S. companies identify suitable partners in the region.

Regulatory issues

Senegal implemented the WTO Agreement on Customs Valuation in July 2001 which provides for a neutral and uniform system for the valuation of goods for customs purposes. However, Senegal's 2001 designation as an LDC (Less Developed Country) by the United Nations has incited officials to continue to apply minimum reference prices for some imported products that may hurt local industry. In July 2001, the Government awarded Senegal's pre-shipment inspection (PSI) program to a newcomer in the market, the Swiss-based Cotecna. The PSI applies to all imported goods valued at CFAF 3 million (\$6,000) and higher. The Cotecna-approved value of such goods constitutes the basis for customs valuation

Documents required when exporting to Senegal

1. Two copies of the commercial invoice which should identify the exporter and importer as well as their addresses; the goods being imported; the weight, CIF value and quantity of goods imported; and a complete description of the merchandise. This should be in French or accompanied by a French translation to avoid misinterpretation at the customs entry point.

(In the past, for example, Senegalese customs officials mistook a date of manufacture for an expiration date, which considerably delayed a shipment.)

2. A Pro Forma Invoice. This should contain the same information as the commercial invoice.
3. A Certificate of Origin is necessary for all imported goods. Before shipping, importers must provide customs officials with documentation listing the quantity, quality and prices of the products subject to customs duties.
4. Any payment for imported goods greater in value than CFAF one million (\$2,000) must be made through an approved Senegalese bank or financial institution.
5. Any FOB import value equal to or greater in value than CFAF three million (\$6,000) must be inspected by the PSI company in the supplier's country before shipping.
6. Presentation of a clean report of findings issued by the PSI firm is obligatory.
7. The Pre-Shipment Inspection Certificate.

Import procedures

1. Importers must deposit a Preliminary Import Declaration seven days before shipping imported goods having a value equal to or greater than CFAF one million (\$2,000).
2. Automatic approval of the Preliminary Import Declaration is obtained by submitting three copies of the Pro Forma Bills of Lading with the declaration.
3. A Preliminary Import Declaration is valid for six months and can be extended for three months. Preliminary Import Declarations must be canceled and reissued if there is a change in supplier, an increase in the value of the order of more than ten percent, or a modification in the quantity of the order.

U.S. companies exporting to Senegal must adhere to the requirements of the Bureau of Industry and Security (BIS) which regulates the export and re-export of sensitive goods and technologies

Labeling and Marking requirement

Senegal's labeling requirements are applicable to canned and preserved food intended for human consumption. Such products must be marked in French with the following information:

1. Country of origin;
2. Product manufactured date, specified by the day, the month and the year;
3. The expiration date, marked in the same manner as the date of manufacture, preceded by the comment: A Consumer de Preference Avant le DD/MM/YY.¶
4. Ingredients.

For other non-food consumer products, it is critical that the label be written in French with the expiration date added.

Custom duties

In January 2000, Senegal put in place a new import tariff structure to conform with the common external tariff (CET) scheme agreed upon by the member states of the West African Economic and Monetary Union (WAEMU or UEMOA). Under the new structure, Senegal lowered its highest tariff rate and established four product categories with tariff rates of 0, 5, 10 and 20 percent. It also eliminated a separate customs stamp tax of five percent, replacing it with a one percent —statistical fee.¶ The new tariff regime covers the following product categories for the four tariff rates:

- Category 1 (zero rate): social, cultural and scientific goods, agriculture inputs, capital goods and computer and data processing equipment not available through local production.

- Category 2 (five percent): raw materials, crude oil, and cereals for industries.
- Category 3 (ten percent): semi-finished products, intermediate goods, other cereals, diesel and fuel oil.
- Category 4 (twenty percent): goods for final consumption, capital goods and computer and data-processing equipment already available through local production

4-Nigeria

Nigeria is Africa's most populous country, accounting for approximately one-sixth of its people. Nigeria remains a growth market for U.S. products and services in spite of current security challenges facing the country. Nigeria's aspiration to be one of the largest 20 economies by the year 2020 is threatened by a rising wave of attacks by an extremist group, Boko Haram, operating especially in the Northeast region of the country. As a gateway to fifteen smaller West African countries and a net importer, Nigeria can be a very rewarding market for U.S. companies. It is interesting to note that in spite of Nigeria's challenging commercial environment, the country is the third largest recipient of foreign Direct Investment (FDI) in Africa after Angola and Egypt.

Demographics of Nigeria

Population

Nigeria has experienced a population explosion for at least the last 50 years due to very high fertility, quadrupling its population during this time. The total population in Nigeria was last recorded at 166.2 million people in 2012 from 45.2 million in 1960, changing 268 percent during the last 50 years. Population in Nigeria is reported by the Nigeria National Bureau of Statistics. Nigeria

Population averaged 93.39 Million from 1960 until 2012, reaching an all time high of 166.21 Million in December of 2012 and a record low of 45.15 Million in December of 1960. The population of Nigeria represents 2.35 percent of the world's total population which arguably means that one person in every 43 people on the planet is a resident of Nigeria.

Ethnicity

Nigeria is primarily made up of four main ethnic groups such as Hausa, Fulani, Igbo, and Yoruba. A fifth group, the Ijaw has been growing in population.

Education

Education in Nigeria is overseen by the Ministry of Education. And the local authorities take responsibility for implementing policy for state-controlled public education and state schools at a regional level. The education system is divided into Kindergarten, primary education, secondary education and tertiary education.

Language

English is the official language of Nigeria, although it is a second language for many Nigerians who also speak one of several indigenous languages, such as Yoruba, Hausa and Ibo.

Religion

There exist several religions in Nigeria, helping to accentuate regional and ethnic distinctions. All religions represented in Nigeria were practiced in every major city in 1990. However, Islam dominated the north and had a number of supporters in the South Western, Yoruba part of the country. Nigeria has the largest Muslim population in sub-Saharan Africa. Protestantism and

local syncretic Christianity are also in evidence in Yoruba areas, while Catholicism dominates the Igbo and closely related areas. Both Protestantism and Catholicism dominated in the Ibibio, Annang, and the Efik kiosa lands

Corruption level

Nigeria scored 27 out of 100 in Transparency International's 2012 Corruption Perception Index (CPI), placing it in the 139th position out of the 176 countries ranked. Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law. The Corrupt Practices and Other Related Offences Act of 2001 established an Independent Corrupt Practices and Other Related Offences Commission (ICPC) to prosecute individuals, government officials, and businesses for corruption. The Act punishes over 19 offenses, including accepting or giving bribes, fraudulent acquisition of property, and concealment of fraud. Nigerian law stipulates that giving and receiving bribes constitute criminal offences and, as such, are not tax deductible. It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel. It is important for U.S. companies, irrespective of their size, to assess the business

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Government structure

Like the United States, Brazil, and India, Nigeria is structured as a federation, a structure it inherited from its British colonial rulers. It has thirty-six states, one federal territory, and 774 municipalities (plus Abuja). Yet power resides in the central government, which controls most of the country's revenues and resources.

10 most products and services needed in Nigeria

Nigerian consumers react positively to American brands. To elicit consumer interest, manufacturers should ensure that all sales materials are in English. Also the name and address of the manufacturer and country of origin should be indicated clearly on the product/packaging. Many Nigerians demonstrate a stronger inclination to purchase U.S.-made products if the U.S. flag is printed on the package.

- Aviation/avionics equipment
- New and used agricultural tractors
- Agricultural chemicals (fertilizers, herbicides and pesticides)

- Construction equipment and heavy construction machinery (dredges, graders, dump trucks)
- Oil and gas machinery
- Imported milk powder
- Seafood products
- Infant formula
- Cheese
- Ice cream

The competitive countries for those products are United Kingdom, Canada, China, Germany, France and Netherland.

Market entry-Best contact

It is advisable to use an agent or a distributor to penetrate the Nigerian market. This approach gives U.S. firms, especially those new to this complex commercial environment, the opportunity to gain local market experience and time to understand local business practices. However, the agreement with any Nigerian business partner, whether a representative, agent or distributor, or a franchisee, should address whether the arrangement is exclusive or non-exclusive, the territory to be covered, and the length of the association, among other issues. U.S. exporters should note that it is customary for Nigerian firms to insist on a factory visit and pre-shipment inspection to confirm the status of an equipment purchase before it is containerized for shipment to Nigeria. A factory visit and pre-shipment inspection are precautionary measures to prevent potential technical problems and to ensure that the technical specifications on an export manifest match the information and data on the

letters of credit used to purchase foreign exchange at the local banks and the forms to be used for destination inspection at Nigerian ports.

Customs regulation

The Nigeria Customs and Excise Tariff use the Customs Cooperation Council Nomenclature (CCCN). Duties are either specific or ad valorem, depending on the commodity, and are payable in Naira upon entry. Import tariffs are non-preferential and apply equally to all countries outside the Economic Community of West African States (ECOWAS). In addition, a local insurance company must insure all imported goods. A special duty may be imposed on imported goods if the government feels that such goods are being dumped or unfairly subsidized, thus threatening established or potential domestic industries. Duties previously paid on abandoned, re-exported, damaged, or destroyed goods may be refunded. However, a claim must be made before the goods leave customs custody. A destruction certificate must be obtained from a customs officer to obtain a refund of duties paid for goods that were subsequently destroyed. Upon presentation of a customs certificate attesting to the landing of goods in another country, duties paid on such goods in Nigeria will be refunded.

Import tariffs

The tariff policy places imports into one of five tariff bands, namely, zero duty on special medicines not produced locally, industrial machinery and equipment (industrial machineries and equipment only attract zero duty if imported during the first year of the company's operation); 5 percent duty on

raw materials and other capital goods; 10 percent duty on intermediate goods; 20 percent duty on finished goods; and 35 percent duty on luxury goods and finished goods in infant industries that the government would like to protect.

Trade barriers

The government continues to impose trade barriers against foreign competition, citing the need to protect local industries. A variety of barriers restrict potential U.S. investment in Nigeria. Investors must contend with insecurity, complex tax procedures, confusing land ownership laws, arbitrary application of regulations, corruption, and crime. International monitoring groups routinely rank Nigeria among the most corrupt countries in the world. Companies report that contracts are often violated and that Nigeria's system for settling commercial disputes is weak and often biased. Frequent power outages, as well as poor road, port, rail, and aviation transportation infrastructure pose a major challenge to doing business in Nigeria. Such infrastructure deficits hinder Nigeria's ability to compete in regional and international markets.

Labeling and marking requirements

Shippers must ensure that Import Duty Report (IDR) numbers are always quoted on the shipping manifests for all import shipments into the country before such manifests are submitted to the Nigeria Customs Service. For air cargo, the airline must ensure that the IDR number for the relevant goods is stated on the airway bill. The Nigerian government requires that products entering the country must display information including: name of product, country of origin, specifications, date of manufacture, batch or lot number, standards to which they were produced (e.g. BS, DIN, ISO/IEC, NIS, etc) and in the case of items such as soap, food and drinks and related products, they should carry the expiration date or the shelf life, as well as active ingredient(s), where applicable. Also, all items entering the country must be labeled in metric terms exclusively. Products with dual or multiple markings will be confiscated or refused entry.

5-ANGOLA

In the last decade, Angola has become one of the major players on the African continent and has exerted increased power at a regional and international level. Angola is a medium power in the making. Although it does not have a large population, the level of its GDP *per capita* has been rapidly increasing. Its military expenditure has remained high and most observers consider it should remain politically stable.

Today's Angola reflects changes on the African continent, some parts of which should now be primarily regarded as areas of opportunity. With an impressive growth rate (although mostly due to oil exports and not to actual economic diversification), political stability, huge economic potential and real investment opportunities (provided investors adjust to local conditions), Angola is a country with many opportunities.

Population

The Angolan population is expected to total 21 million people in 2013, according to estimates from the National Statistics Institute (INE). It is estimated that 7 million people live in the capital, Luanda, a city that was initially built for less than half a million people. The social challenges caused by the recent wars in the country are enormous and have a direct impact on the lives of ordinary Angolans. With 80% of the population totally illiterate and 5% functionally illiterate, Angola faces a huge capability deficit.

Ethnicity

Ethnic groups in Angola consist of three main groups: ([Southern Mbundu](#) 37%, ([Northern Mbundu](#) 25%, and [Kongo](#) 13%. Other groups include [Chokwe](#) (or Lunda), [Ganguela](#), [Nhaneca-Humbe](#), [Ambo](#), [Herero](#), and [Xindunga](#). In addition, mixed race (European and African) people amount to about 2%, with a small (1%) population of whites, mainly ethnically [Portuguese](#). As a [former overseas territory of Portugal](#) (until 1975), the Portuguese make up the largest non-African population, with more than 100,000 (though many other native-born Angolans can claim Portuguese nationality under Portuguese law). From the 2000s many Chinese have settled and started up businesses.

Religion

Angola is a majority Christian country. There are about 1000 religious communities in the country. Roman Catholics constitute about half of the population. Other Christian denominations include Baptists, Methodists, Congregationalists, Lutherans, Reformed Churches and Adventists, as well as non-Protestant groups such as the Jehovah's Witnesses - all these denominations making up about a quarter of the population. Two syncretic "African Christian" churches exist, the Kimbanguists who have their origin in what is at present the Democratic Republic of Congo, and the locally evolved Tokoists. There is also a small Muslim minority, consisting of Sunnite immigrants from a diversity of African and other countries, who do not form a community.

Education

Basic education lasts for eight years. Secondary education or is either a three-year general course or a four-year technical/vocational course. There are also two- to three-year specialized pre-university

courses running parallel. A reform established between 1995 and 2005 foresaw a primary education of six years followed by a secondary education of six to seven years, divided into two cycles of three years each for the general course and three and four years for the technical/vocational course.

Government structure

Since the adoption of a new constitution, early in 2010, the politics of Angola follows a framework of a presidential republic, whereby the President of Angola is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. The legislative Power sits with the President, Government as well as Parliament. Many years ago Angola was a one party nation that was ruled by the Popular Movement for the Liberation of Angola or MPLA. This system has been in place since Angola was first declared independent in 1975.

Language

Portuguese is both the official and predominant language in the black and white populations. About 40% of Angolans speak Bantu languages as their first languages, many more as second language, although younger urban generations and some sectors of the Angolan society are moving towards the exclusive use of Portuguese. The most spoken Bantu languages are Kimbundu, Umbundu, and Kikongo (all of these have many Portuguese-derived words).

Corruption level

Along with many other African states, Angola suffers from allegations of corruption throughout all levels of society. As Angola emerges from nearly three decades of conflict and instability, it

continues to struggle with major challenges of weak governance. Different types of corruption take place in Angola.

Petty and bureaucratic corruption

Petty bribery is widespread in Angola and public servants routinely ask for bribes, referred to as “*gasosas*” in the local language. Bribes are demanded for accessing basic public services such as health, justice and education, while police officers often extort small payments at checkpoints. Public officials are known to supplement their low wages by levying additional charges for bureaucratic services such as vehicle registration, identity card applications, permits and registration of businesses (Freedom House, 2007).

Grand corruption

There are indications that grand corruption has persisted in the post-war era. Angola is listed on the *Grand Corruption Watch List* that Global Integrity started compiling in 2008 in an effort to identify countries where certain key anti-corruption safeguards are so weak that the risk of large-scale theft of public resources is greater than in most countries. Angola shares with 15 other countries characteristics that put it at risk of being affected by grand forms of corruption, including extremely poor conflict of interest safeguards in government, weak oversight over large state-owned enterprises, and poor or non-existent controls over the flow of money into the political process (Global Integrity, 2009).

Political corruption

Corruption also undermines the integrity of the country's political processes. Political party financing lacked transparency, with government releasing state funding for opposition parties later than mandated and securing additional state resources to fund its own campaign (Freedom House 2010). Some organizations have also denounced government intimidation of the opposition, the denial to opposition parties of fair access to media and to public facilities for meetings, the lack of public access to the voting registry public or the influence of companies linked to the MPLA in election preparation (Social-Political Observatory of Angola, 2008). Government and business elites are closely interlinked in Angola. It is common for government officials and civil servants to hold positions in private companies in addition to their public functions. Conflicts of interest extend to state-owned enterprises, where *“government ministers and other high officials commonly and openly own interests in companies regulated by their respective ministries”* (Global Integrity, 2008). Angola suffers from *“one of the worst overall anti-corruption frameworks”* in the world and scores very poorly in terms of government accountability, administration and civil service, oversight and regulation, as well as anti-corruption and rule of law (Global Integrity, 2008). Foreign investors are often encouraged to partner with Angolan companies, many of which are known to be front organization for government officials of questionable integrity (Business Anti-corruption Portal, 2010).

Recent statements by President Jose Eduardo dos Santos seem to indicate a willingness to combat government corruption: he has called for a "zero tolerance" policy against corruption in a speech to his party. This was reinforced by commissioning a transparency audit (conducted by Ernst &

Young). Since then there has been a number of high-profile prosecutions of senior officials and a slew of dismissals from the Central Bank.

However, in spite of a general trend towards more transparency regarding both oil revenues and government expenditures, most observers question the political will to reform. Angola's legal and institutional anti-corruption framework is reported to be poor. Insufficient safeguards and a lack of checks and balances make government accountability difficult to enforce.

10 most needed products and services

Angola was the United States' 70th largest goods export market in 2012. U.S. goods exports to Angola in 2012 were \$1.5 billion, down 0.9% (\$13 million) from 2011. Today, investment in Angola is by no means restricted to the oil sector. Angola is one of only four African countries in which annual foreign investment totals more than \$3 billion. Angola's government has made clear that it will continue to focus on major investment projects that develop infrastructures in areas such as roads, railways, housing and retail developments.

These are the most needed products and services in Angola:

- Machinery
- Meat (poultry)
- Iron and steel products
- Electrical machinery
- Vehicles
- Red meats fresh/chilled/frozen
- Financial Services
- Education & Training, including English, vocational skills etc.
- Construction and Maintenance

- Health and Social care
- Transport

The competitive countries for those products are: are China, India, France, Taiwan, South Africa England, Portugal and Canada.

Market entry

Doing business in Angola is not straightforward. Companies who intend to invest in Angola will have to consider several aspects such as high costs, lack of capacity, complex bureaucracy, ineffective communication network, language barriers and cultural norms and customs. The complexity and bureaucratic nature of the business environment requires careful guidance for first time business visitors and companies wishing to do business here. As a result, engaging the services of credible organizations or local contacts who have sound reliable market knowledge, experience and exposure to access accurate up to date information is essential for those who are serious about 'Doing Business in Angola'. This type of approach can have substantial benefits and can significantly reduce market entry challenges imparting valuable insight about on the ground requirements and business operations.

Identifying key stakeholders early on and establishing strong relationships with good and reliable partners will be a substantial part of any effective market entry strategy, and will enable the company to develop their understanding of the market, particularly with regulations that are specific to Angola.

Customs duties regulations

The legal system in Angola is weak and fragmented and based on the Portuguese and Customary Law system. Courts operate in only a fraction of 164 municipalities and the Supreme Court serves as the final appellate tribunal. Understanding the system is difficult for the layman or novice and professional advice should always be sought. Although, these factors tend to inhibit the pace of investment, the Angolan government is making efforts to improve the situation.

The Angolan government has been taking several steps towards a fair and effective regulatory system that will govern customs. Although the Customs part of importing has been transformed, the end-to-end process is still long and bureaucratic, with consignments taking on average 38 days.

General customs duties regime

In Angola, cross-border transactions of goods/assets are subject to customs duties, a stamp tax and a consumption tax. Nevertheless, the import of goods/assets in the context of a specific private investment project may be subject to a special incentive regime. This is especially applicable for Sonangol and IOCs. It may also apply to contractors and sub-contractors, but there is little experience so far as to how this new law will be interpreted. Therefore it is recommended to clarify this issue with the Ministry of Petroleum after obtaining a formal opinion from the Ministry of Finance.

Consumption Tax

In Angola, there is no Value Added Tax on commercial transactions. However, there is a consumption tax (“Imposto sobre o Consumo”) that is a combination of a single stage sales tax and excise industry.

Stamp Tax

A general 0.5% stamp tax rate is applied to all imported goods in Angola (see the detailed guide on the tax framework for more details).

Legal Costs

Every importation is subject to legal costs of 2%, connected to the services rendered in the port.

Labeling and Packaging Regulations

INADEC is a government institution created with the purpose to protect the consumer. One of their main objectives is to ensure that products are labeled with the right information that the consumer must be aware of and packed in accordance with international health and safety law. According to BIVAC, labeling in Portuguese is advisable for foodstuffs, perfumes and cosmetics, pharmaceuticals, and chemicals. It is recommended that individual packages of relevant products should show the following mandatory information:

Foodstuffs: product name, producer’s name, batch reference, conditions of storage, production/validity dates, fat composition, capacity, alcohol percentage etc. The remaining

shelf life should be six months (five months for marketing and one month for transportation purposes);

Pharmaceuticals: name of the manufacturer, label, name of the product, basis quantity of the contents, batch number, origin, manufacture and validity dates, on each retail package. The remaining shelf-life for medicines, should be no less than 50% of the total shelf life of the product, with a minimum of six months;

Cosmetics and perfumery products: manufacturer's name, brand name, percentage of alcohol, description, suppliers/sellers, dates etc. Protective packages must be marked with "Fragile" or "Glass" etc.

Chemicals: name of the product, chemical content, capacity, handling recommendations, relevant International Maritime Dangerous Goods (IMDG) code for dangerous products, gross and net weight, importer's name and destination.

Cigarettes: Tobacco and Alcoholic preparations: label with warning from the Government, in accordance with the standard of the World Health Organization: Cigarettes and Tobacco: (a) Label must cover not less than 30 % of the packet (b) Label must be (i) easily visible; (ii) printed in red or black with a white background, with a border covered, and (iii) written in Portuguese. (c) In addition to the label of warning regarding health and safety, the label must show the following message: "Não é permitida a venda a menores de 18 anos de idade" (Forbidden selling to minors under 18). Alcoholic preparations: (a) Label must cover not less than 30% of the packet, (b) Label must be (i) easily visible; (ii) printed in red or black

with a white background, with a border covered, and (iii) written in Portuguese. (c) In addition to the label of warning regarding health and safety, the label must show the following messages: “Não é permitida a venda a menores de 18 anos de idade” (Forbidden selling to minors under 18) and “Consuma com moderação” (Drink with moderation) or equivalent.

OTHER SPECIAL REQUIREMENTS

Verification of the production and expiry dates, as well as the remaining storage time at the date of inspection of goods commonly traded with expiry date. The remaining shelf- life must not be less than 25% of the total shelf life, taking into account the time of transportation, without prejudice to the requirements set out for pharmaceuticals and perfumery and cosmetics. For pharmaceuticals, perfumery and cosmetics, the remaining shelf life must be more than 50 % of the total shelf-life of the product, with a minimum of 6 months. Motor vehicles must have left-hand steering and observe the legal requirements of safety, manufacture and circulation.

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