



## Doing Business in Mauritania:

### 2008 Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Mauritania

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### Market Overview

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Mauritania is a large, sparsely-populated desert country. It forms a geographic link between North and Sub-Saharan Africa. It has long been associated with a tradition of north-south trade and a culture favorable to free markets, personal mobility, and entrepreneurship. It is seeking to overcome a history of nomadic poverty, Arab nationalism, and state-centered policies by building an urbanized society, a pluralist democracy, and a market-based economy.

Mauritania offers a small but growing market to investors. While the population of Mauritania is under three million and average per capita GDP is approximately \$890, the market has been growing steadily in recent years. Developments in offshore oil production, copper and gold production, and large foreign-financed infrastructure projects increased GDP by 11.4% in 2006 and non-oil GDP by 4%. While oil production declined significantly in 2007, GDP growth remained positive, with non-oil GDP growing by 5.7% in 2007, due primarily to growth in the mining sector as well as in the agriculture and fishing sectors. Inflation remained moderate at 7-8% in 2007, and is projected to decline in 2008 due to improved monetary policy by the Central Bank.

Over the past decade the Government of Mauritania has become increasingly open to foreign trade and investment. With the support of the World Bank, the International Monetary Fund (IMF), and other development partners, the Government has liberalized the foreign exchange system, reformed the fiscal and financial systems, and privatized a number of state-owned corporations. The Government continues to promote privatization and foreign investment, seen as the main drivers to economic growth. Mauritania's liberal economic policies, coupled with the advent of minerals and petroleum production and exports, should favor continued capital inflows and economic growth.

### Market Challenges

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Mauritania continues to struggle with persistent poverty, which affects nearly 40% of the population, a fragile economy, and limited diversification of exports. Much of the population is illiterate and the country faces a shortage of skilled labor.

Tariffs and taxes are high in comparison with neighboring countries. In addition, corruption and the complexity of customs procedures pose challenges for investors,

particularly those that are unfamiliar with the system. Procedures required to start a business in Mauritania are complicated and often require significant time and money to complete.

Infrastructure in the country is limited but improving. There are few paved roads in Mauritania, making travel in the interior of the country difficult. Given that the country is over 80% desert, there are very limited water resources in many parts of the country. The country also faces electricity shortages and limited access to telecommunications in outside of major urban areas.

Arabic is the official language in Mauritania, but French is used in all international business activities. Few Mauritians speak English.

## **Market Opportunities**

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The best market opportunities for investors are in the oil, gas, mineral, infrastructure, and fishing industries.

Mauritania's oil sector was the largest source of revenue for the state in 2006, accounting for 50.1% of Mauritania's total exports. Exploratory drilling has revealed deposits of oil and gas both onshore and offshore of Mauritania. Areas in the deep water blocks or in the onshore Taoudeni Basin that have not yet been explored offer opportunities to foreign investors. There also opportunities to develop fields where oil has already been discovered and to provide supplies and logistical support to companies working in the sector.

Mining, primarily of iron ore, is one of the largest industries in Mauritania. Research shows that Mauritania has nearly one billion tons of mineral deposits. The national mining company SNIM, which mines nearly all of the country's iron ore, signed two new contracts in 2007 to begin providing iron ore to Chinese companies. As a result, it is seeking agreements with foreign investors to acquire the necessary capital to expand its production capacity. SNIM signed one such agreement with ArcelorMittal in January 2008 to develop the Al Agareb iron ore deposit. In 2007, copper, gold, and uranium production began in Mauritania. The country also has gypsum and phosphate deposits that have yet to be developed. The Government continues to grant licenses to foreign companies for mineral research and exploration.

The Mauritanian Exclusive Economic Zone contains some of the world's richest fishing grounds. The annual catch is estimated at 450,000 tons. Nearly all of the catch is exported directly to Europe or Japan without being offloaded or processed in Mauritania. The Government's new fisheries policy aims to increase domestic fish processing by promoting joint ventures between Mauritanian companies and foreign investors. As many operators are replacing or modernizing their old boats, this sector offers a variety of opportunities for U.S. suppliers of boats and fishing equipment.

Despite past droughts and poor rainfall, agricultural and herding continue to play an important role in the national economy. Food deficits, however, continue to be huge. In 2007, the country imported about 300,000 tons of cereals in addition to what it receives in food aid. To remedy this situation, the Government is strongly encouraging private investments to develop agriculture in the Senegal River Valley.

Infrastructure, particularly road construction, building and telecommunications are developing. In December 2007, development partners pledged \$2.1 billion to fund Mauritania's 2008-2010 development program. Much of these funds will be used to improve and expand infrastructure. Future infrastructure projects include a joint project with the Government of Senegal to construct a bridge over the Senegal River, the construction of a railway line connecting the capital Nouakchott and Kaedi in the south, maintenance and construction of roads, and construction of a water distribution system in Nouakchott. There are also opportunities for companies in construction, power generation, irrigation, information technology and communications, and consulting.

Mauritania's new investment code is intended to attract foreign investment and joint ventures by encouraging foreign firms or individuals to invest in the country. The Government has been keen to find U.S. companies interested in oil, gas and mineral prospecting and participation in the various privatization programs.

## **Market Entry Strategy**

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The best strategy to enter the market is to establish a relationship with a well-connected local partner or another foreign investor who has experience working in Mauritania. It is helpful to have someone who knows the market to help make necessary contacts and to better understand the culture and business environment. Someone who knows Mauritania well can also help guide new investors through the sometimes complex procedures required to do business in Mauritania.

Before deciding on doing any kind of business, the foreign investor should first visit Mauritania and discuss their business plan with a partner who is familiar with the local system and conditions. They should also inquire about the business environment and the investment climate. In addition, investors should meet with government officials responsible for the sector that they are interested in to discuss the administrative procedures required to become legally established and the incentives they may receive when they start operations.

Before choosing any partner, it is recommended that foreign investors take the time to become familiar with his or her past experience in the relevant economic sector and to find out information about his or her reputation. Visiting the partner company may help to evaluate how serious a local partner is. Agents and distributors are commonly used and Mauritians frequently express interest in representing foreign companies in all sectors.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5467.htm#>

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## Chapter 3: Selling U.S. Products and Services

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### **Using an Agent or Distributor**

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Local businesspeople frequently express interest in representing U.S. companies and the number of those doing so is growing. Commercial agents are found in many sectors, including new and used vehicles, heavy equipment, oil products distribution, oil and mining exploration, pharmaceuticals and medical equipment, telecommunications, and electronic tools. In general, these agents have a written contract and they negotiate sales and purchases on behalf of producers, manufacturers, and dealers. The distributor operates independently and is only bound by the written provisions of the distribution agreement. In general, either party, without prior notification, may terminate a distribution agreement of specified duration at the end of the contract period.

Visiting the country is necessary to find a suitable agent or distributor. It is recommended that a U.S. businessperson comes to Mauritania and meets with potential operators in the sector that he or she is interested in. It is important to establish the reputability of an agent or distributor before signing any agreement with him or her. Maintaining good contact with the Government and having influence within the local business community and civil society will help a business to succeed in Mauritania.

### **Establishing an Office**

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To establish a local office, a foreign investor should first visit the Delegation for Private Sector Development or “Guichet Unique” at the Ministry of Economy and Finance. There, he or she must submit a proposal for his or her investment project and should also inquire about the necessary documents to file and steps to be undertaken in order to obtain an Investment Certificate. The Investment Certificate is required to be legally established in Mauritania and is important for all administrative procedures during the life of the project. Investors should also contact the ministry relevant to their business as

well as the Ministries of Economy and Finance, Interior, and Justice to submit and finalize all documents.

The Delegation for Private Sector Development and the Mauritanian Chamber of Commerce offer assistance and advice to those wishing to establish an office in Mauritania. The Employers' Association, the Chamber of Commerce, and the Mauritanian Information Center for Technical and Economic Development maintain lists of business groups and/or individuals and other information useful to companies wishing to do business in Mauritania.

## **Direct Marketing**

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Direct marketing remains limited in Mauritania. Because few buyers read newspapers and journals, producers and wholesalers rarely use this means of communication. Instead, they use billboards to advertise their products. Graphic billboards on major thoroughfares and roadside banners are an important advertising medium for the largely illiterate public. The number of billboards is increasing rapidly in Nouakchott and Nouadibou as they are a relatively inexpensive means of advertising. Radio and TV are occasionally used for advertising, but they are considered too expensive by many local companies. Events such as tradeshow and exhibitions are limited in Mauritania. However, fairs are popular. A great deal of information also passes by word of mouth.

## **Joint Ventures/Licensing**

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To establish a joint venture, foreign investors and their local partners must create a commercial company and register it in Mauritania. The Government requires that any person who wants to create a new company to do it through a notary office. There are several notaries in Nouakchott who specialize in the creation of new companies. Foreign investors and their local partners must prepare the following documents and have them notarized: the minutes of the joint venture, the rules and procedures of a constituent assembly, and the regulations and articles of the new company.

The existing joint ventures in Mauritania are primarily with companies from other Arab countries and are mainly in the mineral, fishing, telecommunications, and banking sectors. However, businesses in many sectors are seeking to expand such ventures with a wide array of foreign partners, including companies from the United States. The Government of Mauritania offers a wide range of incentives to foreign investors.

## **Selling to the Government**

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Government procurement is divided into three distinct categories:

- (a) Procurement related to large development projects worth more than \$10 million. These projects are generally financed by multilateral institutions (World Bank, Arab Fund, Islamic Development Bank, African Development Bank, European Bank of Investment, etc.).

(b) Procurement related to medium and small-scale projects financed jointly by the Government of Mauritania and one or more development partners.

(c) Procurement related to small projects valued at less than \$1 million and financed solely by the Government of Mauritania.

For categories (a) and (b), procurements are made through international public tenders. For category (c), procurements are made by mutual agreement, without a public tender. Such direct awards are also used for certain sensitive procurements and projects in categories (a) and (b), e.g. related to security issues.

The Government's Central Procurement Board ("Commission Centrale des Marchés"), which falls under the Prime Minister's authority, is responsible for monitoring compliance with procurement regulations and conducting most government negotiations with foreign suppliers. For large or complex projects, the Government often requires bidders to submit letters of interest in order to be short-listed prior to the issuance of a restricted tender. This closed bidding system has been widely used in privatization schemes in Mauritania. Therefore, it is very important to respond with an "expression of interest" prior to the published tender. The World Bank is assisting the Central Procurement Board to improve its procedures, the transparency of its operations, and its implementation of existing regulations. The regulations governing the Procurement Board are available at the Prime Minister's Office. Opportunities to sell to the Government include pharmaceutical products, transportation means, grains, drilling equipment, agricultural and irrigation equipment, and health and education equipment and materials.

## **Distribution and Sales Channels**

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Almost all of Mauritania's imported goods enter Mauritania via the port in Nouakchott. From there, they are trucked to wholesalers, distributors, and retailers who sell them directly to the end users. Large wholesalers, especially those involved in the leading family conglomerates that dominate much of Mauritania's economy, account for the majority of the country's import trade. Agents operating on commission deal mainly in electronic components or heavy machinery and spare parts.

Most goods are retailed through small shops, boutiques or by vendors in the sprawling open-air markets prominent in Nouakchott and other towns. The informal sector remains pervasive, involved in everything from the sale of livestock and vehicles to spare parts, used clothing, and vegetables. Medium-sized stores and small supermarkets are increasingly popular, especially in Nouakchott and Nouadibou.

## **Selling Factors/Techniques**

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Product literature and sales material must be in French and/or Arabic. The packaging for food items should describe the nature of the product, the ingredients and quantity, as well as the production and expiration dates.



This form of commerce is not widely used within Mauritania. Very few Mauritians use the internet to purchase products or services. They prefer to meet directly with producers and suppliers. Some importers purchase their products by a simple phone call or fax to European or Asian suppliers, but that is not the norm.

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There are few qualified advertising agencies in Mauritania. What advertising exists is done in Arabic and French through newspapers, magazines, radio, and TV. However, most buyers do not read newspapers or magazines. For those companies and distributors that are interested in using newspapers to advertise their products, there are several options. There are currently about 30 newspapers published in Mauritania, although only a dozen are published with regularity. There are five private newspapers published daily in addition to two government newspapers. The most prominent newspapers are as follows:

Journal HORIZONS (French version) and CHAAB (Arabic version) (Official)

B.P. 467

Nouakchott, Mauritanie

Tel: (222) 525-5883

Fax: (222) 525-3170 or 525-4587

Mr. Mohamed Ould Hamady, Director

LE CALAME (Arabic and French versions)

B.P. 1059

Nouakchott, Mauritanie

Fax: (222) 525-7555

Mr. Habib Ould Mahfoud, President and Managing Director

LA TRIBUNE

B.P. 6227

Nouakchott, Mauritanie

Tel: (222) 525-4492

Fax: (222) 525-0209

Mr. Mohamed Fall Ould Oumère, President and Managing Director

L'Eveil Hebdo

B.P. 387

Nouakchott, Mauritanie

Tel & Fax: (222) 525-6714

Mr. Sy Mamoudou, President and Managing Director

Nouakchott Info (private daily, Arabic and French versions)

B.P. 1905

Nouakchott, Mauritanie

Tel: (222) 525-0271

Fax: (222) 525-5484

Mr. Cheikhna Ould Nenni, President and Managing Director

Le Journal

Tel: (222) 630-5339

Mr. Yedaly Fall, Managing Director

L'Authentique

Ilot T, Tevragh Zeina

Nouakchott, Mauritanie

Tel & Fax: (222) 525-9962

Mobile: (222) 630-3648 or 651-2130

Mr. Oumar Ould Moctar, Director

Le Renovateur

Immeuble Faboly, Medina 3

Nouakchott, Mauritania

Tel : (222) 529-2248

Mobile : (222) 648-7493

Mr. Cheikh Tidjane Dia, Director

## **Pricing**

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The price of products varies significantly from one locale to another, as well as from one shop to another within the same locale. Prices depend on distribution channels as well as price mark-ups determined by individual retailers for products whose prices are not under government control. A law on pricing exists, but its enforcement is limited. The government agency in charge of price monitoring has limited resources to enforce this law.

## **Sales Service/Customer Support**

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All reliable suppliers provide after sales service to their customers. For a certain period after the sale, this service is free of charge. After this period has expired, the supplier may charge repair fees to customers. Customer support is widely available for electronic components, household appliances, vehicles, heavy equipment and small fishing vessels.

## **Protecting Your Intellectual Property**

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Mauritania is a member of the Multilateral Investment Guarantee Agency (MIGA) and the African Organization of Intellectual Property (AOIP). Member states of the AOIP agreed to honor intellectual property rights principles and to establish uniform procedures of implementation. International agreements include the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Hague Convention for the Registration of Designs and Industrial Models, the Lisbon Convention for the Protection and International Registration of Original Trade Names, the World Intellectual Property Organization, the Washington Treaty on Patents, and the Vienna Treaty on the Registration of Trade Names. Mauritania signed and ratified the WTO TRIPS (Trade Role on Intellectual Property and

Service) agreement in 1994, but it has yet to implement it. The government also signed and ratified the World Intellectual Property Organization (WIPO) treaties in 1976. (See Section on Property Rights in the Investment Climate Statement).

## Local Professional Services

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Below is a list of prominent professional organizations.

Mauritanian Employers Association  
B.P. 383  
Nouakchott, Mauritanie  
Tel: (222) 525-2160 or 525-3301  
Mr., Mohamed Lemine Ould Hamoud, President  
Mr. Seyid Ould Abdellahi, Secretary General

Mining and Industry Association  
B.P. 3475  
Nouakchott, Mauritanie  
Tel: (222) 525-3239  
Fax: (222) 525-8157  
Mr. Ahmed Hamza, President

National Fishing Association  
B.P. 43  
Nouadhibou, Mauritanie  
Tel: (222) 574-5089  
Fax: (222) 574-5430  
[fnp@toptechnology.mr](mailto:fnp@toptechnology.mr)  
Mr. Mohamed Mahmoud Sidina Sadegh, Secretary General

Arab Authority for Agricultural Investment and Development  
Tel: (222) 525-9237  
Fax: (222) 525-9237  
Mr. Mohamed Salem Ould Ahmed, Representative

## Web Resources

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National Mining Company (Société Nationale Industrielle et Minière): [www.snim.com](http://www.snim.com)

Mauritanian Information Center for Economic and Technical Development (Centre d'Information Mauritanien pour le Développement Economique et Technique):  
[www.cimdet.mr](http://www.cimdet.mr)

Chamber of Commerce (Chambre de Commerce, d'Industrie et d'Agriculture de Mauritanie) : [www.cciam.mr](http://www.cciam.mr)

Ministry of Fisheries: [www.peches.gov.mr](http://www.peches.gov.mr)

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## Chapter 4: Leading Sectors for U.S. Export and Investment

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### **Commercial Sectors**

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## Mining

### Overview

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	2006	2007	2008 (estimated)
Total Market Size	11.8	12.5	13.3
Total Local Production	11.5	11.8	12.5
Total Exports	10.5	11.0	11.5
Total Imports	0.30	0.70	0.80
Imports from the U.S.	0	0	0

Data in millions of metric tons. Monetary values not available. Statistics are unofficial estimates.

Mauritania is the 15th largest iron ore producer in the world, but its annual export of 11-12 million metric tons falls far behind that of Brazil with more than 200 million metric tons per year, or even the United States with more than 50 million metric tons per year. However, a large portion of its reserves are very high quality iron ore (over 60% metal content), attracting relatively high prices, profits, and demand. The mining sector is Mauritania's second largest foreign exchange generator and accounts for approximately 13% of GDP. In 2006, Mauritania exported 10.5 million tons worth \$456 million, an increase of 20.6% over 2005, due mainly to the global price increase for iron ore. The EU continues to be the primary destination for Mauritania's iron ore, although the national mining company signed two new agreements with Chinese companies in 2007. Nearly all mineral exports consist of iron ore, of which Mauritania has deposits estimated at 190 million metric tons of naturally rich iron ore (66% iron content), as well as billions of tons of lower-quality ore.

The national mining company, Société Nationale Industrielle et Minière (SNIM), operates the iron ore mines. With 3,500 employees, SNIM is by far the largest business in Mauritania and is among the top 500 enterprises in Africa. The Government is the majority shareholder in SNIM. Private companies and investment groups from the Gulf region hold most of the remaining shares. Production is centered in Zouérate, a classic company town, where SNIM's repair and machine-building shops service the mine's massive trucks and drills. Its railroad, which relies on American-made locomotives, carries the ore 700 km to the mineral port at Nouadibou.

In August 2007, SNIM and China's Minmetals Company signed an agreement to supply 1.5 million tons of iron ore annually over seven years, starting in 2008. SNIM also signed a new contract with Cargill China in 2007. Under this contract SNIM will supply Cargill with one million tons of iron ore annually between 2008 and 2012. This iron ore is intended for Laiwu Steel Corporation, the seventh largest steel manufacturer in China.

These two new contracts require SNIM to increase its production capacity and develop new mines. To do so, SNIM signed a memorandum of understanding with ArcelorMittal in January 2008. ArcelorMittal's initial share will be 30% with an option to increase its share to 70% once production begins. Once the new mine is fully operational, SNIM and ArcelorMittal expect to produce an additional 25 million tons per year. SNIM also formed

a joint venture with the Australian company Sphere Investments Ltd. to develop the Guelb El Aouj iron ore project by funding a feasibility study costing \$11 million. The cost of developing this project is estimated to be \$1.9 billion for an estimated 675 million metric tons of ore, containing 36.4% iron. In November 2007, Qatar Steel Company (QSM) acquired a 49.9% stake in the Gulb El Aouj project from Sphere and SNIM for a total investment of \$375 million. Qatar Steel intends to develop a direct reduction pellet project after the completion of the feasibility study in early 2008. The Saudi Arabian Basic Industries Company (SABIC) recently became a partner in this joint venture too.

Opening new mines and increasing production capacity will likely require SNIM to purchase more equipment and spare parts from U.S. companies, its traditional suppliers. In 2006, SNIM purchased \$35 million in equipment and spare parts, representing 32% of the company's total imports. The company plans to purchase more goods and services from the U.S. in 2008.

Apart from SNIM holdings, the Mauritanian government encourages private investment in onshore mineral exploration and production. One such case is in the area of Guelb Moghrein, once a major center for copper mining. In 2004 the Emirati company Wadi Al Rawda and the Canadian company First Quantum signed an agreement with Mauritanian authorities to revive copper and gold production there. The newly created company, Mauritanian Copper Mines (MCM), began operations in October 2006 with a production capacity of 1,650 tons per month of concentrated copper. Monthly production almost doubled in 2007. The gold content is 1.6 g per ton, well above the average for other copper mines in Africa. Mauritania is estimated to have 23 million metric tons of copper reserves.

In August 2007, Red Back Mining Inc. purchase Tasiast Mauritania Ltd., which was operating a joint venture with SNIM to develop the Tasiast gold mine in Akjoujt. The company began production in 2007. Red Back Mining has already invested \$20 million in equipment and facilities and plans to hire more employees in order to raise production to 126,000 ounces by 2009. The deposit is mined by simple open-pit mining.

Australia-based Murchison United began drilling for uranium in northern Mauritania in December 2007. It currently holds six uranium exploration permits, covering a total area of 8,200 square km near the town of Bir Moghrein.

Mauritania also has significant reserves of salt (450 million metric tons), which are mined using traditional methods in a number of locations, phosphates (160 million metric tons), and the world's largest deposits of gypsum (9 billion metric tons). Exploitation of gypsum, located in Mauritania's south-central area, has to date been inhibited by the high cost of transportation to the coast. Given rising world prices and demand, the commercialization of Mauritania's gypsum reserves is likely only a matter of time.

The number of foreign companies that acquire mineral exploration permits continues to increase due to the potential opportunities available in Mauritania. In 2007 and early 2008, the Government granted new exploration licenses to the following foreign companies in the Taoudenni Basin in central Mauritania: Nanton International (Spanish), Mauritania Venture Ltd (Irish), El Aouj S.A. (Australian), Peaks Metals (Qatari), Triton SNB Mines Ltd. (Australian), Medis Belgium (Belgian), Shield Mining (Australian), Alba Mineral Resources (British), Sphere Investment Ltd. (Australian) and Rio Narcea Gold Mines Ltd. (Canadian). Other mineral prospectors active in Mauritania include BHP

Minerals (Australian), Rex Diamond Mining Corporation (Canadian), FMC Technologies (American), Defiance Mining (Canadian), Hardman Resources (Australian), Ashton West Africa Property Ltd. (British), Diamet Minerals (Australian), La Source (French), Groupment Burns Trading Pty Ltd. (Australian), and Wadi Al Rawda (UAE).

## **Best Prospects/Services**

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Best prospects and services in this sector include:

- Excavators
- Crushers
- Shovel drills
- Electric Engines
- Mining Engines
- Trucks
- Cranes
- Tractors
- Graders
- Explosives
- Conveyor Belts
- Tires
- Grinding Balls
- Rollers for conveyors
- Tools and materials for railway
- Logistics

## **Opportunities**

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Mauritania, particularly the Taoudeni Bassin, contains important and diversified mineral deposits. Minerals exploration and production constitute the major opportunities for foreign investors. SNIM is the largest importer of U.S. goods. Its imports include mining equipment, heavy machinery and spare parts. Mining production should increase substantially in 2008 and beyond as a result of investments made by SNIM and its foreign partners in 2007 and 2008 in order to meet China's growing demand for iron.

## **Resources**

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- Government Agencies:

Ministry of Oil and Mines

B.P. 199

Nouakchott, Mauritanie

Tel: (222) 525-3083

Fax: (222) 525-6937

Mr. Mohamed El Moctar Ould Mohamed El Hacen, Minister

SNIM

B.P. 42

Nouadibou, Mauritanie



Tel: (222) 574-5174  
Fax: (222) 574-5396  
Internet: [www.snim.com](http://www.snim.com)  
Mr. Mohamed Ali Ould Sidi Mohamed, General Manager

SNIM's Office in France  
7, rue du 4 septembre  
75002 Paris, France  
Tel: 33 (01) 42 96 80 90  
Fax: 33 (01) 42 96 12 26

Direction of Mines and Geology  
B.P 199  
Nouakchott, Mauritanie  
Tel: (222) 525-3225  
Fax: (222) 525-3225  
E-mail: [dmg.sigm@mauritel.mr](mailto:dmg.sigm@mauritel.mr)  
Mr. Wane Ibrahima Lamine, Director

Projet de Renforcement Institutionnel du Secteur Minier  
Tel : (222) 525-6861  
Mr. Samory or Mr. Abderrahmane Ould Deddah

Mining Cadastre Unit  
Tel: (222) 529-3551 or 529-3552  
Mr. Mohamed Yahya Ould Hamoudy, Manager  
E-mail: [cadastreminier@compunet.mr](mailto:cadastreminier@compunet.mr)

- Professional Associations:

Industry and Mining Association  
B.P. 5501  
Nouakchott, Mauritanie  
Tel: (222) 525-0304 and 525-8234  
Fax: (222) 525-6955  
Mr. Ahmed Ould Hamza, President

## Fishing

### Overview

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	2006	2007	2008 (estimated)
Total Market Size	4.3	4.5	4.6
Total Local Production	4.3	4.5	4.6
Total Exports	4.2	4.3	4.4
Total Imports	0	0	0
Imports from the U.S.	0	0	0

Data in thousands of metric tons. Monetary values not available. Statistics are unofficial estimates.

Along its 754 km Atlantic coastline, Mauritania enjoys a 200-mile Exclusive Economic Zone (EEZ) that contains some of the world's richest fishing grounds. In 2006, the fishing sector accounted for 10% of GDP, 29% of budget receipts, and generated about 38% of national employment. The sector became the country's third largest foreign exchange earner in 2006 and 2007, after the oil and mineral sectors. Fishing revenues were down slightly in 2006, but rebounded in 2007. They are expected to continue to increase in 2008.

Mauritania's total annual catch is estimated at 450,000 tons, much of which it exports directly to destinations overseas without offloading. A majority of the 400 or so ships that trawl Mauritania's EEZ are devoted to cephalopods and other deep water species. The rest are divided between pelagic fishing, shrimp and lobster. The Mauritanian fleet is largely composed of old Chinese-made boats and focuses primarily on deepwater fishing. The sector suffers from over-fishing, particularly of cephalopods, and an aging and poorly maintained local fleet.

In response to declining fish stocks, the Mauritanian government extended the offshore Exclusion Zone from six miles to 12 miles, improved its surveillance capacities, and extended the no-fishing biological reproduction period from 30 to 60 days (September 1 - October 31) each year. Initially restricted to deep-water fishing, the temporary ban was extended in 2004 to cover pelagic fishing in some zones close to shore. Despite these efforts, experts believe that Mauritanian waters are still being over-fished, with several species (octopus, squid, and cuttlefish) in decline.

Given the problems affecting its fishing sector, the Mauritanian government has signed a series of agreements granting fishing rights to the European Union fleet. The current agreement for the period 2006 – 2012, worth €516 million, permits 200 vessels from EU countries to fish in Mauritania's EEZ. In addition, vessel owners will pay the Government a total of €18 million per year for fishing licenses. Revenues from the agreements will be used in part to improve port facilities and also to develop the fishing sector. On the environmental side, the two parties agreed to reduce the quota for species that are in danger of depletion (octopus, squid, and cuttlefish) by 30% and the catch of deep water species (hake and shrimp) by 60% from 2005 levels. The catch of

pelagic resources (sardines, mackerel, and anchovy) will be subject to strict controls. Another important aspect of this agreement is the requirement for EU vessels producing pelagic resources to land their catches in Mauritanian ports. The goal is to supply more fish to the domestic market and to increase the added value of this product. The EU is currently trying to renegotiate its current agreement because EU fishing boats have not been able to meet their quotas.

The Mauritanian government has encouraged onshore fish processing to increase employment and generate added value. Mauritanian exporters began exporting frozen fish in the 1980s and added additional processing stages in the following decade. There are now about 30 small and medium-sized processors, located largely in the northern port town of Nouadhibou. Processors enjoy government support, fairly easy access to land, and inexpensive manpower. They are under pressure, however, to improve standards. Mauritania's Oceanographic and Fisheries Institute, "IMROP," which works closely with the EU and Japan, is the key agent in the enforcement of quality and sanitary controls.

Given the strategic importance of Mauritania's fishing sector, the World Bank has targeted it for private sector development and reform. The country's 2007 and 2008 macroeconomic strategy includes measures to encourage joint ventures, upgrade the local fishing fleet, and improve marine resource management and monitoring. The Mauritanian Government has also backed a number of infrastructure developments such as the Nouadhibou port extension, warehouse development, and construction of a new harbor for artisanal fishing, partially financed by Japan. The Japanese, who are the leading consumers of Mauritanian cephalopods, along with the EU and African Development Bank (AFDB), are also backing projects to improve fishing techniques, equipment, marketing, conservation, and packaging in the traditional sector. Traditional fishing produces less revenue than industrial fishing, but generates far more jobs.

### **Best Prospects/Services**

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The best prospects include:

- Modern fishing equipment
- Boat repair plants
- Fish conservation and packaging materials
- Ventures in fish processing, technology, and infrastructure

### **Opportunities**

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The fishing sector offers a variety of opportunities for U.S. sales. Many processors, eager to modernize and expand their plants, would welcome more sophisticated equipment and or investment partners from the United States. Many nationally-owned boats are old and due for replacement. New or used boats from the U.S. might find a market here. U.S. companies can also become joint owners with Mauritanian partners in fishing ventures.

### **Resources**

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Ministry of Fisheries and Maritime Economy

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Fax: (222) 525-9970  
Mr. Assane Soumare, Minister

National Fishing Association  
Tel: (222) 574-5089 or 574-5916  
Fax: (222) 574-5430  
E-mail: [fnp@toptechnology.mr](mailto:fnp@toptechnology.mr)  
Mr. Mohamed Mahmoud Sidina Sadegh, Secretary General

Fish Products Promotion Office  
Tel : (222) 529-3059  
E-mail: [dppp.mpem@mauritania.mr](mailto:dppp.mpem@mauritania.mr)

## Petroleum

### Overview

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	2006	2007	2008 (estimated)
Total Market Size	1965	1213	1284
Total Local Production	1486	733	800
Total Exports	1486	733	800
Total Imports	479	480	484
Imports from the U.S.	0	0	0

Data in thousands of tons. Monetary values not available. Statistics are unofficial estimates.

U.S. companies were the early leaders in oil exploration in Mauritania during the 1960s. However, after several unsuccessful exploration ventures, they gradually withdrew. A second wave of prospecting began in the 1990s, led by Hardman Resources of Australia. By then, more favorable government policies, new technologies, and higher world oil prices had radically changed the picture. A number of other companies including Australia's Woodside Petroleum and the U.K.'s Dana Petroleum quickly joined the consortia that formed to explore Mauritania's offshore Blocks 1 through 8. Exploratory drilling in 2001 revealed significant deposits of offshore oil, first in the Chinguetti field, then in nearby Tiof (both controlled by Woodside-led PSCs). Initial estimates of oil reserves have since been lowered. Substantial gas reserves have also been identified in Woodside's Banda and in Dana's Pelican fields, estimated at one and three trillion cubic feet, respectively.

In February 2006, Woodside began production of offshore oil in the Chinguetti field. About the same time, the Government entered into a dispute with Woodside over revenues. The dispute was settled when an intermediary stepped in and Woodside agreed to pay the Government \$100 million. In March 2006, average daily production reached 70,000 barrels of oil equivalent (boe) before declining to about 25,000 boe in December 2006. Current production stands at approximately 13,000 boe per day. This decrease in production is attributed to well failure and the complexity of the field. Woodside drilled a second well in order to return production to its initial level, but its impact was very limited. Investment costs for production wells, infrastructure, and a new round of exploratory drilling are estimated at \$950 million.

As Chinguetti production declined sharply, Woodside expressed its intention to sell its interests in Mauritania. In September 2007, the Malaysian company Petronas agreed to acquire Woodside's Mauritanian interests for \$418 million. As a result of the deal, Petronas will acquire 47% of the Chinguetti oil field as well as stakes in the Tiof and Tevet I oil fields and the Banda gas field. Petronas began full operations in Mauritania in January 2008.

In addition to Petronas, other companies are intensifying their exploration and drilling operations onshore and offshore of Mauritania. Dana Petroleum has three onshore blocks (1, 7 and 8) and has drilled two wells: Flamant-1 and Aigrette-1. While Dana

Petroleum has not located any commercially viable wells to date, it intends to expand exploration efforts in Mauritania in 2008 and 2009. The Chinese National Petroleum Corporation, the French company Total, the Germany company Wintershall, and the Spanish company Repsol have also been active in oil exploration in Mauritania.

Prospects for further growth in the offshore petroleum sector are good. In addition to exploration and drilling programs already underway, new programs are expected for 2008 and beyond. The Tiof reserves, moreover, may be anywhere from two to four times larger than those in Chinguetti. The fields could come into production in 2008, providing the Chinguetti installations with a major additional production hub. Industry sources are also fairly confident that future discoveries will make commercial production of gas a reality as well. In July 2006, Gaz de France signed an agreement with the Mauritanian government to study the possibility of commercializing Mauritania's gas reserves, including options for liquefied natural gas. Officials at the Ministry of Energy and Oil are optimistic that the Taoudeni Basin and deep water fields could hold large oil and gas deposits.

At current price levels, liquefied natural gas (LNG) production could be feasible once another 3 million cubic feet are found. There is a good chance that such resources will be found given the vast offshore tracts, some of which are four times larger than the North Sea fields. In July 2006, Wintershall AG, the leading German oil and gas company, acquired a 40% share in Dana Petroleum's Block 8. In October 2007, Naftoil Saudi Arabia and Gulf Regal Corp. signed a memorandum of understanding with the Mauritanian government to secure drilling, exploration and development rights in two blocks, one in the Taoudeni Basin and another offshore. This memorandum also includes the building of a new refinery at the port of Nouakchott. In addition, the Government received a proposal from Winfield Resources Ltd. to build and manage a new oil refinery. Negotiations with these companies are ongoing.

The Mauritanian Government continues to be very hospitable toward oil exploration. As requested by the industry, it approved key legislation establishing a simplified tax regime for the oil sector, allowing contract awards and investments to move forward on schedule. The Ministry of Oil and Mines is actively increasing its administrative and technical expertise in the hydrocarbon area through the Mauritanian Hydrocarbon Company.

### **Best Prospects/Services**

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The best prospects in this sector continue to be oil and gas research and exploration in areas not already covered, such as the southern portion of the Taoudeni Basin and deep water blocks. There may also be good prospects for companies interested in providing logistical and support services.

### **Opportunities**

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The new Mauritanian oil and gas sector offers many opportunities to foreign petroleum and gas companies. The Government is looking for experienced companies in this field to do more research and to establish joint ventures with private Mauritians as well with the government-owned Mauritanian Hydrocarbon Company.

**Ministry of Oil and Mines**

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Mr. Mohamed El Moctar Ould Mohamed El Hacen, Minister

Mr. Mohamed Lemine Cherif, Director of Hydrocarbons

**Mauritanian Hydrocarbon Company**

Tel : (222) 525-5993

Mr. Aboubekrine Ould Merwani, Director

**Mauritanian Petroleum Storage Company**

Tel: (222) 525-2646 or 525-1301

Fax: (222) 525-4608

E-mail: [mepp@mauritel.mr](mailto:mepp@mauritel.mr)

Located on the edge of the Sahara, Mauritania is 80 to 90% desert. The percentage of desert increased during the catastrophic droughts of the 1970s and periodically rises during years of poor rainfall. Nevertheless, agriculture and herding continue to play an important role in the economy, generating about 20% of GDP in 2005 and employing about 30% of the labor force.

Although self-sufficiency may be untenable in a desert country like Mauritania, agricultural development is given high priority by both the Government and donors. While much attention is focused on oasis farming, it is only viable for subsistence production and for relatively small populations. Greater hopes lie in the Senegal River Valley, where virtually all of the country's arable land is located. Government irrigation schemes, backed by an eleven year World Bank support program, include rehabilitation of a projected 11,000 hectares of cultivable land along the river. Mauritania, Senegal, and Mali are also working together through the Senegal River Valley Development Organization (OMVS), which has constructed large-scale dams in Diama (Senegal) and Manantali (Mali) for irrigation and generation of electrical power.

Irrigation and land reform laws, designed to allow both local farmers and outside investors to take advantage of irrigation projects, have encouraged expanded commercial production, especially of rice and millet, in the valley area. At the same time, recurrent drought has pushed migrant herders and their livestock towards the south, placing pressure on local farmers and creating the need for large-scale fencing projects to protect croplands from marauding herds. The Government estimates that livestock populations in 2006 were 16.3 million sheep and goats, 1.3 million cattle, and 1.3 million camels. These numbers often fluctuate following the rainy season. Mauritania has several thriving dairy companies, led by Tiviski and Top-Lait, producing fresh and long-life dairy products including milk, yogurt, and even camel cheese.

Mauritania's cereal production continues to be far from sufficient, only meeting about 20% of the population's needs. The country expects to produce 133,440 metric tons of cereals in 2007-2008, a slight increase compared to the preceding crop year. Mauritania will require nearly 370,000 metric tons of imports and aid in 2008. Mauritanian authorities are encouraging private investment in the agricultural sector to modernize production, improve the quality of cereals (mainly rice, corn and wheat), and expand irrigation, processing and exports. Many farmers are interested in acquiring modern irrigation equipment and combine-harvesters to improve production of cereals along the Senegal River Valley. American exporters of agricultural commodities, equipment, and technologies, and importers of specialty farm and dairy products, should explore opportunities in this sector.

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## Chapter 5: Trade Regulations and Standards

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### **Import Tariffs**

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In spite of relatively high tariffs, import demand is growing. The import tax is usually based on the local market value of the item, rather than the price listed on the commercial invoice. Customs officials use a list showing import taxes and duties for various items. Tariffs vary according to the importance attributed to the particular commodity (between zero and 35%, for instance, for "essential" goods). Foreign investors frequently complain of corruption and complexity in customs procedures.

### **Trade Barriers**

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Since the economic and trade liberalization of the early 1990s, trade barriers have been rendered obsolete. Non-tariff barriers include delays in clearing products through customs at the port.

### **Import Requirements and Documentation**

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The documents generally required from Mauritanian importers include the commercial invoice, the bill of lading or certificate of origin, and the certificate of inspection given by the Société Générale de Surveillance (SGS). The commercial invoice should contain the name and address of the buyer and seller, the place and date the invoice was prepared, the method of shipment, the quantity, description, and price of the goods, and delivery and payment terms. Large payments are usually made by irrevocable and confirmed letters of credit or by direct bank transfer. Cash payments are also frequently used for smaller purchases.

Importers require pre-shipment inspection and quality control. The certificate of inspection should accompany imported goods.

### **U.S. Export Controls**

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There are no restrictions on U.S. exports to Mauritania for non-prohibited goods. Prospective exporters should consult with the U.S. Department of Commerce to learn if the products that they would like to export require an export license.

### **Temporary Entry**

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Personal effects, including professional equipment, that are carried by hand or in luggage may be temporarily imported into Mauritania free of duties and taxes under the Customs Convention on Temporary Importation of Professional Equipment. Goods imported for exhibitions may enter under an ATA carnet, which may be obtained from the U.S. Council of the International Chamber of Commerce.

### **Labeling and Marking Requirements**

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Product literature and labeling should be in Arabic and/or in Latin characters. The labeling should indicate the production and expiration dates, the country of origin, as well as the nature, composition, and quantity of the product in the packaging or container. The Direction of External Trade Promotion at the Ministry of Commerce and the Chamber of Commerce may provide additional information on labeling and marking requirements.

### **Prohibited and Restricted Imports**

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In accordance with Islamic strictures, Mauritians are prohibited from importing alcoholic drinks and pork. Imports of firearms and sexually explicit material are also prohibited.

### **Customs Regulations and Contact Information**

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All imported goods, except those previously exempted by law, are subject to import duties. Import duties are generally calculated according to the goods' original invoice price (CIF value). When the buyer does not present the original invoice, the Customs Service evaluates the market value of the product and applies the appropriate rate. Imported goods must be declared at Customs after landing, and the SGS inspects the nature, price, composition, and quantity, and compares them with those reported in the original invoice.

Mauritania's membership in the World Trade Organization (WTO) and the EU/Africa Caribbean Pacific (EU/ACP) Lomé Pact has supplied some momentum to its trade liberalization policies. However, Mauritania is one of several developing countries benefiting from a ten-year exemption in the application of WTO requirements. Customs procedures are extremely complicated and discouraging for importers who are not familiar with the Mauritanian system. However, the new Government is taking measures to alleviate these procedures to facilitate the clearance of products through customs. The customs offices have now been computerized, reducing to some extent the administrative complexities and time required.

Customs contact information:

Customs Office  
B.P. 198  
Nouakchott, Mauritanie  
Tel: (222) 525-1404 or 525-6302  
Fax: (222) 525-5615 or 525-6304  
Colonel Dah Ould Hamady Ould Mamy, General Manager

## Standards

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## Overview

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Mauritania is in a transitional stage with respect to the application of WTO regulations and standards. Since the elimination of import-export licenses, most imports do not require preliminary authorization. However, the Government still plans to create an agency to regulate the import and export of some products considered to be sensitive, such as live animals, sugar, rice, pharmaceuticals, arms, narcotics, and explosives. Mauritania requires pre-shipment inspection of goods costing more than \$5,000. These goods are inspected again at the port by the Société Générale de Surveillance. The Government intends to extend the role of the SGS to other standards controls. The Government also plans to establish a foodstuffs control and fraud repression laboratory.

## Standards Organizations

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Mauritania does not yet have a standards system or quality control agency, although one is being planned at the Ministry of Commerce and Industry. Unofficially, major importers (SNIM, for example) use French or American security and sanitary norms to evaluate goods.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## **Conformity Assessment**

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There are no testing laboratories for imported goods. However, the SGS inspects the conformity of the goods (nature, composition, quantity, and price) with the purchase documents (commercial invoice and bill of lading).

## **Product Certification**

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There are no requirements for product certification.

## **Accreditation**

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Accreditation bodies for trade regulation and standards monitoring are very limited. To date, there is only the Swiss-based SGS, accredited in Mauritania to inspect imports at the port of Nouakchott, particularly food and pharmaceutical products.

## **Publication of Technical Regulations**

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Proposed changes to technical regulations are usually not published. However, all final regulations are published in the national gazette, the "Journal Officiel de la République Islamique de Mauritanie," and copies are distributed to relevant government agencies.

## **Labeling and Marking**

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Product literature and labeling should be in Arabic and/or in Latin characters. The labeling should indicate the production and expiration dates, the country of origin, as well as the nature, composition, and quantity of the product in the packaging or container.

## **Contacts**

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The government agencies that develop trade and investment standards are:

Ministry of Commerce and Industry  
Direction of Promotion of Foreign Commerce  
B.P. 182  
Nouakchott, Mauritanie  
Tel: (222) 525-3572  
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Ministry of Economy and Finance  
Delegation for Private Sector Development  
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Nouakchott, Mauritanie  
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Mr. Dieng Mika, Director  
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## Trade Agreements

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Mauritania has bilateral trade and investment agreements and protection with member countries of the Arab Maghreb Union (Algeria, Libya, Morocco and Tunisia) as well as with Saudi Arabia, France, Belgium, and Romania. In addition, Mauritania is a signatory to the Cotonou Agreement between the European Union (EU) and the group of African, Caribbean and Pacific (ACP) countries, and thus enjoys free access to the EU market. As a least-developed country, Mauritania benefits from duty-free access to the European market under the Everything-But-Arms initiative. Since 1987, the Government has signed four fisheries agreements with the European Union, the most recent is covering the period August 2006 - July 2012.

## Web Resources

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[www.pêches.gov.mr](http://www.pêches.gov.mr)

[www.welcomeeurope.com](http://www.welcomeeurope.com)

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## Chapter 6: Investment Climate

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### **Openness to Foreign Investment**

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The newly elected Government of Mauritania, in office since May 2007, is continuing the efforts of the transitional government to encourage foreign direct investment and economic liberalization. The Government's investment and development policy emphasizes private sector development, which is seen as the main engine of economic growth. Privatization, liberalization, and investment incentives figure prominently in Mauritania's World Bank and IMF structural reform programs. In line with these ongoing programs, the former Government privatized several parastatals in the late 1990's, encouraging foreign investors to purchase shares. The new Government has followed the same strategy, recently signing a memorandum of understanding between the national mining company SNIM and ArcelorMittal to jointly develop new iron ore mines.

In 1998 the Government established the Consolidated Office for Investments (Guichet Unique) to simplify and facilitate applications for investment licenses, administrative formalities and procedures, business permits, and work permits for foreign nationals. In 2006 the Government reorganized the Guichet Unique to promote both foreign investment and private sector development. The former president, Colonel Vall, launched the Presidential Council for Investment in Mauritania (PCIM) in January 2007. The aim of the PCIM is to promote investment opportunities, identify investment barriers and incentives to investment, and evaluate relevant recommendations relating to the administrative procedures and institutional rules aimed at attracting more foreign investors.

The Investment Code is the principal source for laws and information related to the country's investment regime. It is designed to encourage direct investment, facilitate administrative procedures, and enhance investment security. The following are legal

guarantees in the Investment Code for any entity, Mauritanian or foreign, wishing to invest in Mauritania:

- Freedom of establishment and capital investment, in accordance with the laws and regulations in place (Art. 3.1)
- Freedom to transfer foreign capital (Art. 5.1)
- The ability to transfer professional income of foreign employees (Art. 5.2)
- The equal treatment of Mauritanian and foreign individuals and legal entities (Art. 6)

The Investment Code applies to all sectors of the economy, with the exception of the following sub-sectors, which are governed by laws and regulations specific to those sectors:

- Purchasing for resale on the local market without further processing
- Activities governed by the country's banking laws, except for leasing activities
- Activities governed by insurance regulations
- Activities in the mining and petroleum sectors
- Communications and telecommunications
- Water and electricity supply

The Government proposed a new Investment Code in November 2007 in hopes of attracting greater foreign investment. The code has not yet been approved by Parliament. The proposed law contains several new measures, including tax and duty free importation of equipment and materials, tax exonerations and reduced tax rates on industrial profits, raw materials, and products to be exported, and provides government land to investors.

Contracts are protected by the Civil and Commercial Codes, although court enforcement and dispute settlement can be difficult to obtain. To address this problem, the Government conducted several training sessions for judges and prosecutors in 2006 and 2007 in an effort to improve and professionalize the judicial system.

With the exception of fishing boats, where foreign investment is limited to a 49% share, Mauritania has no discriminatory policies against foreign investment, imports, or exports. However, the revised Investment Code proposes lifting the 49% limit on foreign investment in fishing boats. The mining, fishing, agricultural, banking, petroleum, and tourism sectors actively seek foreign direct investment

Foreign investors generally receive the same treatment as Mauritanian investors, subject to the provisions of treaties and agreements concluded by the Government of Mauritania and other countries (Art. 6.1, 6.2 and 6.3 of the Investment Code). Foreign investors have the same access as Mauritanians to courts of law (Art. 7.1 and 7.2). Nonetheless, the success of foreign investors often depends in large part on their successful collaboration with local partners who understand the local market and government.

The Government of Mauritania practices mandatory screening of foreign investment. Screening mechanisms are routine and non-discriminatory. It is done through the Guichet Unique for all sectors except the petroleum and mining sectors. To invest in Mauritania, investors are required to first obtain an Investment Certificate. Investors can obtain the certificate by presenting their proposal and all required documents to the Guichet Unique. The Guichet Unique then selects and recommends investment projects to the Council of Ministers. In general, the Council of Ministers approves all projects recommended to it. In 2006, the Government approved 13 industrial projects from all

economic sectors, excluding mining and petroleum, worth approximately 7.2 billion ouguiyas (USD 26.5 million). Investors interested in the petroleum and mining sectors normally go directly through the Ministry of Oil and Mines. Suppliers for large government contracts are selected through a tender process. After issuing an invitation for tenders, the Central Market Commission (Commission Centrale des Marches) selects the offer that best fulfills government requirements.

There are no laws or regulations specifically authorizing private firms to adopt articles of incorporation or association which limit or prohibit foreign investment, participation, or control. There are no other practices by private firms to restrict foreign investment.

Foreign direct investment in Mauritania has been increasing since 2002. The largest investments have been in the petroleum and mining sectors. Woodside Petroleum Ltd. of Australia became the first oil producer in Mauritania in 2006. Production began at 70,000 barrels per day, but quickly dropped to less than 20,000 barrels per day due to technical problems in the oil field. After disappointing results, Woodside sold its Mauritanian interest to PETRONAS in October 2007. In the mining sector, investors have been interested in iron ore, gold, diamonds, copper, gypsum, and uranium. There have also been significant investments in the telecommunications sector. European investment delegations made several trips to Mauritania in 2007 to explore potential investment opportunities in all sectors of the economy. The Government has been continuing to promote investment in Mauritania by proposing a new Investment Code and by lowering taxes on profits in the 2008 budget. However, investment in Mauritania is often hampered by the lack of skilled labor and infrastructure, notably water, electricity, and transportation.

## **Conversion and Transfer Policies**

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There are no legal or policy restrictions on converting or transferring funds associated with investments. Investors are guaranteed the free transfer of convertible currencies at the legal market rate, subject to the availability of such currencies. Similarly, foreigners working in Mauritania are guaranteed the prompt transfer of their professional salaries (Art. 5.2). To transfer funds, investors are required to open a foreign exchange bank account in Mauritania. Transfers from abroad are limited to 100,000 euros per transaction, but investors may conclude an unlimited number of transfers each day. There are no transaction limits for investors transferring money out of Mauritania.

The local currency, the ouguiya, is freely convertible within Mauritania, but its exportation is not legally authorized. Hard currencies can be easily found either in commercial banks or in parallel markets. The exchange rate gap between the two markets has closed considerably since 2006, from nearly 12 ouguiyas in January 2006 to less than 5 ouguiyas in January 2008. This has been due primarily to efforts to liberalize the foreign exchange system. The Central Bank now holds regular foreign exchange auctions, allowing market forces to fix the value of the ouguiya. Individuals and companies may easily obtain hard currencies through their banks for the payment of purchases or the repatriation of dividends, as long as these transactions are legally justified. If the bank has hard currency available, there is no delay in effect for remitting investment returns. If the bank does not have sufficient hard currency available, it must obtain it from the Central Bank in order to conduct the transfer. This could result in a delay of one to three



weeks. There are no legal parallel markets in Mauritania which would allow investors to remit investments through other means.

## **Expropriation and Compensation**

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The Investment Code ensures that if the Government expropriates private property, it will provide appropriate and prompt compensation, exempt from duties and taxes (Art. 4 and 5.1.c). There are no recent cases of expropriation in Mauritania. Only one government expropriation has occurred since independence: the takeover of the French mining company MIFERMA in November 1974. Compensation was paid by mutual agreement between the two parties. In 2003, the Mauritanian government annulled a major contract with a British company for petroleum supplies and management of storage and refining facilities in Nouadhibou. In this case, the two parties negotiated a mutually agreed upon settlement and the Government provided compensation to the British company.

## **Dispute Settlement**

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The only recent investment dispute between the Government of Mauritania and a foreign investor occurred in 2006 with Woodside Petroleum Ltd. In 2003, Woodside signed four production sharing contracts (PSC) with President Taya's government. The transitional government took power following the August 2005 coup. In February 2006, it began a dispute with Woodside over four amendments to the original PSC involving oil revenues and environmental issues. An international arbiter was brought in and the dispute was settled when Woodside agreed to cancel the four amendments, pay USD 100 million, and set up an environmental fund.

Disputes between individuals or legal entities and the Government related to the Investment Code are settled by an arbitration procedure to which both parties have agreed and is in accordance with the following agreements (Art. 7.2 of the Investment Code):

- The 1965 Convention on the Settlement of Disputes Related to Investments Between States and Nationals of Other States, also known as the Washington Convention
- The 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards

-- Other agreements and treaties that have been concluded between the Government of Mauritania and the state of the concerned individual or legal entity and which address the protection of investments

There is no specific legislation providing for enforcement under the New York Convention or for the enforcement of ICSID awards.

Absent other arrangements between the parties, an ad-hoc arbitration court will be set up in accordance with the rules of arbitration of the United Nations Commission on International Trade Law (Art. 7.2.c. of the Investment Code). Official mechanisms for enforcing property and contractual rights are Ordinance no. 89-126, creating the Contracts and Obligations Code; Law no. 99-035, creating the Civil, Commercial and Administrative Procedure Code; and Law no. 2000-06, creating the Arbitration Code.

Judgments of foreign courts are accepted by the local courts, but enforcement is limited. The country has a Commercial Code and related civil laws, but application and enforcement remain limited. While the Government has taken important steps to provide training to judges and lawyers in 2006 and 2007 to professionalize the system, settling a dispute through the courts remains a long and complicated process. The country does have bankruptcy laws, although there are very few reported cases of these laws being applied. The Government accepts binding international arbitration of investment disputes between foreign investors and government authorities. In addition, there are domestic mechanisms for arbitration, both through traditional religious institutions and through the courts.

## **Performance Requirements and Incentives**

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Mauritania is in a transitional stage with respect to application of its WTO commitments. The Government offers tax benefits, including exemptions in some instances, to enterprises in the priority sectors listed in its Investment Code. In the case of imported "dumped" goods, deemed to be competing unfairly with a priority enterprise, the Government will respond to industry requests for tariff surcharges, thus providing some potential protection from competition.

There are no performance requirements beyond those that might be indicated in individual investment agreements and no requirements for local financing. There are some rules governing the %age of host country nationals employed, but the Government is flexible on this point. Industrial fishing crews are encouraged to have five Mauritanian crewmembers per vessel, but it is not a requirement. Foreign firms are encouraged to participate in government-financed research and development programs.

Investment incentives such as free land, deferred and reduced taxes, and tax-free importation of materials and equipment are available to foreign investors. The Investment Code outlines certain investment incentives, but foreign investors may negotiate others with the Government. Performance requirements are not normally imposed as a condition for establishing, maintaining or expanding the investment, or for access to tax and investment incentives unless indicated in an individual investment agreement. Under the Investment Code, investors are required to purchase from local sources if the good or service is available locally and is of the same quality as could be purchased abroad. There is no requirement for investors to export a certain %age of output or only have access to foreign exchange in relation to their exports.

There is no requirement that nationals own shares in foreign investments except in the fishing sector. Currently, Mauritanian law requires that nationals own at least 51 % of each fishing boat. However, the revised Investment Code proposes eliminating this requirement. There are no requirements pertaining to technology transfer. There are no discriminatory or excessively onerous visa, residence, or work permit requirements inhibiting foreign investors' mobility.

## **Right to Private Ownership and Establishment**

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The Government of Mauritania guarantees any individual or legal entity wishing to undertake business activities in the country the freedom of establishment in accordance with the laws and regulations in force (Art. 3.1). Private entities may freely establish and own business enterprises and engage in all forms of remunerative activity. There is a right of private entities to freely establish, acquire, and dispose of interests in business enterprises. Privatization and liberalization programs have also helped put private enterprises on an equal footing with respect to access to markets and credit.

## **Protection of Property Rights**

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Property rights are protected under the Mauritanian Civil Code, which is modeled on the French Code. However, biased application of the law by the Mauritanian judicial system has been a problem for some local companies. In practice, it can be difficult to gain redress for grievances through the courts. Mortgages exist and are extended by the commercial banks. There is a well-developed property registration system for land and real estate.

Mauritania is a member of the Multilateral Investment Guarantee Agency (MIGA) and the African Organization of Intellectual Property (OAPI). In joining the latter, member states agree to honor intellectual property rights principles and to establish uniform procedures of implementation for the following international agreements: the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Hague Convention for the Registration of Designs and Industrial Models, the Lisbon Convention for the Protection and International Registration of Original Trade Names, the World Intellectual Property Organization, the Washington Treaty on Patents, and the Vienna Treaty on the Registration of Trade Names. Mauritania signed and ratified the WTO TRIPS (Trade Role on Intellectual Property and Service) agreement in 1994, but it has yet to implement it. The government also signed and ratified the WIPO (World Intellectual Property Organization) treaties in 1976.

## **Transparency of Regulatory System**

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Privatization and liberalization have been underway since 1994. In the process, the Government has adopted laws that discourage anti-competitive practices and that authorize the creation of consumer interest groups. The Law of Competition provides transparent policies to foster competition and establish rules. In 1999, the Government created a regulatory authority that is charged with overseeing the privatization process and ensuring that transparent policies and laws are used to foster competition through the bidding process. There is no a law or policy in force that impedes foreign investment in Mauritania. Private sector associations exist, but their laws and regulations do not discriminate against foreign investment.

The Government established the Consolidated Office for Investments (Guichet Unique) in 1997 in order to streamline bureaucratic procedures for investment. As a result, transparency has increased and bureaucratic procedures have been reduced. Nevertheless, complicated bureaucratic procedures and unnecessary red tape that take time and money remain a problem. In addition, there continues to be a lack of transparency in legal, regulatory, and accounting systems, and they do not meet international norms. There are no informal regulatory processes managed by nongovernmental organizations or private sector associations. Proposed laws and regulations are published in draft form for public comment before being sent to Parliament.

On February 22, 2006, the Government of Mauritania officially accepted the Extractive Industries Transparency Initiative (EITI), which is designed to increase transparency in the use of revenues from the mining and petroleum industries. An international auditing firm monitors revenues under EITI and the Government has published the 2005 and 2006 reports on its website for the public to view.

## **Efficient Capital Markets and Portfolio Investment**

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In principle, government policies encourage the free flow of financial resources and do not place restrictions on access by foreign investors. Most foreign investors, however, prefer external financing, due to the high interest rates and procedural complexities that prevail locally. Credit is often difficult to obtain, and dependent on special relationships with bank owners and officials.

The Government began addressing many of these problems in 2004 by restructuring the banking system and implementing computerized systems. In December 2006, the Council of Ministers approved measures to guarantee the autonomy of the Central Bank and gave it greater means to ensure the stability of the financial system. The Central Bank is now also subject to an outside audit in addition to its own internal audit. The Governor of the Bank is held responsible by the Government for the annual balance sheet. In 2007, the Government implemented a new banking law designed to increase competition, facilitate access to credit, and ensure bank liquidity. The law requires bank managers to be separated from bank owners and limits the %age of loans that a bank can make to related parties. In addition, the Government approved licenses for two new banks, BNP Paribas and Societe Generale.

Reforms in the banking sector have reduced the number of steps required to invest in Mauritania, but the process can still be time consuming. Deficiencies continue to persist in the enforcement of laws and regulations. Nevertheless, the banking system in Mauritania is generally sound. One bank, BACIM, encountered recent financial difficulties, but the Central Bank intervened to stabilize the situation. Capital assets of the largest banks are estimated at about \$7 million.

There is no stock market or other public trading of shares in Mauritanian companies. Individual proprietors, family groups, and partnerships generally hold companies. They cannot be freely bought into by outsiders, and portfolio investment is accordingly quite limited.

In August 2005, a coup d'etat overthrew the government in place. The self-appointed "Military Council for Justice and Democracy" (CMJD) dissolved the parliament and appointed a transitional government. The coup d'etat did not provoke any incidents of violence and normal economic activity resumed the following day. The return to civilian rule began in June 2006 with a constitutional referendum to limit presidential power, which was overwhelmingly supported by Mauritanian voters. Legislative and municipal elections were held in November 2006 and senatorial elections in January 2007. Following presidential elections in March 2007, Mauritania completed its return to civilian rule in May 2007 when the democratically elected government took power. All of these elections were considered free and fair by the international community and local political parties.

In October and November 2007, youth throughout Mauritania led street protests over the rising prices of basic commodities. During the protests they threw rocks and burned tires and buildings. Police responded with tear gas, and in one incident killed two protestors. The situation in Mauritania has been calm since the Government took action to reduce commodity prices in late November.

On December 24, 2007, terrorists connected to the group Al Qaeda in the Islamic Maghreb (AQIM) and shot and killed four French tourists and wounded a fifth. The incident took place near the town of Aleg in southeastern Mauritania. On December 26, 2007, terrorists connected to AQIM attacked and killed four Mauritanian soldiers operating a checkpoint in northern Mauritania near the town of El Ghallaouiya.

Mauritania continues to maintain good relations with the neighboring countries of Senegal, Mali, and Morocco.

Corrupt practices are widely believed to exist at all levels of Mauritanian government and society. Wealthy business groups and government officials reportedly receive frequent favors from authorities, such as unauthorized exemption from taxes, special grants of land, and favorable treatment during bidding on government projects. Mauritanian and non-Mauritanian employees at every level and in every organization are believed to flout Mauritanian tax laws and filing requirements. The only exceptions are civil servants, whose income taxes are automatically deducted from their pay. Such widespread corruption has deprived the Government of a significant source of revenue, weakening its capacity to provide necessary services.

In the past, anti-corruption measures existed, but they were not effectively enforced. Although the new government has subscribed to a broad good governance program, giving or accepting bribes is still not considered a criminal act under current Mauritanian law. The government launched an anti-corruption campaign in December 2007, but its effect cannot yet be measured. It also passed a new law requiring all high-ranking

government employees to publicly declare their assets. In addition, it has proposed a new anti-corruption law. However, Parliament has not yet passed this law.

Mauritania acceded to the UN Anticorruption Convention on October 25, 2006. Mauritania is not a signatory to the OECD Convention on Combating Bribery. Corruption is most pervasive in government procurement, bank loans, fishing license attribution, land distribution, and tax payments. The Ministry of Justice and the State Inspector General are responsible for combating corruption.

There is no systematic annual auditing of government accounts. However, the Government has rectified previously misreported financial data and completed other transparency measures, such as publishing quarterly financial statements on a government website ([www.tresor.mr](http://www.tresor.mr)). The only international organization for transparency that operates in Mauritania is the Swiss-based Societe Generale de Surveillance (SGS), which is confined to the inspection of imports.

## **Bilateral Investment Agreements**

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Mauritania has bilateral investment agreements and investment protection with member countries of the Arab Maghreb Union (Algeria, Libya, Morocco, and Tunisia) as well as with Saudi Arabia, France, Belgium, and Romania (para 15). Other agreements exist with Burkina Faso, Cameroon, Gambia, Ghana, Mauritius, Italy, Lebanon, Qatar, Yemen, Korea, the Arab League, Egypt, and the OPEP Fund. Negotiations are underway for investment treaties with South Africa and Malaysia. Mauritania has no bilateral investment or taxation treaties with the United States.

In addition, Mauritania is a signatory to the Cotonou Agreement between the European Union (EU) and the group of African, Caribbean and Pacific (ACP) countries, and thus enjoys free access to the EU market. As a least-developed country, Mauritania also benefits from duty-free access to the European market under the Everything-But-Arms initiative. Since 1987, the Government has signed four fishery agreements with the European Union, the most recent covering the period August 2006 - July 2012.

## **OPIC and Other Investment Insurance Programs**

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Mauritania currently qualifies for OPIC coverage, but its program is very limited. Potential investors should contact OPIC directly for guidance. A British-Mauritanian insurance company -- Atlantic Londongate -- offers broad commercial coverage. Mauritania is a member of the Multilateral Investment Guarantee Agency (MIGA), which protects foreign direct investment against political risk. The estimated annual U.S. dollar value of local currency used by the Embassy is USD 9.7 million. The Embassy purchases local currency at an official rate of 261 ouguiya per dollar. The ouguiya has been fairly stable, although the exchange recently changed from 271 to 261 ouguiya per dollar.

## **Labor**

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There is a shortage of skilled workers and well-trained technical and managerial personnel in most sectors of the economy. As a result, there are few sectors of the economy that use advanced technologies because the skilled labor required to operate them is not readily available. The mining sector is an exception, where the national mining company SNIM provides advanced training for its employees. Professional training centers exist in several major cities of the country. Companies and government agencies can enroll employees in them to receive training.

Mauritania's population is quite young, with 64 % of its citizens under the age of 25. The Government estimates that unemployment for males over 18 runs as high as 33 %. When Woodside Petroleum began producing oil in 2006, there were unrealistically high expectations for employment. Large numbers of young people from Mauritania and neighboring countries came to Nouakchott in hopes of finding work in the petroleum sector, but many of the anticipated jobs never materialized. The new Government has taken steps to reduce unemployment. It created the National Agency for the Promotion of the Employment of Young Adults in order to help new graduates find their first job. In 2006, this agency accepted over 15,000 applications.

Labor – management relations are generally good in Mauritania and there are few strikes by workers. Mauritania is a signatory to the ILO Conventions protecting worker rights. In October 2004, the Government updated the Labor Code to conform to ILO Conventions 138 and 182. It organized a forum on labor laws and worked with UNICEF on a survey of child labor in two major cities, Nouakchott and Kiffa. In November 2005, the U.S. Department of Labor organized a forum on basic worker rights and distributed copies of the newly approved Labor Code.

## **Foreign-Trade Zones/Free Ports**

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There are no duty-free import zones in Mauritania. However, the current Investment Code introduced a Duty-Free Points Regime (Regime des Points Francs) to encourage exports. The following are eligible for the Duty-Free Points Regime (Art. 8):

- Production activities and provision of services intended exclusively for exportation.
- Activities intended indirectly for exportation through the complete and exclusive sale of goods or services to enterprises, which export directly. The Duty-Free Points consist of facilities where such activities are carried out. They are placed under the control of the Customs Administration (Art 8.2). Companies whose activities fall under the Duty-Free Point Regime are exempt from export duties and taxes (Art. 9). The new Investment Code proposes duty free imports for certain goods and services.

## **Foreign Direct Investment Statistics**

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Current data on foreign direct investment is not available, except as it relates to the new petroleum and telecommunications sectors. Mauritania is reported to have received about USD 1.4 billion in foreign direct investment between 2003 and 2006. Exploration and exploitation of petroleum deposits and other minerals, including iron and gold, as

well as telecommunications (GSM licenses) and construction were major areas of investment in 2006 and 2007. Mauritanian direct investment abroad is minimal and the Government does not keep statistics.

Foreign private investors in Mauritania include the following:

<b>LOCAL AFFILIATE</b>	<b>FOREIGN PARENT</b>	<b>NATIONALITY</b>
AGS	AGS France	France
CGA	N/A	Japan
Grands Domaines de Mauritanie	N/A	France
Mercure Hotel	Accor Group	France
NOVOTEL Hotel	Accor Group	France
ORYX-Mauritanie	ADDAX & Oryx	Switzerland
SIPECO	Ifafood	France
MAFCI	N/A	France
SODIAP	Potarg	Ireland
Famo-Mauritanie	N/A	Switzerland
Rex Diamond Belgique	Rex Diamond	Belgium
M.C.P.	CNF	China
DHL	DHL	Germany
Mattel	Tunisie Telecom	Tunisia
Mauritel Mobiles	Maroc Telecom	Morocco
TOTAL-Mauritanie	TOTAL Oil	France
SMP Atlas	Atlas	Morocco
Grands Moulins de Mauritanie	ACODIS	France
NAFTEC	NAFTAL	Algeria
PETRONAS	PETRONAS	Malaysia
Dana Petroleum	Dana Petroleum	Scotland
Maersk	Maersk	Denmark
B.H.P.	B.H.P. Minerals	Australia
SOGECO	SAGA Group	France
UPS	UPS	U.S.A.
CODIMEX	TOYOTA	Japan
S.G.S.- Mauritanie	SGS	Switzerland
Sinergie	Sinergie-Belgique	Belgium
Thani Investment	Thani Investment	UAE
Dia Met Minerals	Dia Met Minerals	South Africa
Schenker	Schenker	Germany
Wintershall	Wintershall	Germany
Ashton West Africa	Rio Tinto	United Kingdom
Sphere Investments	Sphere Investments	Australia
Mauritanian Copper Mines	First Quantum	Canada
Tasiast Mauritanie	Defiance Mining	Canada
Banque Internationale	Societe General	France
D'Investissement	des Banques	
BNP-Paribas Mauritanie	BNP-Paribas	France
Repsol_Mauritanie	Repsol	Spain
Wadi Al Rawda	Wadi Al Rawda	UAE
CNPC International	CNPC	China
Mauritania Ltd.		
Premier Oil	Premier Oil	United Kingdom



Sterling Energy  
Chinguitel  
Burns Trading  
Nanton International  
EL Aouj, S.A.  
Peaks Metals  
Triton SNB Mines, Ltd.  
Medis Belgium

Sterling Energy  
Sudatel  
Burns Trading  
Nanton International  
Sphere Investment  
Peaks Metals  
Triton SNB Mines  
Medis Belgium

United Kingdom  
Sudan  
Australia  
Spain  
Australia  
Qatar  
Australia  
Belgium

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## Chapter 7: Trade and Project Financing

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### How Do I Get Paid (Methods of Payment)

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Most Mauritanian importers finance their transactions through irrevocable and confirmed letters of credit issued by local banks or through bank to bank transfers. Payments through documentary collections are also used. Some Mauritanian importers hold bank accounts abroad (France, Spain, Switzerland, or other Arab countries), allowing them to pay for their goods without involving local banks. Since the exchange system was liberalized, most small-scale imports are now paid for in cash and the foreign exchange is then converted in exchange offices or the parallel market. There are no credit-rating or collection agencies in Mauritania.

### How Does the Banking System Operate

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With only 10 commercial banks and three credit agencies, Mauritania's financial sector remains underdeveloped. However, the system has progressed since 2006. The banking sector was originally modeled on the French system. It has now been restructured and privatized and the Government sold its equity stake in the commercial banks and insurance companies. Consequently, banks have considerably increased their capital and instituted stricter management controls. They have also begun to receive more customer deposits and to make more rational credit decisions. The Central Bank remains the banking regulatory agency. It controls interest rates, sets commercial bank reserve requirements, and is charged with financial and credit management. The Deputy Governor is the president of the Banking Commission and is in charge of banking system controls.

The banks' financial statements are in compliance with international standards and are audited annually by local accounting firms. In practice, the major shareholders of banks tend to hold a large share of the loans, foreign currency, and other banking resources for their own private affairs, often to the exclusion of others. In response, the Government encourages the creation of popular savings and loan institutions to diversify the financial sector and to provide opportunities for people with small accounts. Foreign investors are encouraged to obtain loans and financing outside of Mauritania. Société Générale is the only private bank that grants loans, often with significant restrictions. BNP PARIBAS opened its first branch in Mauritania in November 2007, but it has not yet started granting loans. Qatar National Bank recently received approval to open a branch in Mauritania, offering commercial and Islamic banking services. In addition, two Moroccan banks are applying for opening branches in Mauritania.

## Foreign-Exchange Controls

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There are no formal restrictions on transfers of profits or repatriation of capital, royalties, or service fees, provided that the investments were authorized and transfers made through approved banks or exchange offices. The authority to buy and sell foreign exchange has been delegated to the commercial banks and exchange offices. They normally carry out transactions upon presentation of the appropriate documentation, such as invoices for imports and customs documents. The Government is still working to combat the parallel market for foreign currency, where the exchange often differs by two to five ouguiya per dollar from the official market rate, according to the category of the bills and the amount. This disparity has been declining since September 2005 when it differed by 20 ouguiya per dollar.

## U.S. Banks and Local Correspondent Banks

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There are no U.S. banks in Mauritania. However, almost all commercial banks have correspondence with U.S. banks. The following local commercial banks work with U.S. banks:

### BNP PARIBAS Mauritanie

Tel : (222) 529-6374

Fax : (222) 529-6440

Website : [www.mauritanie.bnpparibas.com](http://www.mauritanie.bnpparibas.com)

Deals with several U.S. banks around the world and has branches in San Francisco, Los Angeles, and New York

### Société Générale de Mauritanie

Tel: (222) 529-7000

Fax : (222) 524-5300

Website: [www.socgen.com](http://www.socgen.com)

Deals with several U.S. banks located in Europe, Africa, and South America.

### Banque Mauritanienne pour le Commerce International (BMCI)

B.P. 622

Nouakchott, Mauritanie

Tel: (222) 525-4349, 525-4350, or 525-4351

Fax: (222) 525-2045

Mr. Moulaye Abass, President

U.S. correspondent: American Express Bank

### Banque Nationale de Mauritanie (BNM)

B.P. 614

Nouakchott, Mauritanie

Tel: (222) 525-2602 or 525-2707

Fax: (222) 525-33-97

Mr. Mohamed Ould Noueigued, President

U.S. correspondent: Bank of America

Banque Al Baraka Mauritanienne Islamique (BAMIS)  
B.P. 650  
Nouakchott, Mauritanie  
Tel: (222) 525-1424 or 525-2266  
Fax: (222) 525-1621  
Mr. Mohamed Ould Taya, General Manager  
U.S. correspondent: Arab-American Bank of New York

Générale de Banque de Mauritanie (G.B.M.)  
B.P. 5558  
Nouakchott, Mauritanie  
Tel: (222) 525-3636  
Fax: (222) 525-4647  
Mr. Mohamed Ould Bouamatou, President  
U.S. correspondent: Citibank

Banque pour le Commerce et l'Industrie (B.C.I.)  
Avenue Gamal Abdel Nasser, no.120  
Nouakchott, Mauritanie  
Tel: (222) 529-2876  
Fax: (222) 529-2877  
Mr. Isselmou Ould Tajidine, President  
U.S. correspondent: Citibank

## **Project Financing**

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Multilateral development banks (World Bank, African Development Bank, Islamic Development Bank) provide strong support for projects focused on health, education, infrastructure development, and drinking water supply. Projects financed for 2007 and 2008 include urban development projects and infrastructure (road construction and repair, school and health unit construction, government facilities renovation), drinking water supply, and environmental protection. In addition, aid from the European Union, United States, Japan, and Germany finance important projects related to drinking water supply and rural development programs. The Government continues to seek foreign aid to finance its investment projects for the period 2008-2010.

## **Web Resources**

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

World Bank: [www.worldbank.org](http://www.worldbank.org)

IMF: [www.imf.org](http://www.imf.org)

African Development Bank: [www.afdb.org/](http://www.afdb.org/)

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### **Business Customs**

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The most important characteristic of Mauritanian business practices is courtesy. A handshake is customary upon initiating and closing a business meeting. Occasionally, one may encounter a conservative who will not shake hands with a person of the opposite sex, so it is preferable to wait for a cue from him or her. A polite Mauritanian will ask you several times, possibly in different ways, how you are. Business encounters normally begin with a significant period of small talk before actual business begins.

Rank and protocol are important to Mauritians, and they often (mistakenly or not) believe that they need to work directly with a CEO to make business happen. Business discussions in hotel conference rooms are appreciated. Mauritians in general are very hospitable; they often offer a dinner of mechoui (grilled lamb) to their business partners and visitors, and would expect to be treated similarly when they are in the United States. Meals are never shared on a "Dutch treat" basis. Mauritania is a Muslim country and the consumption of alcohol and pork is forbidden for Mauritians. Giving and receiving gifts is a common Mauritanian tradition. It is an honor for Mauritians to give a gift to their guests as a souvenir of the country. Business cards are appreciated by many Mauritians who have traveled abroad or deal with foreign companies or institutions.

### **Travel Advisory**

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Groups believed to be associated with the terrorist organization Al Qaeda in the Islamic Maghreb (AQIM) carried out three attacks in Mauritania in late 2007 and early 2008. As a result of the attacks, the U.S. Embassy recommends that American citizens defer non-essential travel outside of urban areas. If traveling outside of urban areas, American citizens should travel in groups of two vehicles or more. Visitors should consult the Department of State's web site at <http://travel.state.gov> for the latest general and country-specific travel information. Visitors are also encouraged to register with the consular section of the U.S. Embassy.

## Visa Requirements

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Visas are required for all U.S. citizens seeking to travel to Mauritania. Applications should be sent to the Mauritanian Embassy in Washington, DC:

2129 Leroy Place, NW  
Washington, DC 20008  
Tel: (202) 232-5700

U.S. companies that require the travel of foreign businesspersons to the United States should be advised that security clearances are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy in Mauritania: <http://www.mauritania.usembassy.gov>

## Telecommunications

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The telecommunications system has undergone considerable modernization and expansion in recent years. Following an initial liberalization beginning in 1999, Mauritania's telecommunications sector now consists of four companies:

- Mauritel S.A., the original national telephone company, now majority-owned by Maroc Telecom, which retains a monopoly over land lines and international calls
- Mauritel Mobile, a Mauritanian-Moroccan joint venture, provides GSM mobile phone services
- Mattel, a Mauritanian-Tunisian joint venture, provides GSM mobile phone services
- Chinguitel, a newly created Mauritanian-Sudanese joint venture, provides GSM mobile phone services

Liberalization and the introduction of mobile phones in Mauritania have permitted dramatic improvements in quality and coverage as they have elsewhere in Africa. Teledensity rose from 0.5 to 20 per 100 people between 1999 and 2006 thanks to the rapid growth of GSM mobile subscribers. The mobile phone companies also service several localities outside of Nouakchott. Since 2006, GSM services have become available in more remote areas of the country, but network problems still exist.

Mauritel S.A., along with Top Technology, is the main Internet service provider. Its internet network (thanks in part to technology supplied in 1995 by Harris Corporation of the U.S.) extends to the 12 regional capitals, with international links via France Telecom, Maroc Telecom and Germany's Intelsat. In urban areas, both demand and access fees for internet access are high, and the capacity of the few local ISPs is stretched to the limit.

Mauritanian companies are actively seeking U.S. partners to take advantage of the opportunities generated by new information and communications technologies.

## Transportation

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### **Air transportation infrastructure:**

Nominally, Mauritania has four international airports, but only Nouakchott serves a wide spectrum of destinations. The Nouadibou airport is linked only to Las Palmas, while the airport in Atar receives only seasonal tourist charter flights from Europe. The airport in Nema, also a potential tourist destination, is not currently open to international flights. Secondary airports were upgraded in 2005 and 2006 and there is a plan to build a new international airport in Nouakchott, where the existing terminal poses safety and security concerns.

The following airlines serve Mauritania: Mauritania Airways, Air France, Royal Air Maroc, Tunis Air, Air Senegal, Binter Canarias, and Air Algérie.

### **Road conditions:**

The number and condition of roads leaves much to be desired, particularly in the interior of the country. The country's size and climatic conditions make maintenance and travel particularly difficult. In 2006, the total road network was estimated at 11,000 km, of which only 4,500 km were paved. There is also a 670 km railway for the transport of SNIM's iron ore from Zouérate to the port of Nouadibou. All other goods are distributed in country by trucks or planes. The road density is about 1.2 km per 100 km<sup>2</sup>, compared to 3 km for ECOWAS countries and almost 5 km for Sub-Saharan Africa as a whole. The government agency in charge of road maintenance and repair tries to protect roads from sand invasion.

### **Maritime transportation:**

Mauritania has two major seaports. The Chinese-built deep-water port in Nouakchott, completed in 1986, has a capacity of about 1.5 million metric tons a year. It is the country's main commercial port and receives about 90% of the country's imported goods. It frequently receives ships from Europe, Asia, and occasionally the United States. There is no regular shipping service to the U.S., however, and this is a major impediment to the growth of U.S.-Mauritania trade. Maersk Lines does have fairly rapid service to the U.S., although goods must be transited via Algeciras (Spain), Las Palmas, or Dakar.

Mauritania's second major seaport, located in the north in the country's "economic capital" of Nouadibou, contains a number of specialized wharfs, two of which are dedicated to traditional and industrial fishing, one to regular commerce, one to petroleum, and another to SNIM's massive iron exports. In 2003, Mauritania received €45 million from the European Development Fund to upgrade and extend SNIM's minerals wharf, which is vital to the Mauritanian economy. SNIM's wharf now has the capacity to receive the biggest ships to carry its iron to Europe. The petroleum port includes major storage facilities devoted to offloading petroleum products destined for the iron and fishing industries. The Government plans to build a fourth deepwater quay at the main commercial port that would accommodate ships with up to 12-meter drafts.



There are also plans to remove the more than 100 abandoned boats that litter the Nouadibou harbor and vicinity. The EU is likely to finance this project

## Language

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Arabic is the official language, but international business beyond the Arab world is often conducted in French. Product literature should be in French, and, if possible, Arabic. The other national languages -- Pulaar, Soninké, and Wolof -- are widely spoken in the southern and central regions of the country. Few people in Mauritania speak English.

## Health

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There are six overcrowded government hospitals and about 22 private clinics in Nouakchott and Nouadibou. Some clinics provide Western-standard health services. Telephone numbers for the hospitals and private clinics are available at the U.S. Embassy. Medicines are sold over the counter in small drugstores in Nouakchott and Nouadibou. Health concerns include malaria, diarrhea, hepatitis, meningitis, typhoid fever, yellow fever, intestinal parasites, schistosomiasis, rabies, tuberculosis, and AIDS. A yellow fever immunization is required and record of immunization for cholera may also be required for entry. Recommended Immunizations include hepatitis A and B, tetanus and diphtheria (Td), polio, and typhoid. Children should be up to date on all immunizations recommended for their age group.

## Local Time, Business Hours, and Holidays

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### Local Time:

Mauritania is on Greenwich Mean Time (GMT) and does not observe Daylight Savings.

### Business Hours:

Businesses operate from Sunday to Thursday. Official business hours in Mauritania are 8:00 am to 4:00 pm, though many people get a late start. Walk-in hours at banks are 8:00 am to 1:00 pm. The exchange offices are open all day long from 8:00 am to 7:00 pm, and many private shops and services are open until late into the night.

### Holidays:

The 2008 official Mauritanian holidays and other days on which Government offices and private establishments are closed are the following:

<b>Jan 1</b>	<b>Tue</b>	New Year's Day
<b>Jan 9</b>	<b>Wed</b>	<i>1<sup>er</sup> Muharram (Muslim New Year)</i>
<b>Mar 20</b>	<b>Thu</b>	<i>Id el-Mawlund (Prophet's Birthday)</i>
<b>May 1</b>	<b>Thu</b>	<i>Fête du Travail (Labor Day)</i>
<b>May 25</b>	<b>Sun</b>	<i>Journée de l'Afrique (Africa Day)</i>
<b>Oct 2</b>	<b>Thu</b>	<i>Id el-Fitr (End of Ramadan)</i>
<b>Nov 28</b>	<b>Fri</b>	<i>Fête Nationale Mauritanienne</i>
<b>Dec 9</b>	<b>Tue</b>	<i>Id el-Adha (Tabaski)</i>

Holidays in *italic* are local holidays and are based on the lunar calendar. They may vary slightly from the dates published and may change from year to year. Such holidays may also last two days, particularly Id El-Fitr and Tabaski.

### **Temporary Entry of Materials and Personal Belongings**

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Personal effects, including professional equipment, that are carried by hand or in luggage may be temporarily imported into Mauritania free of duties and taxes under the Customs Convention on Temporary Importation of Professional Equipment. Goods imported for exhibitions may enter under an ATA carnet, which may be obtained from the U.S. Council of the International Chamber of Commerce.

### **Web Resources**

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For general information on Mauritania: [www.Mauritania.mr](http://www.Mauritania.mr)

For communications: [www.mauritel.mr](http://www.mauritel.mr)

For maritime transportation:

[www.maersk.com](http://www.maersk.com)

[www.sogecosa.com](http://www.sogecosa.com)

[www.mtm.mr](http://www.mtm.mr)

[www.nordanausa.com](http://www.nordanausa.com)

[www.nordana.com](http://www.nordana.com)

[www.teissirshipping.com](http://www.teissirshipping.com)

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## Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

### Contacts

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Delegation for the Promotion of Private Investment  
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Mr. Mohamedou Ould Mohamed Mahmoud, President

Ministry of Economy and Finance  
Customs Office  
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Nouakchott, Mauritanie  
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Ministry of Mines and Oil  
Direction of Mines and Geology  
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Mr. Seyid Ould Abdellahi, Secretary General

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Mr. Ahmed Ould Hamza, President

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Mr. Mohamed Mahmoud Sidina Sadegh, Secretary General

## **Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/westafrica>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.