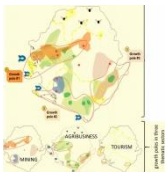


COUNTRY PROFILE

Sierra Leone has enormous un-explored and under-explored opportunities that do not only promise high returns on investment, but also tremendous potentials for creating more jobs, more state revenues from taxation, and even more safeguards to the environment. The opportunities are almost evenly spread in all regions of the country, and they occur in many sectors which consist of education, health, mining, fisheries, energy, commerce, agribusiness, tourism, telecommunication, shelter, transportation, among others. A growth pole diagnostics completed by the World Bank in 2013 identified three multiple sector growth poles in Sierra Leone, namely, the northwestern pole extending from Freetown to Tonkilili, the southern pole extending from Sulima to Bonthe, and the eastern pole extending from Tiwai to Kailahun.

The top map in the image on the right summarizes this geographic spread, and the three bottom maps summarize the spread by sectors



Growth poles in three geographic locations

SIERRA LEONE VITAL DATA (2018)

- Sierra Leone Population: 7.571 million (IMF)
- SL's 2018 Projected Real GDP (% Change) : 3.5 (IMF)
- 2018 Projected Consumer Prices (% Change): 13.9 (IMF)
- The Annual growth rate in 2017 (% Change): 4.3 (World Bank)
- SL's Domestic Financing in 2017 exceeded 2.0 limit (World Bank)
- Natural Resource Wealth as a Proportion of Global Average (2016): 21.8
- Ranking on the UN Human Development Index based on 2017 data: 184/189
- Outstanding Purchases and Loans (SDR): 249.63 million (August 31, 2018) (IMF)

INVESTMENT CLIMATE

Sierra Leone has recently made significant gains toward improving the climate and opportunities for a sustained win-win investment in the country. The following are worthy of noting:

1. Fiscal discipline is being restored;
2. Pro-poor spending, especially on education (human capital development), is now on course;
3. Health, social services, and sanitation improvements are now on course;
4. Fight against corruption, impunity and indiscipline are on course;
5. Several mechanisms are being put in place to effectively: (i) mobilize revenue, (ii) restore sanity to the country's banking/monetary system, (iii) resolve the liquidity crisis inherited from the previous administration, (iv) control domestic borrowing, (v) boost the climate for win-win

investments, (v) boost infrastructure (roads, internet, transport, energy, and shelter) and (vi) improve the country's overall macroeconomic performance.

However, multiple challenges remain. They include gaps in taxation, infrastructure (roads, internet, transport, energy, and shelter), and registering property, trading across borders, access to credit, corruption, local dynamics/community needs, among others.

OPPORTUNITIES ACROSS THE KEY SECTORS

Education -Education Skills Transfer into the job market

Sierra Leone has a pool of talents which can be developed and marketed through private sector participation in the higher learning activities of academic and technical schools. One example to illustrate this point was in the 70s when Njala University College participated in establishing the nutritional food value of the infant food formula that was produced by the Bennimix Factory in Bo. With the aid of academic research inputs across several universities around the world, the factory has since invented other nutritional brands such as Breakfast Cereal-Based Porridge Mixed with Sesame and Pigeon Peas for Adults. This is cited in the Journal of Asian Network for Scientific Information, 2009.

Another example is the case between the 60s and 70s when the Kenema Technical School (now Eastern Polytechnic) used to train and supply skilled labour to the Kenema Forest Industries, Panguma Sawmills, among others.

The above examples are evident of private sector participation in public investments that sought to narrow the gap between educational attainment and job acquisition. Presently, the population of Sierra Leone is mostly composed of young & talented people with high economic prospects if the present educational system can attract the Public Private Partnership (PPP) type investments that worked in the past towards ensuring the supply of critical skills to local industries by narrowing the gap between education and the job market.

In bridging the gap, investors may look at a number of areas such as: (i) building skills in critical areas for economic growth, especially in technology related disciplines at secondary and tertiary educational levels, (ii) promoting effective linkages between education and private enterprises to improve the relevance and quality of the skills of graduates, (iii) increasing emphasis on technology in the training programs for teachers such as the revived US Peace Corps Volunteers Program, and the Initiative in Sierra Leone on Nigeria's Africa Assistance through Teachers' Secondments, and (vi) instituting and institutionalizing programs that explore and exploit technology talents beyond the walls of the classroom.

Health

Sierra Leone's health sector is full of not only challenges, but also opportunities. The challenges cover gaps in the country's health infrastructure, coverage, uptake, staffing, medical supply, equipment, clinical services, health maintenance, drug quality, qualified personnel, and environmental and sanitation health. But these challenges are also an opportunity for private sector participation in the

management of the country's public and private health, curative and preventative health, and traditional and modern healthcare systems. On the four-fold win-wins in health investment in Sierra Leone, there is a gamut of areas to look at. They range from pharmacy to clinical and public health, from water and hygiene to sanitation, and from traditional to modern medicine.

Agriculture

Within the first two decades after Sierra Leone's independence in 1961, agriculture was the country's lead in driving export earning, employment, enterprise and economic growth. This potential has never been lost even after mining started driving growth since the 80s. To date the country has great potentials to compete with other countries in cash/food crop production at economies of scale; and in animal husbandry at high returns on investment. The country has tried both the small holder commercialization model and plantation agriculture. The potentials for profit in using either approach or both across various crop and animal value chains are enormous. The possible areas of investment are crop cultivation, animal production, processing, marketing and export.

Tourism

According to the competitive assessment of Sierra Leone's tourism by the World Bank in 2005, the country's tourism operates far below saturation point. This means that Sierra Leone faces the situation where more potential tourists want to come to the country as their first West Africa choice, but the country is, on the other hand, not in the 'infrastructural and services' readiness to attract them as much as other West Africa neighbors do. Sierra Leone's highest peak of tourism was in 2004 two years after the war ended when the country earned 50 million dollars from tourism. But even at that peak, Sierra Leone's per capita tourism was merely 11 dollars compared to 32 dollars in the Gambia, 58 dollars in Gabon, 22 dollars in Ghana, and 25 dollars in Senegal. The same year, about 44 thousand tourists visited Sierra Leone compared to 90, 000 in the much smaller beach destination of Gambia, 222 thousand in Gabon, 363 thousand in Senegal and 584 thousand in Ghana. Sierra Leone's tourism potentials cover all three of the world's main tourism types: (i) Heritage Tourism where tourists go to see 'the past in the present' such as relics and monuments of the country's slave history, (ii) Eco Tourism where tourists go to see 'the present in the present' such as wild life and their serene environments, and (iii) Investment Tourism where tourists go to see the future in the present such as the 'Gara' makers of Makeni, 'Gari' makers of Bo, piassava harvest/processing in Bonthe, among others.

Energy

Sierra Leone has enormous opportunities for profitability in investing in various sources of energy – wind mills, hydro's, geothermal electricity, solar electricity, and biofuels, tidal, among others. The 4 key issues have been availability, accessibility, adequacy, and affordability. Possible areas of debate about private sector investments in energy may include: (i) possible generating and selling power to the national grid based on market research and purchase agreement, (ii) directly generating and supplying electricity to consumers based on assigned locations and consumers, (iii) investing in net metering where renewable energy generators can be connected to a public-utility power grid so that the surplus

power they generate is transferred onto the grid, allowing customers to offset the cost of power as the investors make profits.

Extractives

Sierra Leone has both metal and gem minerals which include: Limonite, Bauxite, Zircon, Titanium, Rutile, Iron Ore, Gold, Diamond, etc. Sierra Leone is listed in the World Minerals Atlas of 2017 as the world's third largest exporter of rutile; and is listed in the Africa Iron Ore Report of 2013 as among the continents top iron ore reserves and exporters. Sierra Leone is among the world's top-10 diamond-producing nations. But her profit from mining has not been commensurate to this status. Diamond mining in the country has been faced issues of the 'resource curse', smuggling, transparent pricing and revenue use, value chain enhancement, etc. These have often led to loss of large revenues to finance local development, healthcare, education, water, among others.

Fisheries

Sierra Leone is sea-rich, river-rich, lake-rich, stream-rich, and even pond-rich in both spread and quality. There are enormous win-win opportunities here for fish farming, processing, national distribution and export, with great potentials for making profit and reputation from investing in fish and other marine resources. There are opportunities for the expansion of jobs and job rewards in the fisheries sector. There are opportunities for revenue optimization in the sector. There are opportunities for sustainable practices in the sector. However, these opportunities are held back by challenges that include overcoming the constraints in eradicating fish piracy which costs the country huge revenue loss and threatens the sustainability of the country's valuable species of fish and marine wild life, instituting and enforcing artisanal and mechanized fishing policies that saves the country's blue economy, and exploring/exploiting the country's huge potentials for inland fishing, among others.

Media Communications

The tools of inter-personal and mass communications in Sierra Leone are mixed. They range from the use of traditional radio sets, newspapers and television sets to modern smartphones, tablets, and computers aided by the internet services as well as the call, texting and data plans of mobile phone companies. There are enormous opportunities for investing differently on these tools and systems, especially on mobile digital technology. Sierra Leone's mobile phone uptake, according to a 2016 BBC survey of the country's communication landscape, has burgeoned making mobiles the most accessed form of communication on a weekly basis alongside radio. There are also opportunities for investing in television and newspapers based on the significant gap between demand and supply.

Social Enterprise

A significant number of Sierra Leonean organizations and their external partners have been engaged in providing humanitarian and development services outside the realms of the government and private sector. This third sector – otherwise known as the nonprofit sector - was particularly active during the emergency war period (1991-2004) and immediately after (2004-2014). While nonprofit interventions

were largely funded by grants, some tried social marketing strategies to sustain their programs through some profit making activities. In so doing, cogent lessons have been learned from this experience to establish that industries can be established to make profit while addressing a pressing humanitarian and development issue. In fact, long before the war, few private entrepreneurs were already investing in the social enterprise industry and their businesses were sustained over decades. A typical example is the Bennimix Factory in Bo which has since the 70s been providing affordable nutrition to under five babies and infants. The Bennimix experience, among others, has shown that there are high returns from investing in social enterprises which is worth exploring.

Housing

Sierra Leone's housing finance sector is limited. Her mortgage market has not grown even half way towards meeting the demands of the population who might afford a mortgage. So, most households still finance their housing independently. According to a 2016 assessment done by Center for Affordable Housing Finance in Africa (CAHF), the lowest recorded interest rate on a mortgage in Sierra Leone is six percent but required at least a 20 percent down payment. The cheapest newly built house by a developer recorded the same year by CAHF is US\$ 50 000, which is for an 80 square meter unit. Cement prices were slightly higher than the continental average, at US\$ 10 for a 50-kilogram bag. With an urbanization rate of 3.07 percent, demand for affordable housing will remain strong, both for rental and purchase. Investing in housing microfinance will play an important role in increasing the supply of housing, and efforts to increase access should be undertaken.