



Casa África – Business Opportunities

Islamic Republic of Mauritania

GDP growth is estimated at 6.7% for 2019, compared to 3.6% in 2018, thanks to increased production in the extractive industries and exports in the fisheries sector; for 2020 the GDP growth estimate falls back to 5.7%. Inflation remains within the stability objective, estimated at 3.0% for 2019 despite the increase in food product prices. After the budgetary surplus of 1.6% of the GDP registered in 2018, for 2019 a deficit of the same is estimated at 0.1%. The current account deficit improved from 18.6% in 2018 to 13% in 2019 as a result of the upturn in gold and copper exports.

Overall, the medium- and long-term growth prospects are positive since the reforms initiated by the government in 2016. Efforts in the country continue to achieve stronger public finances and better debt management, and progress has also been made in improving the business environment; public and private investments are expected in the non-extractive sector. These reforms are part of the programme supported by the IMF extended credit line and the national strategy for accelerated growth and shared prosperity in 2016-2030. In recent years, the government has focused mainly on improving the business climate.

The country's economic growth depends on the prices of minerals, especially iron, gold and copper, and is therefore highly volatile. Foreign direct investment is mainly in the extractive industry. The country's main suppliers are China, Morocco, France and in fourth place is Spain, with data from 2017. As it does not have a highly developed industrial sector, it imports a wide variety of consumer products, ranging from those that cover a large part of its basic needs, such as food, to capital goods. In the case of exports, its main customers are China, Switzerland and Spain. In previous periods, exports from the mining and fishing sector represented almost the total of all products exported, but in recent years the trend has changed and today canned meat and fish, as well as stones, precious metals and jewellery are among the main ones. In relation to the sectors of opportunity, the companies already established in the country demand consulting, engineering and logistics services, and the hydrocarbon sector also presents opportunities.

Weaknesses persist in the country; the government recognizes that the implementation of the reform program must be accelerated to make the business climate even more attractive to investors. In 2019, a council was created to improve the business climate, in which an annual action plan was proposed that took into account the weaknesses identified in the last Doing Business report, in particular those related to access to electricity and the courts. On the other hand, it presents challenges in relation to human development and the workforce is under-qualified, which is a major constraint especially for the industrial sector.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

ICEX: <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/el-mercado/estudios-informes/DOC2018793443.html?idPais=MR>