



The information reflected in this paper has been gathered by [Jaume Portell](#), a reporter specialised in economics and international relationships, in an activity cofounded at a 85% by FEDER funds in the framework of the [AfricanTech](#) (1/MAC/1.3/0088) project, within the INTERREG VI D MAC 2021-2027 initiative.

## **SENEGAL**

### **Macroeconomic framework:**

As a country, Senegal presents as much contrasts as opportunities. Political stability -as it is one of the few countries in West Africa that has never experienced a military coup d'état, neither a civil war- has promoted a good environment for foreign investments. The GDP grew up to a 3.8% in 2022 and a 4.3% in 2023, according to the African Economic Outlook, and it surpassed the 31 000 million dollars that same year, according to the World Bank. However, this sustained growth has not met the goal of creating enough employment for the young that enter the labor market every year. Senegal is the country of origin for an increasing number of people living in Spain: in 1998 there were less than 5000, and today there are more than 83 000, mainly men. Every year, the Senegalese diaspora contributes with numbers that near the 10% of Senegal's GDP. The 3000 dollars sent in 2022, according to the World Bank, now exceed the amount of official development endorsements sent by wealthy countries. In 2024, the growth of the country's GDP will be within 9.3%, and in 2025 it will reach double digits and surpass the 10%. This boom is, in its majority, due to the start of petroleum production in Sangomar, 100km into the south of the capital, Dakar. In the North of the country, in Saint Louise, there is a project of gas production on the edge of its initiation. In 2024, there was a change of government after a few years of political tensions: the repartition of natural resources was one of the main callings in the opposition's campaign, which received a lot of support among the young and, thanks to them, took over.

### **Debt and currency:**

During the next few years, Senegal must face growing payments related to its external debt, which stock now represents the 80% of the national GDP. The annual payment of interests, that in 2025 will reach even more than 2000 millions of dollars, will surpass the 4000 million dollars in 2026. According to the UNCTAD, this interest of debt service represents a 12.5% of the incomes in the government's budget. Among the different creditors, there are private investors such as bondholders (23%

of the total), multilateral bodies like the World Bank (23%) and the International Monetary Fund (8%), or countries like China (7%) and France (6%).

Senegal is one of the fourteen African countries that makes use of the CFA franc. This currency has a fixed parity with the euro (655 FCA francs = 1euro).

### **Imports and exports:**

Almost a half of Senegalese exports are tied to the mining sector or the primary sector. Since colonial times, the country has focused on the cultivation of peanuts, which still represents a third part of Senegal's acreage. For a decade, Senegal has attracted foreign investors towards the gold mines in Kedougou, in the south-east of the country, with tax benefits. Gold is already one of its main exports -18% of the total-, and it has gained significant weight in a commercial balance that is structurally loss-making.

Its main importations are tied to energy (gasoline) and food (rice, wheat, palm oil). Exports of fertiliser, essential for agriculture, have also gained weight due to the presence of phosphate rock mines. The lack of processing of some of these raw materials, like fish or peanuts, represents the greatest challenge in the national economy's future; however, to achieve industrialisation, Senegal will need to consume -and produce- more electrical power.

### **Energy and electricity:**

In 2022, Senegal produced less than 8TWh of electrical power -34 times less than Spain-, with an electrical production dependent mainly on fossil fuels. Renewable energies have gained importance during the last decade, and have gone from a testimonial position to representing one-fourth of its production. A 65% of the population has access to electrical power, which primary source of demand consists on homes and industry. Beyond electricity, the energy mix is closely linked to the consumption of petroleum and coal (almost a 60%), with a special prominence of bio fuels. The production of petroleum and gas in Senegal should generate opportunities in the matter of providing access to energy for the Senegalese, and could be a factor to take into account to boost industrialisation by making use of a cheaper energy.

### **Defence:**

The annual expense in defence materials added up to 448 million dollars in 2023, according to the SIPRI, a Sweden institute specialised in the trade of this kind of products. This number represents a 5.5% of the government expense. The main provider for Senegal has traditionally been France, the old metropolis.

**Demography:**

In 1990, the bulk of Senegalese population (60%) lived in rural areas, and a 40% lived in the cities. Then, 7.5 millions of people lived in Senegal. Now, population has surpassed the 18 millions of inhabitants, and a half of them live in the cities. Life expectancy during that period of time went from 57 years old to the 68 years old from nowadays. Half of the population is less than 19 years old.

**Technological innovation:**

In 2010, only an 8% of the Senegalese made use of the Internet, a number that spiked, reaching a 60% in 2022. A part of the investments in bandwidth and digital infrastructures has been paid with loans coming from the China Bank of Import and Export.