

Sierra Leone

Considerable progress has been made since Sierra Leone ended a decade of civil war. Now, major opportunities are available for U.S. firms as the country rebuilds.

STABILITY AND GOOD GOVERNANCE BOOST INVESTOR CONFIDENCE

The challenge of reconstructing a country shattered by a protracted civil war is a daunting one, but the advances made by President Ahmad Tejan Kabbah and the government of Sierra Leone have been remarkable.

The achievements of the last two years include the completion of the disarmament and demobilization of ex-combatants, the restoration of government authority across the country, the resettlement of internally displaced persons and refugees, and the revival of economic growth.

The assistance of the international community has been crucial to the restoration

of peace and security. The task now is to heal the wounds of war, rehabilitate and extend the infrastructure, and set the country on the path of economic development.

Sierra Leone has huge potential as a profitable destination for investment in agriculture, fisheries, telecommunications, tourism, and, most notably, mining; the country is endowed with renowned resources of diamonds, gold, bauxite, and the titanium ore, rutile.

The ongoing return of companies such as Sierra Rutile Limited (SRL), formerly the largest private sector employer and one of the government's most important sources of revenue, should serve to further increase investor confidence in Sierra Leone's future.



AHMAD TEJAN KABBAH
President of Sierra Leone



Confidence in political stability was boosted last year when President Kabbah was re-elected for a second five-year term, winning 70% of the vote in the UN-assisted general election. His Sierra Leone People's Party (SLPP) secured 83 of the 112 contested parliamentary seats.

The government boasts a successful record of economic performance over the past two years, characterized by strict fiscal and monetary discipline,

Sierra Leone is rebuilding a peaceful and stable environment in which all citizens can benefit from its substantial resources

growth rates of 7%, exceptionally low inflation, a relatively stable exchange rate, and a commitment to structural reform. Anti-corruption measures instituted by President Kabbah have won international praise.

The government is committed to liberalization in most sectors of the economy through privatization, and a new investment

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code is aimed at creating an investment-friendly environment. "It is our responsibility to ensure that investors in our country have a real return on investment and plan to stay here for the long term," says the President.

Decentralization and social inclusion are regarded as guarantors of a sustainable peace. "It makes a lot of sense to enhance local participation, so that the people understand what is going on at a national level," President Kabbah declares. "We want them to feel part of the whole development process."

Help from United States continues

The United States, which has pumped millions of dollars into the country in food and humanitarian aid, training, rehabilitation, and assistance in the diamond sector, has declared its intention to remain fully engaged in Sierra Leone and to contribute to the country's economic and social development over the coming years.

In addition to trade agreements with the European Union, Sierra Leone is fully eligible to receive benefits under the African Growth and Opportunity Act (AGOA), which provides duty-free access to U.S. markets for African countries that meet its criteria.

Minister of Information and Broadcasting Septimus M. Kaikai says, "Thanks to the recent AGOA agreement, products from Sierra Leone will now find access to the United States, which is a very significant step forward for our economy. We

The challenge is to produce goods for export suitable both for U.S. and European markets

have a high potential for exports of food products."

According to Professor Kaikai, the government hopes to enhance the relationship and is pleased with the growing role the United States is playing in the West African region.

Chris Jasabe, Managing Director of the Sierra Leone Export Development & Investment Corporation (SLEDIC), says the challenge is to produce the type and quality of goods required both for U.S. and European markets.



CHRIS JASABE
Managing Director
of SLEDIC

"What we have done is to diversify, move away from the traditional product lines to develop new products that will be attractive to U.S. consumers. We are particularly focusing on the textile sector. We have opportunities to produce garments in this country, and we are very good in the production of dye materials."

Mr. Jasabe points out that as a destination for investment Sierra Leone has an abundance of skilled manpower and benefits from outstanding natural resources, including a huge area of arable land and easy access to water.

Membership of the Economic Community of West African States (ECOWAS) gives companies based in Sierra Leone access to a huge market. "Those who invest in our country have direct access to 15 other countries in the region," says President Kabbah. "Sierra Leone has a population of just over five million, but Nigeria represents a market of 120 million."



BOOST FOR BANKS AS THE ECONOMY PICKS UP

Central Bank Governor says liberalization is the only way to achieve sustainable growth

The establishment of peace and security has led to the rebuilding of the financial sector. Bank branches forced to close by the conflict are being reopened both in the capital, Freetown, and the provinces.

J.D. Rogers, the Governor of the Central Bank, attributes the revival of the sector to the resilience of the people, the enterprise of business operators, and the support of the financial institutions. "Since the end of the war, there has been increased business activity leading to buoyancy in the economy, which has led to a rise in the demand for foreign exchange."

Deposit rates have risen to mobilize sav-

ings, while prime lending rates have been reduced to encourage private sector borrowing.

A regulatory framework has been established by the Bank of Sierra Leone Act and the Banking Act of 2000, and the Other Financial Services Act of 2001, which provide the ground rules for the operation of the banks and other financial institutions.

The assets and profitability of the six commercial banks have grown, with the govern-

ment-owned Sierra Leone Commercial Bank and government-controlled Rokel Commercial Bank dominating the sector. The sole international bank is Standard Chartered, which has been present in the country since the colonial days. Some of the banks have introduced automatic teller machines (ATMs).

"We need to make sure that we reduce the interest rate on loans to a level that increases the demand for money, especially for investment by the commercial sector,"

says Dr. Rogers. "However, we must keep the balance so as not to increase the volume of money in the economy to an unsustainably high level and fan inflation."

One of the key elements of the Bank of Sierra Leone Act is its guarantee of the independence and autonomy of the Central Bank. "This has enabled the bank to pursue the objectives of monetary policy in an environment that enables it to optimize the achievement of its goals," states the Governor.

Dr. Rogers backs the government's moves to open up the economy to market forces, which he sees as the only path to growth. "Within the financial sector liberalization will encourage the banks and other financial institutions to become more imaginative and ambitious, diversify their products and services, and extend their geographical reach. It will also mean opening our doors to other participants in the sector."



J.D. ROGERS
Governor of the
Central Bank of
Sierra Leone

AN INFORMED SOCIETY

In a country that is committed to democracy, and especially one that has been divided by civil war, it is essential that people have the information they need to make decisions.

"We believe that accountability and transparency are the cornerstones of democracy," says Minister of Information and Broadcasting Septimus M. Kaikai.

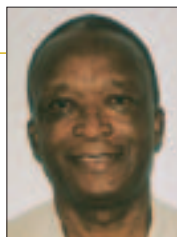
His ministry plays a crucial role in providing information on the activities of the government. Professor Kaikai affirms its mission is "to educate, inform and entertain" the Sierra Leonean public. "We want to make information available to the people as fast and efficiently as possible," he declares.

Providing information to local communities is in line with the govern-

ment's commitment to decentralization. Provincial areas are being kept in touch with events thanks to an increase in the number of community radio stations.

"We have extended radio services to significant areas in the country," says the Minister. "Outside of Freetown, we have a community radio station in Makeni in the north, another at Bo in the south, and in all the districts in the east."

Recently, in collaboration with the Sierra Leone Broadcasting Service (SLBS/TV), the ministry acquired a modern outdoor mobile broadcasting



SEPTIMUS M. KAIKAI
Minister of
Information and
Broadcasting

unit and new sets of audio-visual equipment. This will provide residents of remote villages and towns with news and other forms of information previously accessible mainly to owners of radio, television, and satellite sets in Freetown and the other major towns.

Simultaneously, the ministry is working to project a positive image of Sierra Leone outside the country. Government websites are being developed and information prepared for potential investors.

"We want them to know what has been achieved in the last few years," explains Professor Kaikai.

State-run firms line up for privatization

The process of privatizing state-owned enterprises is under way, but still in its early stages, as the National Commission for Privatization (NCP) assesses the assets of each of the public companies to be sold off, with the help of foreign consultants. This will be completed by 2005, when foreign and local investors will be invited to take part in the bidding.

More than 20 state-run enterprises are lined up for sale, including some of Sierra Leone's largest parastatals. They include the Sierra Leone Telecommunication Company (SierraTel), the National Power Authority (NPA), Sierra National Airlines (SNA), the Sierra Leone Ports Authority (SLPA), Sierra Leone Roads Authority (SLRA), Sierra Leone Housing Corporation (SALHOC), and the State Lottery.



KADI SESAY
Minister
of Trade and
Industry



**ABDUL RAHMAN
TURAY** Commissioner
at the National
Commission
for Privatization

All of these companies have a lot of potential and, with a change of mentality, could make money."

The government has been working on a new Investment Code to encourage investors to come to Sierra Leone.

"We are trying to make this country an attractive destination for investors from all over the world," declares Minister of Trade and Industry Kadi Sesay.

"We are now firmly on the path of liberalization, and the Investment Code will guarantee the safety of any investment from nationalization."

The government wants to encourage investment across Sierra Leone. "We want investors to look outside the capital and invest in other parts of the country," the Minister says.

A special Mineral Investment Code has been created to attract foreign investors to the mining sector. Minister of Mineral Resources Alhaji M.S. Deen says the country's mineral reserves are largely unexplored. "The terms we provide are attractive enough to encourage American companies."

INFRASTRUCTURE THE DRIVE IS ON TO BUILD ROADS AND HOMES

Minister urges foreign companies to become involved in reconstruction

The social evolution of the country depends on re-establishing the basic infrastructure of roads and housing. Approximately 4,500 miles of roads need to be constructed, while more than 350,000 homes are required just to return to the level of housing that existed before the civil conflict.

The responsibility for this mammoth task rests with the Ministry of Works, Housing, and

Technical Maintenance, headed by James C. Boima. Dr. Boima points out that advances in poverty alleviation, food security, education, and health care all depend on road construction, as does development of the agriculture and mining sectors.

"We have rehabilitated roads around the



Thousands of miles of roads need to be built to advance economic and social development

provinces so that people can get access to agricultural areas in accordance with the food security program," says the Minister.

The involvement of international donors is crucial, and Dr. Boima says foreign investors should take advantage of the opportunities on offer. He would like to see U.S. firms getting



JAMES C. BOIMA
Minister of Works,
Housing, and
Technical
Maintenance

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involved. "Other countries have already shown interest, and these are areas where U.S. companies could come in."

Approximately 98% of all internal traffic, including transportation of agricultural products to the urban areas and that of imported items to the rural areas, is carried out by road.

El-Hadj I. M. Kebbay, Director General of the Sierra Leone Roads Authority (SLRA) says, "Every sector of the economy can be developed once the whole country is accessible by road."

The SLRA is maximizing the use of private contractors for road maintenance. "We are training a lot of people in maintenance, especially on feeder roads," says Mr. Kebbay. "We create jobs by encouraging contractors to employ locally, and it gives the people a sense that the road belongs to them."



EL-HADJ. I. M. KEBBAY
Director General of Sierra Leone Roads Authority

Investment needed for transportation take-off

While the road network remains the dominant means of moving goods and people around internally, development of external transportation links and telecommunications is also vital to economic development.

Here, too, there are opportunities for U.S. investment. Prince Alex Harding, Minister of Transport and Communications, says, "There are many areas in transport and telecommunications that are open to investment. Now is the time for U.S. companies to come."



PRINCE ALEX HARDING
Minister of Transport and Communications

The international airport at Lungi, near Freetown, is ideally located as the nearest African airport to Europe on the route to South Africa. Major restoration work has been carried out by Sierra Leone Airports Authority (SLAA), assisted by the World Bank, and the African Development Bank. D. C. O. Bull, SLAA's General Manager, is



Regular flights have been re-established by Sierra Leone National Airlines

anticipating the arrival of 50,000 tourists a year within the next two years, as the country rebuilds its reputation as an idyllic beach destination. "We have plans to extend the airport and build a state-of-the-art terminal," he explains.

A. D. A. M'Cormack, Managing Director of Sierra National Airlines (SNA), says the operational stability the company has achieved provides the basis for expansion. "We have had regular flights in and out of the country since last year, and have been able to enhance the reliability of the services we offer." Already the easiest connection to Europe, there are plans to further develop connections to European destinations and the United States.

Maritime activity is also increasing, thanks to recent investments by the Ports Authority, and the potential offered by AGOA and the trade agreement with the European Union. Sierra Leone boasts one of the largest natural harbors in the world. "We want to ex-



A. D. A. M'CORMACK
Managing Director of Sierra National Airlines



D. C. O. BULL
General Manager of Sierra Airports Authority



Plans are being made by Sierra Leone Airports Authority to develop facilities at Lungi

pand the marine areas and encourage companies to invest in the maritime sector," says Minister Prince Harding.

The telecommunications sector has been booming during last two years. Liberalization has led to the entrance of two private investors, Celtel and Millicom International, in the cell phone sector, both of which have secured rapid growth. The national telecom company, Sierratel, also plans to enter the cell phone market.

POTENTIAL FOR FOOD EXPORTS

Substantial agricultural and fisheries resources are waiting to be exploited

Sierra Leone has substantial resources that could be used both to feed its people and for export, and one of the most important tasks the country faces is that of revitalizing agricultural production and fisheries.

International donors are assisting government efforts to increase food and cash crop production by introducing mechanized and commercial farming, and upgrading the skills of small farmers.

At present, only 20% of the land has been exploited for agricultural purposes. Two-thirds of the population are engaged in subsistence farming, but agriculture accounts for less than 50% of national income. Imports

SIERRA LEONE ROADS AUTHORITY

The ROAD to SUCCESS

The Sierra Leone Roads Authority is successfully constructing a reliable and effective road network across the country, thus paving the way to a strong and expanding economy. The Roads Authority would like to invite interested parties to take advantage of this premier investment opportunity and move with them into the future.

SIERRA LEONE ROADS AUTHORITY
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of food commodities like rice and vegetable oil are essential—at a cost of millions of dollars a year.

“Our main objectives are agricultural intensification and diversification outside the traditional crops, such as coffee, cocoa, and oil palms,” says Sama S. Mondeh, Minister of Agriculture and Food Security. Production of cashew, cassava, and ground nuts is being developed.

The government is working toward a five-year Medium Term Agriculture Strategy Plan. “The total expenditure for this program will be US\$207 million over five years, but it will save us US\$120 million per year,” says the Minister. “Conservatively, we should be able to make between US\$400 million and half a billion per year from agriculture, if the investment is done in a robust way.”

New trucks have been ordered to transport agricultural produce, and improvements are being made to the roads. With U.S. support, the standard of the produce is being raised to internationally acceptable levels for export.

SETTING COURSE FOR EXPORT SUCCESS

Bassem J. Mohamed’s dream is for his company, Sierra Fishing, to get back to the golden era of the 1980s when it was the largest fishing enterprise in West Africa. The company engaged in joint ventures with firms from the Soviet Union and Saudi Arabia, operated up to 200 vessels, and exported all over the world. Then came the war, and it was virtually destroyed.

“We restarted three years ago and are trying to get back to where we were,” says Mr. Bassem, Sierra Fishing’s Managing Director, whose father founded the firm in 1976. “It took a lot of persuasion to get people to work with us, but a Korean company helped. Slowly we have been picking ourselves up.”

Today Sierra Fishing is a medium-sized company with nine vessels—seven for fresh fish and two for shrimps. It has built ice plants, established a local distribution network that extends all over the country, and started exporting by air. Recently it signed



OKERE A. ADAMS
Minister of
Fisheries and
Marine Resources

The Ministry of Fisheries and Marine Resources is fostering international cooperation and partnerships with fishing companies from Egypt, Spain, China, and Russia.

The Minister, Okere A. Adams, says, “We are encouraging foreign companies to come and fish, and we can accommodate up to 150 vessels. Before the war we had many more.”

Mr. Adams believes that the amount of fish caught can be increased from 65,000 tons to 200,000 tons over five years. “I am very confident because other countries, unlike Sierra Leone, are over-fished. We have the fish but no boats, while they have the boats but no fish, so we can compliment each other.”

He would like to attract U.S. vessels to Sierra Leone’s waters. “There is an American vessel fishing tuna, and we would like more American involvement.”



Sierra Fishing has been rebuilding its fleet and restarting exports. Now it is raising standards and seeking new markets

an agreement with a Senegalese company to export fresh fish.

“Americans prefer shrimps and the Japanese market is very complicated, but we are working on it,” says Mr. Bassem. “We are looking at Europe, since it represents a wide market. Unfortunately, there is an EU ban on fish products from Sierra Leone, so we have to go through a third country to do our export.”

“We are working on rectifying this and are putting in a new plant to raise our standards to European levels.”

Ultimately, Mr. Bassem hopes to restore the brand name and international reputation the company used to enjoy. “We have quality products and will meet the required standards very soon.”

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Excelling in aquatic resource management

The Ministry of Fisheries and Marine Resources is responsible for the management and control of Sierra Leone’s fisheries and over 200 miles of untapped waters and natural marine resources, whilst managing environmental protection, fisheries legislation, and other marine-related industries.

Sierra Leone’s fisheries sector is one of the biggest contributors to the country’s economy. The Ministry aims to build on this success by investing in the development of the country’s marine infrastructure and substantially increasing annual fish production from the current level of 65,000 tons to some 200,000 tons by 2007. There are also plans to develop the small-scale local fishing sector and to create more secure employment for the people of Sierra Leone.

Ministry of Fisheries and Marine Resources
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LEADING THE FLEET IN SIERRA LEONE

With the largest fishing grounds for shrimp in West Africa and a multitude of diverse fish species, Sierra Leone is blessed with rich and deep marine resources. The Sierra Fishing Company is helping the fisheries sector take advantage of these opportunities and make a substantial contribution to the national economy.

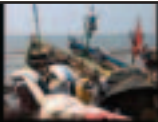
The Sierra Fishing Company has utilized the services of project coordinators, fishing company operations specialists, vessel surveyors, refrigeration engineers and accountants to create a business plan to maximize the exploitation of the nation’s fish and shrimp resources and protect the fisheries from unlicensed fishing. Modernization and a vision for the future is also helping the Sierra Fishing Company meet the new challenges of well-organized deep-sea fishing and fish farming.

We offer the following services: agency and bunkering services, fish purchase from agents, and assistance in obtaining licenses and arranging fees.

Our facilities include: cold rooms (1500 metric tons), 75 meters of jetty, 50 metric tons/day capacity ice block plant, fresh fish export, frozen fish/shrimps/cephalopods, 30 metric tons blast freezing facility, 550 metric tons dry dock, and facilities for packaging fisheries products.

SIERRA FISHING COMPANY LIMITED

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