

Senegal Inclusive Growth Diagnostic (IGD) Screening Profile¹

Economic Overview

Senegal is a lower middle income country of 13.7 million people, 30 percent of whom live in extreme poverty (below \$1.25/day). Its average per capita income (PPP GNI) was \$1,880 in 2012, having stagnated and grown by an average of only 0.2% annually in real terms over the previous 5 years. Its Gini index, at 40.3, indicates a more skewed distribution of income than in many countries. The adult (ages 15-64) labor force participation rate in 2012 was 77.9%, higher than the average for Sub-Saharan Africa (71.0%), for low income countries (77.4%) and for lower middle income countries (60.8%). The adult female labor force participation rate of 67.2% is higher than the average for both Sub-Saharan Africa (64.9%), lower than the average for Low Income countries (70.8%), but much higher than the average for lower middle income countries (39.0%). The ratio of female to male labor participation rate is 74.9%, compared with the 84.3% and 83.2% for Sub-Saharan African and low income country averages, respectively, and 48.8% for lower middle income countries. [World Bank World Development Indicators (WB WDI)]

WB WDI reported Senegal's consumer price inflation as only 1.4% in 2012, down from 3.4 in 2011. The country had a budget deficit of -5.3% in 2012. Value-added in services contributed 59% to GDP in 2012, in agriculture 16.7%, and in industry 24.2%.

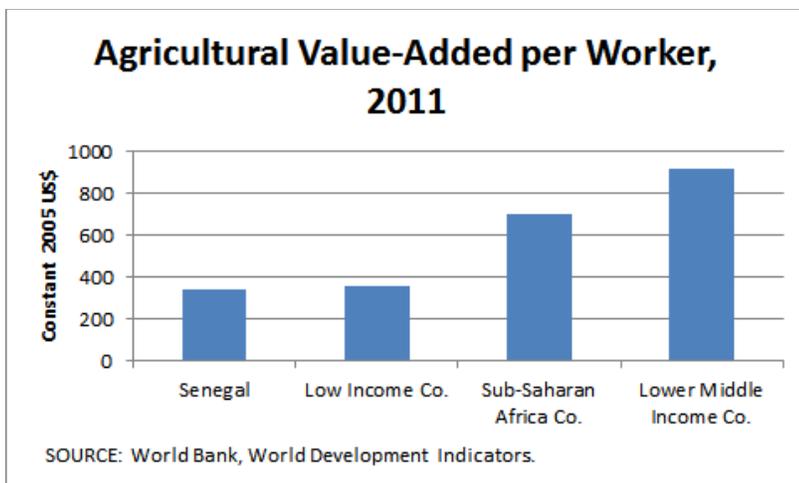
Based on the readily available indicators discussed below, Senegal appears to have significant unrealized potential to increase yields and income in smallholder agriculture for the sizable portion of the population still living in rural areas. Large numbers of people are migrating to urban areas looking for better jobs that aren't there. Private investment and gross capital formation rates are fairly high, but are achieving satisfactory growth neither in more productive employment nor in per capital income. Over three quarters of total employment is in the low-income informal sector. Doing Business indicators are poor. An inadequate power supply is particularly troublesome. Access to finance is listed as the most problematic factor for doing business in a survey of business leaders, who also complain about the unaffordability of financial services. Only around half of the adult population is literate and school enrollment ratios are low. Twenty-four percent of the population suffers from malaria, but other health indicators are mixed, showing some improvement in recent years. A rapid population growth rate hinders improvement in education and health.

Which of these factors, or possibly other factors as well, are the more binding constraints to more inclusive economic growth at this point in time should be the subject of more in-depth IGD analysis.

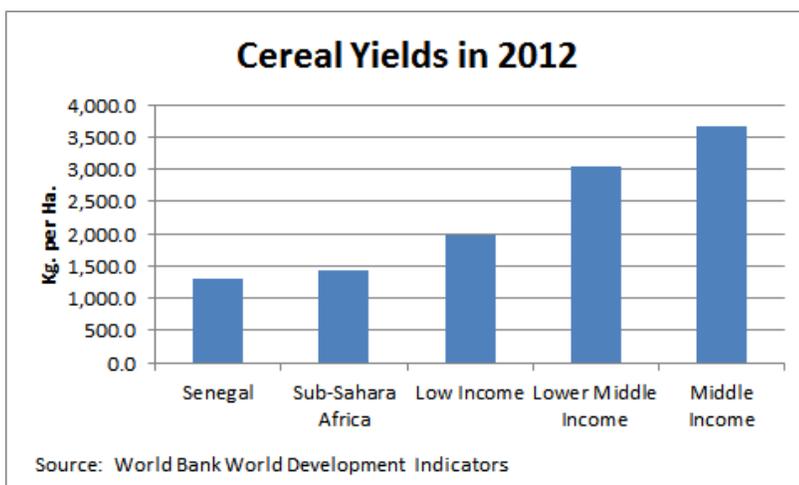
Potential for higher smallholder agricultural production and rural incomes

Senegal is predominantly rural, with 57% of the population living in rural areas, and most of these people depend on agriculture for their livelihood, primarily through very small-scale subsistence production. However, since agriculture contributes only 16.7% of GDP, this indicates much lower productivity per worker than in the non-agricultural sectors. Total agricultural value added per worker in Senegal was equal to only US\$341 in 2011 (in constant 2005 US\$), well below the \$702 average for Sub-Saharan Africa developing countries, not to mention the \$914 achieved in lower middle income countries. The rural population growth rate is around 2.0%. (WB WDI)

¹ This country profile presents indicators available online that are relevant to the IGD analytical nodes of the "Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model)," which is available from <https://dec.usaid.gov/dec>



The average cereal yield in Senegal was 1,309.9 kg. per hectare in 2012, slightly lower than the average for Sub-Saharan Africa (1,417 kg.) but much lower than that for low income countries worldwide (1,982 kg.), lower middle income countries (3029 kg.) and middle income countries (3653 kg.). Cereal yields have varied significantly from year to year. Total crop production has also varied considerably from year to year, with 2010 production higher by 62% than the 2000-2006 average, but falling back to that average in 2011. Livestock production has been steadier and in 2011 stood 31% higher than the 2000-2006 average. Agricultural land was increased by 10% between 2007 and 2009, but otherwise straight-lined. Arable land² was increased by 29% between those same two years. Total agricultural value added increased 16% in constant price terms between 2000 and 2011, while the rural population increased by 30%. (WB WDI) Agricultural value-added per worker stagnated during this period, but generally on a declining trend, as the agricultural employment share of total employment declined (from 45.6% in 2001 to 33.7% in 2006, the latest figure available). (WB WDI)



² Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. -- <http://data.worldbank.org/indicator/AG.LND.AGRI.K2>

1A&B) On-farm productivity & Processing and marketing of farm products

1Aa) Agricultural research & extension services

1Ab) Access to credit for farm inputs & capital improvements

1Ac) Rural infrastructure for irrigation and farm-to-market roads

1Ad) Land tenure and land markets

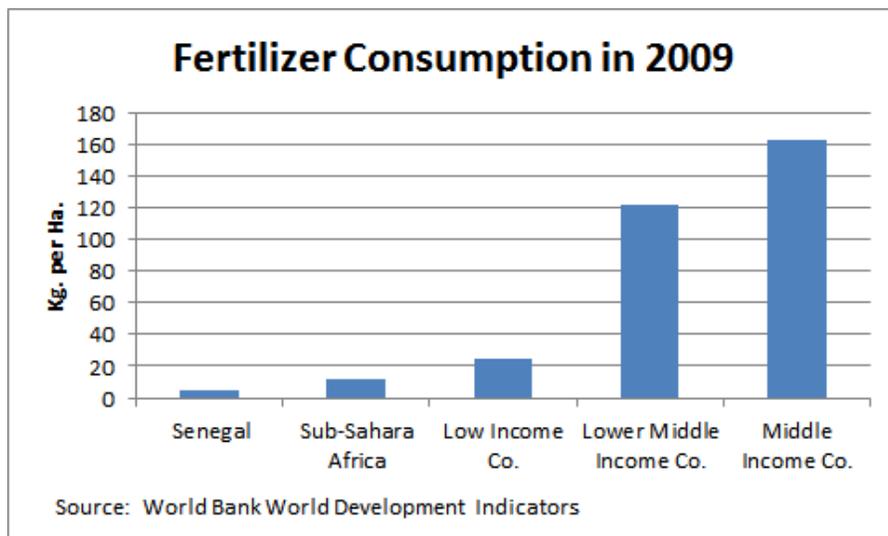
1Ba) Market and pricing policies

1Bb) Availability of information about and contacts with higher value markets

1Bc) Rural infrastructure for transport, electric power, storage, markets, communication

1Bd) Access to rural credit for agriculture product processing, storage, marketing, etc.

The EIU Global Food Security Index (GFI) indicates Senegal spends 2% of the agricultural contribution to GDP on agricultural research and development, placing it in the third quintile of the 105 countries covered and above most developing countries. The same index rated Senegal in the bottom third in access to finance for farmers and in the bottom fourth in agricultural infrastructure. It was scored and ranked fairly low in all three components of the latter index: zero in the existence of adequate crop storage facilities, in the bottom half for road infrastructure and in the middle third for port infrastructure. Fertilizer consumption in Senegal was extremely low at 4.9 kg. per hectare of arable land in 2009, compared with the Sub-Saharan country average of 11.4 kg. and the low income country average of 25 kg. The lower middle income average was 122 kg. and the middle income countries averaged 162 kg. per ha. (WB WDI). In 2013 the MCC scored Senegal as better than only 27% of a comparable group of 81 developing countries in land rights and access. The World Bank Doing Business Indicators 2014 gave Senegal a very poor score, ranking 174 out of 189, for registering property.



1) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates in Senegal are fairly very high and well over half of the population still lives in rural areas. But despite the overall population growth rate of 2.9% (in 2012) the rural population has been growing by only about 2% per year during the last decade, while the urban population has grown by more than 3%, rising to 3.38% in 2011, as people migrate to the cities looking for jobs. (WB WDI) However, the urban, non-farm sector is hampered by a poor business climate. Senegal ranked a very low 178 out of 189 in the 2014 World Bank Ease of Doing Business (DB) Index. It was ranked worse than 100 in everything but trading across borders, where it was ranked 80. Its worst performance was in getting electricity,

paying taxes, registering property, protecting investors, enforcing contracts and dealing with construction permits; but it was also ranked very low for getting credit, resolving insolvency and starting a business.

SENEGAL		Sub-Saharan Africa		GNI per capita (US\$)	
Ease of doing business (rank)		Lower middle income		Population (m)	
	178			1,040	13.7
Starting a business (rank)	110	Registering property (rank)	174	Trading across borders (rank)	80
Procedures (number)	4	Procedures (number)	6	Documents to export (number)	6
Time (days)	6	Time (days)	122	Time to export (days)	12
Cost (% of income per capita)	64.3	Cost (% of property value)	15.2	Cost to export (US\$ per container)	1,225
Minimum capital (% of income per capita)	192.1			Documents to import (number)	5
		Getting credit (rank)	130	Time to import (days)	14
Dealing with construction permits (rank)	165	Strength of legal rights index (0–10)	6	Cost to import (US\$ per container)	1,740
Procedures (number)	14	Depth of credit information index (0–6)	1		
Time (days)	245	Public registry coverage (% of adults)	1.0	Enforcing contracts (rank)	167
Cost (% of income per capita)	531.7	Private bureau coverage (% of adults)	0.0	Procedures (number)	43
				Time (days)	770
Getting electricity (rank)	182	Protecting investors (rank)	170	Cost (% of claim)	36.4
Procedures (number)	8	Extent of disclosure index (0–10)	6		
Time (days)	113	Extent of director liability index (0–10)	1	Resolving insolvency (rank)	122
Cost (% of income per capita)	5,918.2	Ease of shareholder suits index (0–10)	2	Time (years)	3.0
		Strength of investor protection index (0–10)	3.0	Cost (% of estate)	20
				Recovery rate (cents on the dollar)	25.3
		Paying taxes (rank)	182		
		Payments (number per year)	59		
		Time (hours per year)	644		
		Total tax rate (% of profit)	48.5		

From World Bank/IFC, 2014 Doing Business Report, p. 221

2A) Private Sector Demand for More Productive Employment

2Aa) Level of Private Investment (HRV Constraints Analysis)

2Aai) Private returns to economic activity

Gross capital formation in Senegal rose from an average of 19.6% of GDP from 2000 to 2004 to 29.5% from 2005 to 2011. The latter average compares favorably with the 20.6% average for Sub-Saharan African countries, 23.4% average for low income countries and 28.8% for lower middle income countries (WB WDI). Net foreign direct investment (FDI) was equal to only 1.3% of GDP in 2000, and averaged only 2.6% over the last 5 years (2008-2012). This is lower than the 5-year averages of 3.5% for Sub-Saharan African countries, 3.6% for low income countries, and 2.7% for lower middle income countries. However, the 2013-14 WEF GCI survey gave Senegal a relatively good mark for the business impact of rules on FDI, ranking 47 out of 144, and in the prevalence of foreign ownership it ranked 44. (See Appendix Table 10.)

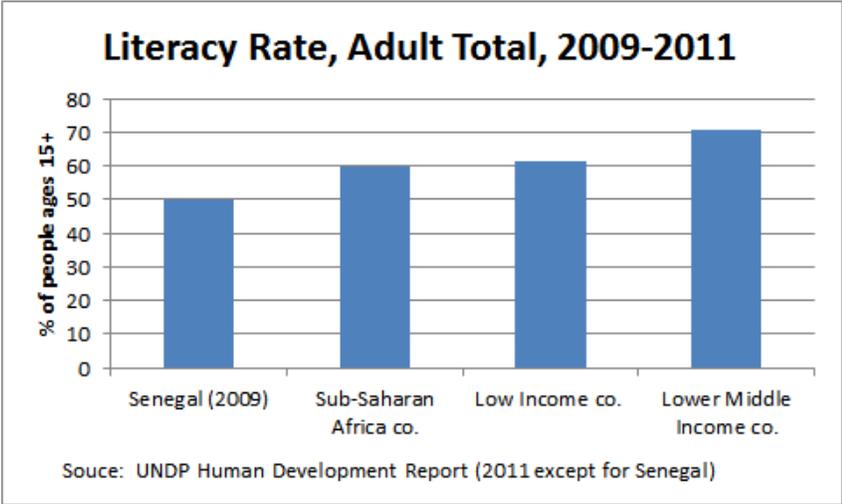
According to the IMF World Economic Outlook, total investment in Senegal reached 30.1% of GDP in 2012. Senegal was tied for the 27th highest in 2012 among 173 countries for this indicator. However, the country's relatively high rates of investment are not achieving the desired outcomes, neither in GNI per capita growth nor in providing productive jobs for the workforce. Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate a relatively high and increasing ICOR, rising from 4.8 from 2000-2005 to 8.6 from 2005-2010. This indicates an inefficient and wasteful use of capital investment.

2Aai1) Evidence of low social returns

Is there inadequate human capital to run a business successfully?

Only 49.7% of the Senegalese adult population was recorded as literate in 2009, compared with a 61.2% average in 2011 in low income countries, 59.8% in Sub-Saharan Africa and 70.6% in lower middle income countries (WB

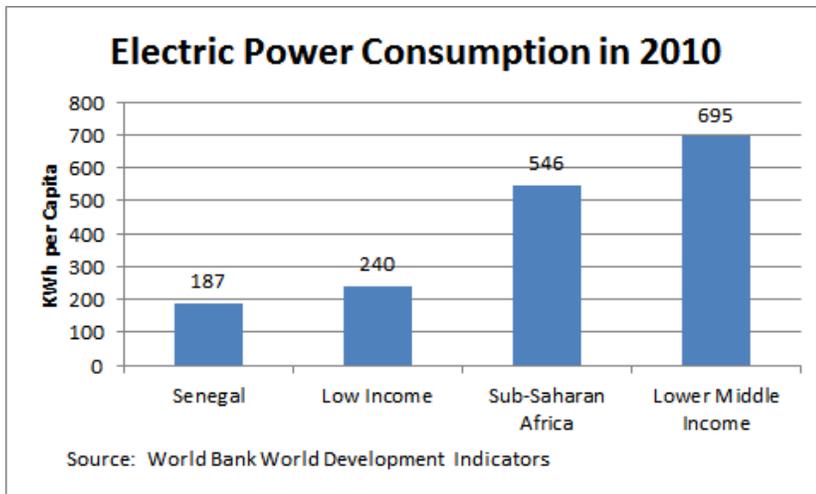
WDI). The mean years of schooling achieved by Senegal adults was 4.5 in 2012, putting the country in a tie for 152nd place out of 187 countries. Although only 3.8% of business leaders surveyed in the 2013-14 World Economic Forum (WEF) Global Competitiveness Index (GCI) cited an inadequately educated workforce as one of the most problematic factors for doing business in Senegal, and only 0.2% of them cited poor public health (See Table 3 in the Appendix), Senegal ranked a very low 131 in Health and Primary Education and 114 out of 144 countries in Higher Education and Training in that year’s GCI. The country ranked worse than 100 in 9 out of 10 components of the GCI Health and Primary Education “pillar,” with only 75.7% net enrollment in primary education schools and nearly 24% of the population suffering from malaria. (See Appendix Table 12.) The country also ranked a low 129th for its 42% enrollment in secondary schools and 123rd for only 8% enrollment at the college level. (See Appendix Table 13.) Even so, Senegal received relatively good marks for the quality of school management and the availability of research and training services.



Is there a lack of or poor condition of productive infrastructure?

As reported above, the 2014 World Bank Doing Business Report ranked Senegal very near the bottom at 182nd out of 189 for getting electricity, as it costs an average of almost 6 times income per capita to do so. According to the UNDP Human Development Report only 42.0% of Senegal’s population had access to electricity in 2009, which placed the country 98th on a list of 126 countries for this indicator. Electric power consumption in 2010 was only 187 kWh per capita in Senegal, compared with averages of 240 in low income countries, 695 in lower middle income countries, and 546 in Sub-Saharan Africa developing countries. Private firms reported an average of 11.5 power outages per month in 2007 (WB WDI, latest data available). Senegal was ranked 129th out of 144 countries for the quality of its electricity supply in the 2013-14 WEF GCI.

The WB WDI reports that 35.5% of total Senegal roads were paved in 2010, compared with an 47.3% average for lower middle income countries and 16.3% for Sub-Saharan Africa countries. The country ranked 113th out of 144 for the quality of its infrastructure in the 2013-14 WEF GCI, with particularly low scores for telephone connections and low also for the quality of its roads and railroads. The quality of its port infrastructure received better marks, ranking 47th. (See Appendix Table 4.) Almost 15% of the business leaders surveyed by for the 1013-14 WEF GCI listed an inadequate supply of infrastructure as one of the most problematic factors for doing business in Senegal. (Appendix Table 3)



2Aai2) Private appropriability

Government failure/poor governance

As noted above, Senegal ranked a very low 178 out of 189 in the 2014 World Bank Ease of Doing Business (DB) Index. The 2014 Heritage Foundation/Wall Street Journal Labor Freedom and Business Freedom Indices gave Senegal very low scores (41.5 and 47.5, respectively, with 100.0 being the best), placing 166th and 157th among the 178 countries ranked, with the Business Freedom Index declining -9.2 points from the year before. It ranked 125 out of 178 countries in the overall Economic Freedom Index. In addition to Labor and Business Freedom, its lowest ranking was in Fiscal Freedom, ranking 155th. It also ranked worse than 100 in Trade Freedom, Financial Freedom and Freedom from Corruption. In Trade Freedom it was ranked 111th. Senegal’s Trade Freedom score improved by 28.2 points since 1996, while its Freedom from Corruption score declined by 20.5.

The Canadian Fraser Institute, in its annual Economic Freedom of the World Report for 2013, ranked Senegal 110th out of 152 countries in its overall “chain-linked” index. The lowest Fraser Institute scores and rankings were in the Regulation and Freedom to Trade Internationally categories, where it was ranked 105 and 102, respectively.

Senegal scored -0.40 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 123rd in a list of 212 countries. It scored -0.33 in the 2012 WB Rule of Law Estimate, in 118th place out of 212. Senegal scored 36 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and tied with 8 other countries for 94th place among 176 countries scored.

The World Bank Governance Matters Control of Corruption estimate of 2011 scored Senegal -0.62 in the -2.5 to +2.5 range, in a 3-way tie for 145th out of 212 countries. The 2014 Heritage Foundation/Wall Street Journal Freedom from Corruption index ranked Senegal 104th out of 178 countries.

In the 2013-14 WEF GCI 15.3% of the business leaders surveyed listed corruption as the most problematic factor for doing business in Senegal. (Appendix Table 3) It received very poor marks for the strength of investor protection, judicial independence, the diversion of public funds, organized crime and the business costs of terrorism, and only mediocre scores for most other elements of the Institutions pillar. (Appendix Table 5)

Market failures in the availability of information for innovation and “coordination”

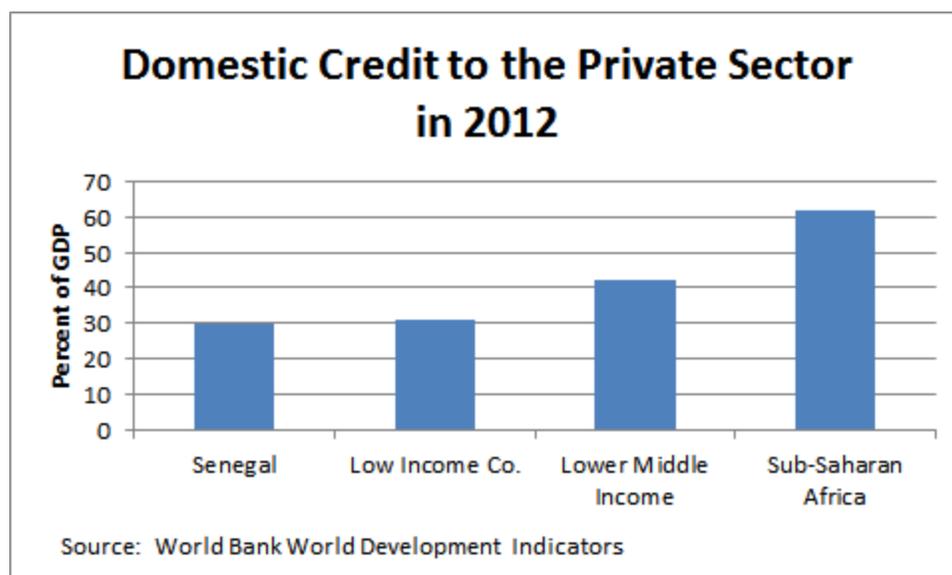
The 2013-14 WEF GCI gave Senegal mediocre scores for the Technological Readiness, Business Sophistication and Innovation pillars, ranking them 95, 82 and 72 out of 144, respectively. It received poor scores for use of the internet, but better for the availability of latest technologies and firm-level technology absorption; poor scores for several components of Business Sophistication, but better for local supplier quality and quantity and value chain breadth; poor scores for patent applications and university-industry R&D collaboration, but better for the availability of scientists and engineers and government procurement of advanced technical products. (See Appendix Tables 6, 7 & 8.)

2Aa) Cost of finance

Domestic credit to the Senegal private sector was only 29.9% of GDP in 2012 (WB WDI). While this ratio has steadily improved from 18.3% in 2001 and is almost the same as the low income country average of 30.7%, it still compares unfavorably with the country’s lower middle income cohorts, which averaged 42.3%, and much worse than the average for developing Sub-Saharan African countries, 62.0%. The MCC ranked Senegal as scoring higher than 50% of its “peer” group of 85 developing countries in providing access to credit in 2013; and in the World Bank 2014 Doing Business Indicators the country was ranked a low 130 out of 189 for getting credit. It has no private credit bureau coverage at all and only 1.0% of adults are covered in a public credit registry. Real interest rates, lending interest rates and the interest rate spread in Senegal are not even reported in the World Bank World Development Indicators (WB WDI).

In the 2013-14 WEF GCI survey of business leaders, access to financing was listed as the most problematic factor for doing business in Senegal by 24.4% of responses, on top of the list and far ahead of corruption and inadequate infrastructure. (See Appendix Table 3.) Senegal was ranked worse than 100 out of 144 in 6 of the 8 components of the Financial Market Development pillar, with the worst performance in the affordability of financial services and ease of access to loans. However, it ranked in the middle of the pack in the legal rights index and the soundness of its banks. (See Appendix Table 9.)

The 2014 Heritage Foundation/Wall Street Journal Investment Freedom Index scored Senegal 60.0 out of 100 possible points in 2014 and reported that “The underdeveloped financial system is dominated by the banking sector, which is highly concentrated with three banks holding about two-thirds of deposits. In recent years, bank supervision has gradually been strengthened.”



2Ab) Growth of the Formal Sector

In 2001, the latest figures available, Senegal reported 77.7% of total employment as vulnerable employment, meaning self-employed and unpaid family workers. As an understated proxy for the informal sector, which does not include informal sector wage earners, this implies very little formal sector employment. The World Bank Doing Business Report for 2014 ranked Senegal near the bottom at 178 out of 189 countries in ease of doing business indicators. As noted above, the country is ranked low in starting a business (110 out of 189), which will retard the growth of new formal sector enterprises and the conversion of informal activities to more productive formal sector activities. It costs an entrepreneur 64% of income per capita to start a business and the minimum capital requirement is almost twice per capita income.

Getting electricity is particularly troublesome, ranking near the bottom at 182, as mentioned above. Paying taxes is also vexing, also ranking 182, as an average of 59 payments are required each year, it takes 644 hours (80 workdays of effort) to comply, and the total tax rate is 48.5% of profit. Registering property (ranking 174), protecting investors (170), enforcing contracts (167), and dealing with construction permits (165) are all costly problem areas that provide little incentive for starting up a business in the formal sector.

2Ac) Labor Intensity of Production

Senegal's trade with the outside world totaled 66.6% of GDP in 2012, comparing favorably with a 70% average for developing Sub-Saharan African countries, a 67% average for low income countries and 62% for lower middle income countries. (WB WDI). The country was ranked a little better than the middle of the pack (80 out of 189) in the 2014 Doing Business Indicators for Trading Across Borders. But it did not compare so favorably in the 2013-14 WEF GCI comparison of trade tariffs, ranking 115 out of 144 with an average of 10.5% duty. However, that same index gave Senegal marks in the middle range of countries for the prevalence of trade barriers and a very good score for the burden of customs procedures. (See Appendix Table 10.) The World Bank Development Research Group Trade Research Unit calculated a Trade Restrictiveness Index that resulted in a high (not good) score of 10.22 for Senegal in 2006-09 (latest).³ A further enhanced ability to trade would favor a latent comparative advantage in more labor-intensive activities for both export and import-substitution goods and services.

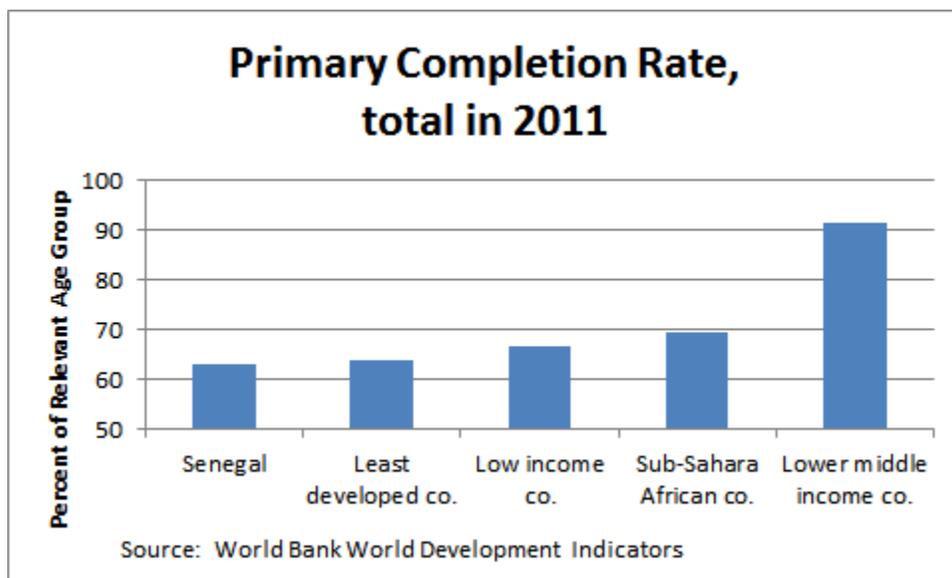
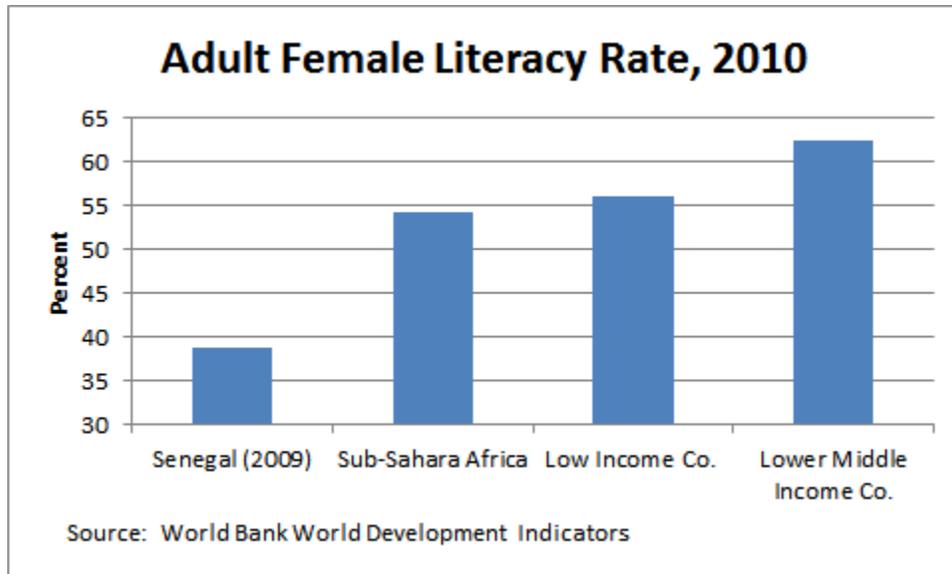
The World Bank Country Policy and Institutional Assessment (CPIA) score for Senegal for policies for social inclusion-equity cluster was 3.5 in 2012, better than the 3.2 score for low income and Sub-Saharan African countries and the 3.4 score for lower middle income countries. The CPIA score for gender equality was 3.5 in 2012, again better than the 3.2 for low income and Sub-Saharan African countries and equal to the 3.5 score for lower middle income countries.

Of the 12 "pillars" in the 2013-14 WEF GCI Senegal received its best ranking in Labor Market Efficiency, 65 out of 144. It scored rather low in flexibility of wage determination and pay and productivity, but in the middle range for 7 other components of this area of concern, with a good score for the effect of taxation on incentives to work. (See Appendix Table 11.) Nevertheless, 4.7% of the businessmen surveyed cited restrictive labor regulations as the most problematic factor for doing business in Senegal. (Appendix Table 3)

³ The Trade Restrictiveness Index is an indicator of the trade restrictiveness of the MFN tariff schedule of a country. It calculates the equivalent uniform tariff of a country's tariff schedule that would keep domestic import levels constant. Product level tariffs are weighted by import shares as well as the responsiveness of imports to price changes (import demand elasticity). It includes preferential rates. It is expressed as a tariff rate. Lower is better. The higher the number, the more restrictive a country's trade policy, and the less open the country is to international competition. Desirable to be less than 7.0. <http://info.worldbank.org/etools/wti/3a.asp#>

2B) Employability of the Workforce:

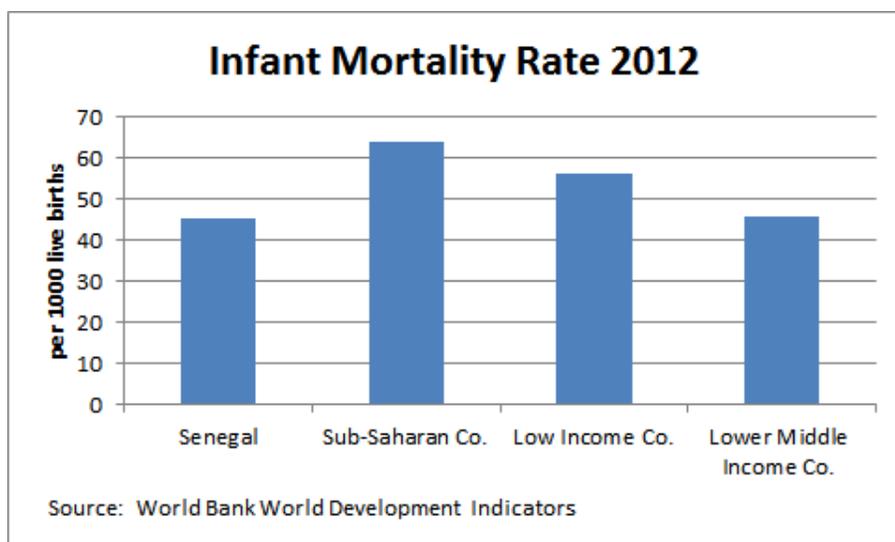
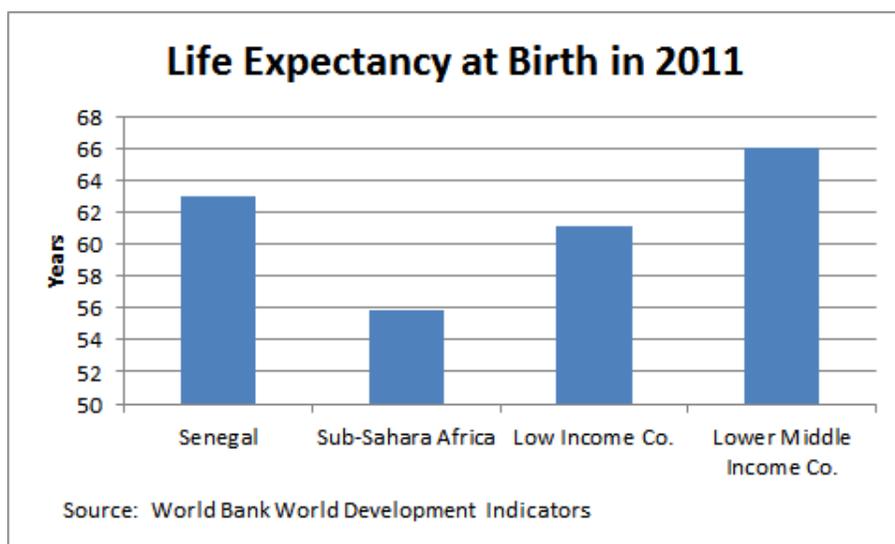
Only 49.7% of the adult population in Senegal was recorded as literate in 2009, compared with a 61% average in low income countries, 60% in Sub-Saharan Africa and 71% in lower middle income countries (WB WDI). Only 38.7% of the women were literate, far below the 54.1% for developing Sub-Saharan African countries, 56.0% for low income countries and the 62.3% average for lower middle income countries. Senegal's primary school completion rate in 2011 was 62.8% of the relevant age group, a bit lower than the 66.5% average in low income countries and 69.2% in Sub-Saharan African countries. But the average for Senegal's cohorts in the lower middle income bracket was much higher, at 91.4%.



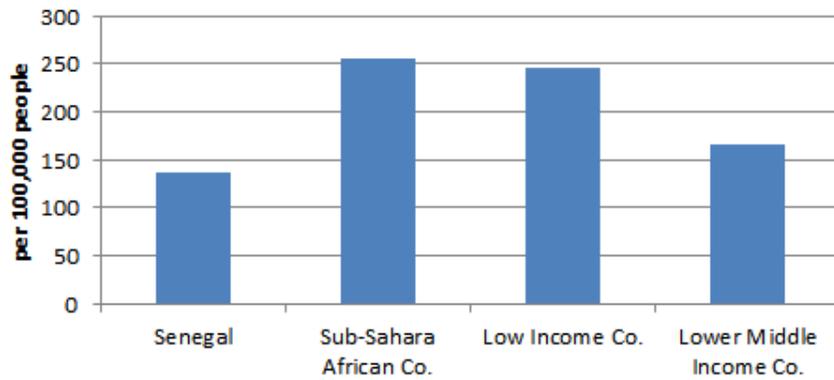
Easily available health indicators present a mixed picture. A WB WDI table lists life expectancy in Senegal in 2011 as 63 years, better than the Sub-Saharan average of 55.9 and the low income country average of 61.1 years, but a bit worse than the lower middle income average of 66.0. The infant mortality rate has steadily improved from 67.7 per 1000 live births in 2001 to 45.2 per 1000 in 2012, compared with a 63.9 average in 2012 for Sub-Saharan African countries, 55.8 for low income countries and 45.5 for lower middle income countries.

The incidence of tuberculosis is 137 per 100,000 people, much lower than the 255 average for Sub-Saharan African countries, 246 for low income countries and 165 for lower middle income countries. The prevalence of HIV in the adult population, at 0.5%, is much less than in most comparator countries: 2.3% for low income countries, 4.6% for Sub-Saharan African countries, and 0.6% for lower middle income countries. (WB WDI) **However**, almost 24% of the population reportedly has malaria and the 2013-14 WEF GCI ranked Senegal worse than 100 out of 144 in 7 of the 8 health components in the Health and Primary Education pillar, which itself had an overall ranking of 131. (See Appendix Table 12.)

The Senegal's population growth rate is 2.9% per year. (WB WDI) This is higher than the average for Sub-Saharan African countries of 2.7%, the 2.3% average for low income countries and the 1.5% average for lower middle income countries. This makes it more difficult for the country to improve its health and education services fast enough to keep up with the increasing need for them.

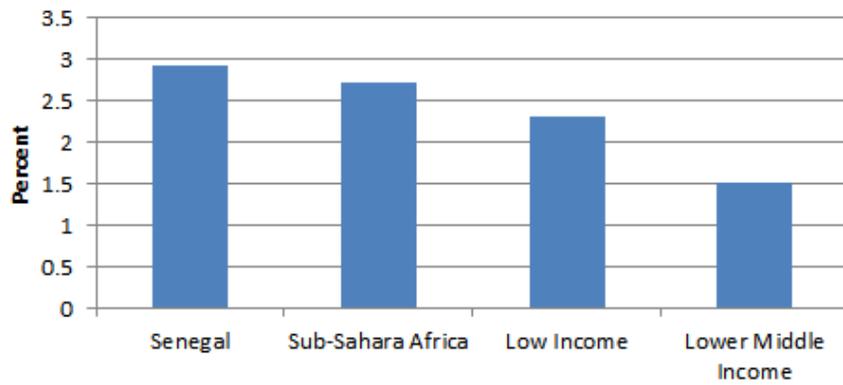


Incidence of TB in 2012



Source: World Bank World Development Indicators

Population Growth (annual %)



Source: World Bank World Development Indicators

Appendix

Table 1. The Global Competitiveness Index:	Rank	Score
Senegal	<u>(out of 144)</u>	<u>(1–7)</u>
GCI 2013–2014	113	3.7
GCI 2012–2013 (out of 144)	117	3.7
GCI 2011–2012 (out of 142)	111	3.7
Basic requirements (60.0%)	120	3.8
Institutions	82	3.7
Infrastructure	117	2.8
Macroeconomic environment	91	4.4
Health and primary education	131	4.2
Efficiency enhancers (35.0%)	105	3.6
Higher education and training	114	3.1
Goods market efficiency	59	4.3
Labor market efficiency	65	4.3
Financial market development	98	3.7
Technological readiness	95	3.3
Market size	105	2.9
Innovation and sophistication factors (5.0%)	76	3.5
Business sophistication	82	3.8
Innovation	72	3.2

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 332

Table 2. Macroeconomic environment: Senegal	Rank	Score
	<u>(out of 144)</u>	
3.01 Government budget balance, % GDP*	126	-5.7
3.05 Country credit rating, 0–100 (best)*	92	35.6
3.04 General government debt, % GDP*	83	45.0
3.02 Gross national savings, % GDP*	70	20.3
3.03 Inflation, annual % change*	1	1.1

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2013–2014*, p. 333

Table 3. The most problematic factors for doing business in Senegal	
	(Percent of Responses)
Access to financing	24.4
Corruption	15.3
Inadequate supply of infrastructure	14.7
Tax rates	12.2
Tax regulations	9.1
Inefficient government bureaucracy	6.7
Restrictive labor regulations	4.7
Inadequately educated workforce	3.8
Foreign currency regulations	2.3
Insufficient capacity to innovate	1.9
Poor work ethic in national labor force	1.2
Inflation	1.2
Policy instability	1.2
Government instability/coups	0.8
Crime and theft	0.3
Poor public health	0.2
Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.	
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 332	

Table 4. Infrastructure: Senegal	Rank	Score
	(out of 144)	(1–7)
2.07 Quality of electricity supply	129	2.3
2.09 Fixed telephone lines/100 pop.*	117	2.6
2.01 Quality of overall infrastructure	113	3.4
2.08 Mobile telephone subscriptions/100 pop.*	111	87.5
2.03 Quality of railroad infrastructure	98	1.9
2.02 Quality of roads	97	3.3
2.06 Available airline seat km/week, millions*	81	100.8
2.05 Quality of air transport infrastructure.....	69	4.5
2.04 Quality of port infrastructure	47	4.8
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		

Table 5. Institutions: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
1.21 Strength of investor protection, 0–10 (best)*	134	3.0
1.06 Judicial independence	103	3.1
1.03 Diversion of public funds	102	2.7
1.15 Organized crime	101	4.5
1.13 Business costs of terrorism	100	5.0
1.02 Intellectual property protection	96	3.2
1.20 Protection of minority shareholders' interests	96	3.8
1.05 Irregular payments and bribes	90	3.6
1.04 Public trust in politicians	87	2.6
1.17 Ethical behavior of firms	85	3.7
1.18 Strength of auditing and reporting standards	83	4.5
1.07 Favoritism in decisions of government officials	82	2.9
1.01 Property rights	80	4.0
1.08 Wastefulness of government spending	78	3.1
1.12 Transparency of government policymaking	63	4.2
1.14 Business costs of crime and violence.....	63	4.8
1.11 Efficiency of legal framework in challenging regs.	59	3.6
1.16 Reliability of police services	55	4.5
1.10 Efficiency of legal framework in settling disputes	52	3.9
1.09 Burden of government regulation	51	3.7
1.11 Efficiency of legal framework in challenging regs.	51	3.9
1.19 Efficacy of corporate boards	45	4.8

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 333

Table 6. Technological readiness: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
9.05 Fixed broadband Internet subscriptions/100 pop.*	112	0.7
9.06 Int'l Internet bandwidth, kb/s per user*	111	5.4
9.07 Mobile broadband subscriptions/100 pop.*	105	3.8
9.04 Individuals using Internet, %*	104	19.2
9.03 FDI and technology transfer	81	4.5
9.01 Availability of latest technologies	54	5.2
9.02 Firm-level technology absorption	39	5.2

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 333

Table 7. Business sophistication: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
11.06 Control of international distribution	115	3.6
11.09 Willingness to delegate authority	112	3.3
11.03 State of cluster development	105	3.4
11.07 Production process sophistication	100	3.4
11.04 Nature of competitive advantage	99	3.1
11.08 Extent of marketing	89	3.9
11.02 Local supplier quality	48	4.8
11.01 Local supplier quantity	44	4.9
11.05 Value chain breadth	44	4.1
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		

Table 8. Innovation: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
12.07 PCT patents, applications/million pop.*	111	0.0
12.04 University-industry collaboration in R&D	100	3.2
12.01 Capacity for innovation	92	3.3
12.03 Company spending on R&D	85	3.0
12.02 Quality of scientific research institutions	76	3.6
12.06 Availability of scientists and engineers	50	4.4
12.05 Gov't procurement of advanced tech products	42	3.8
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		

Table 9. Financial market development: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
8.02 Affordability of financial services	111	3.6
8.04 Ease of access to loans	110	2.4
8.07 Regulation of securities exchanges	109	3.5
8.05 Venture capital availability	108	2.2
8.01 Availability of financial services	104	3.9
8.03 Financing through local equity market	102	2.9
8.08 Legal rights index, 0–10 (best)*	65	6
8.06 Soundness of banks	63	5.2
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		

Table 10. Goods market efficiency: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
6.16 Buyer sophistication	120	2.8
6.10 Trade tariffs, % duty*	115	10.5
6.05 Total tax rate, % profits*	105	46.0
6.08 Agricultural policy costs.....	83	3.7
6.09 Prevalence of trade barriers	77	4.3
6.02 Extent of market dominance	66	3.8
6.15 Degree of customer orientation	64	4.6
6.01 Intensity of local competition	58	5.1
6.14 Imports as a percentage of GDP*	55	54.5
6.03 Effectiveness of anti-monopoly policy	51	4.4
6.12 Business impact of rules on FDI	47	4.8
6.11 Prevalence of foreign ownership	44	5.1
6.04 Effect of taxation on incentives to invest	39	4.1
6.13 Burden of customs procedures	38	4.7
6.06 No. procedures to start a business*	10	3
6.07 No. days to start a business*	10	5

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 333

Table 11. Labor market efficiency: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
7.02 Flexibility of wage determination	110	4.5
7.06 Pay and productivity	105	3.5
7.10 Women in labor force, ratio to men*	89	0.8
7.07 Reliance on professional management	87	4.0
7.03 Hiring and firing practices	75	4.0
7.08 Country capacity to retain talent	68	3.5
7.04 Redundancy costs, weeks of salary*	66	13.7
7.09 Country capacity to attract talent	62	3.6
7.01 Cooperation in labor-employer relations	57	4.5
7.05 Effect of taxation on incentives to work	34	4.2

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).

Source: WEF, *Global Competitiveness Report 2013–2014*, p. 333

Table 12. Health and primary education: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
4.10 Primary education enrollment, net %*	134	75.7
4.02 Malaria cases/100,000 pop.*	133	23,652.2
4.01 Business impact of malaria	121	4.0
4.08 Life expectancy, years*	121	59.3
4.07 Infant mortality, deaths/1,000 live births*	119	46.7
4.05 Business impact of HIV/AIDS	108	4.5
4.04 Tuberculosis cases/100,000 pop.*	107	136.0
4.03 Business impact of tuberculosis	106	4.6
4.09 Quality of primary education	103	3.3
4.06 HIV prevalence, % adult pop.*	97	0.70
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		

Table 13. Higher education and training: Senegal	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
5.01 Secondary education enrollment, gross %*	129	42.1
5.08 Extent of staff training	125	3.3
5.02 Tertiary education enrollment, gross %*	123	7.9
5.06 Internet access in schools	93	3.7
5.03 Quality of the educational system	80	3.5
5.04 Quality of math and science education	79	4.0
5.05 Quality of management schools	43	4.6
5.07 Availability of research and training services	35	4.7
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2013–2014</i> , p. 333		