



SIERRA LEONE

Country Trade Profile

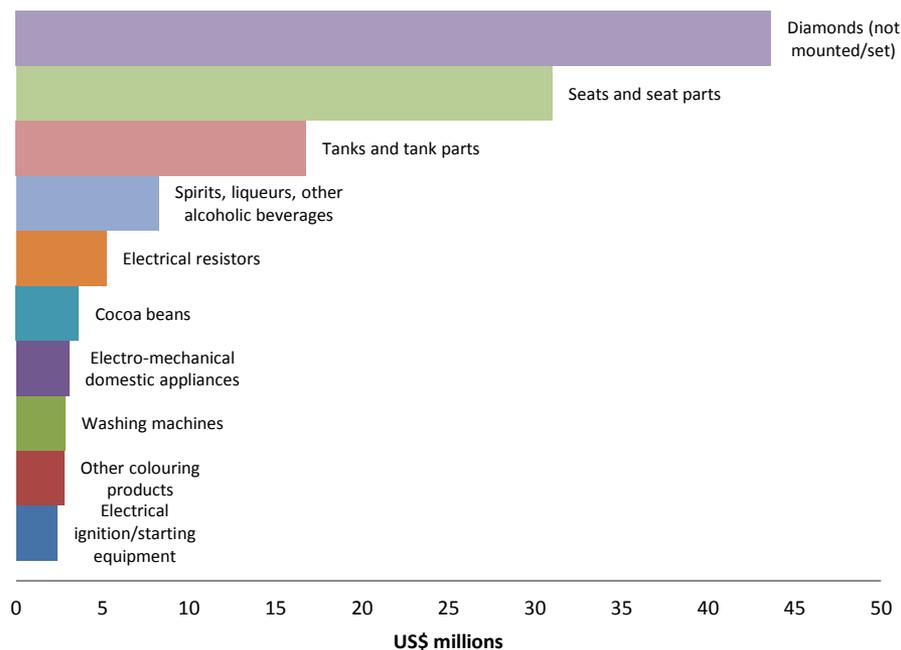
The Basics

| In 2012... | SIERRA LEONE | SENEGAL | LEAST DEVELOPED COUNTRIES (LDCs) |
|---|--------------|---------|----------------------------------|
| Population (millions) | 6.0 | 13.7 | 878.2 |
| GDP (US\$ billions) | 3.8 | 14.0 | 704.5 |
| Exports of goods and services (US\$ billions) | 1.10 | 3.41 | 206.7 |
| Imports of goods and services (US\$ billions) | 1.51 | 5.94 | 276.8 |
| Trade as a % of GDP | 68.8 | 66.6 | 64.4 |
| Simple average MFN applied tariff (%) | 11.9 | 11.9 | 11.4 |

Sources: [World Development Indicators](#), [UNCTAD Stat](#), [WTO World Tariff Profiles 2013](#)

Top 10 exports

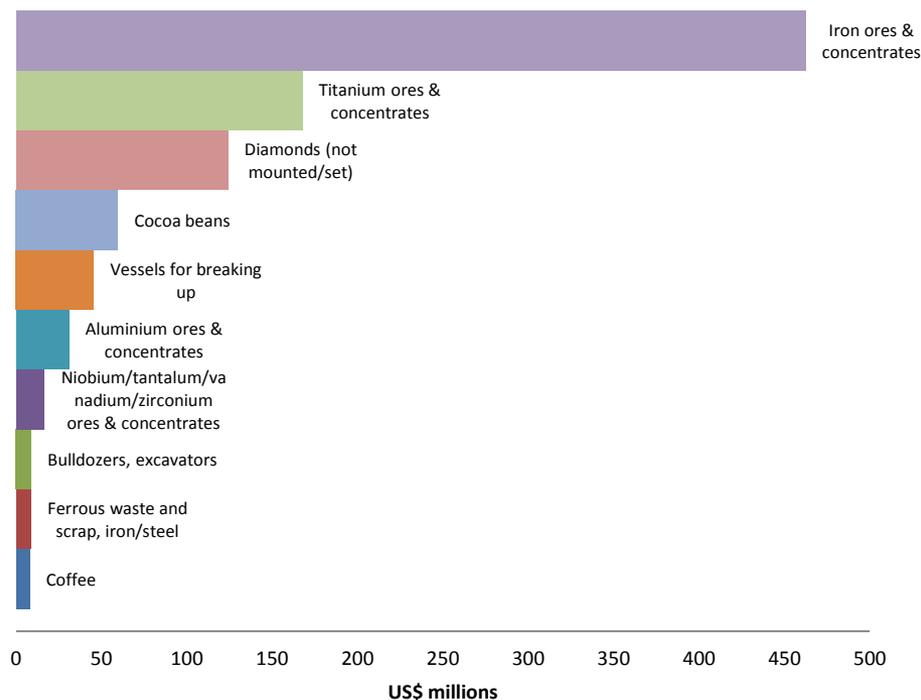
Top 10 exports in 2002



As seen from the graph below, most of Sierra Leone's key export products in 2012 (at the HS 4-digit level) were raw materials, such as **minerals** or **agricultural goods**.

Sierra Leone's export basket is highly concentrated in a relatively small number of products – in 2012, iron ore alone made up 45% of exports, and the top 3 export products (below) made up 73% of exports. Exports in 2012 were *less* diversified than in 2002, when the top 10 products (left) made up 72% of total exports.

Top 10 exports in 2012



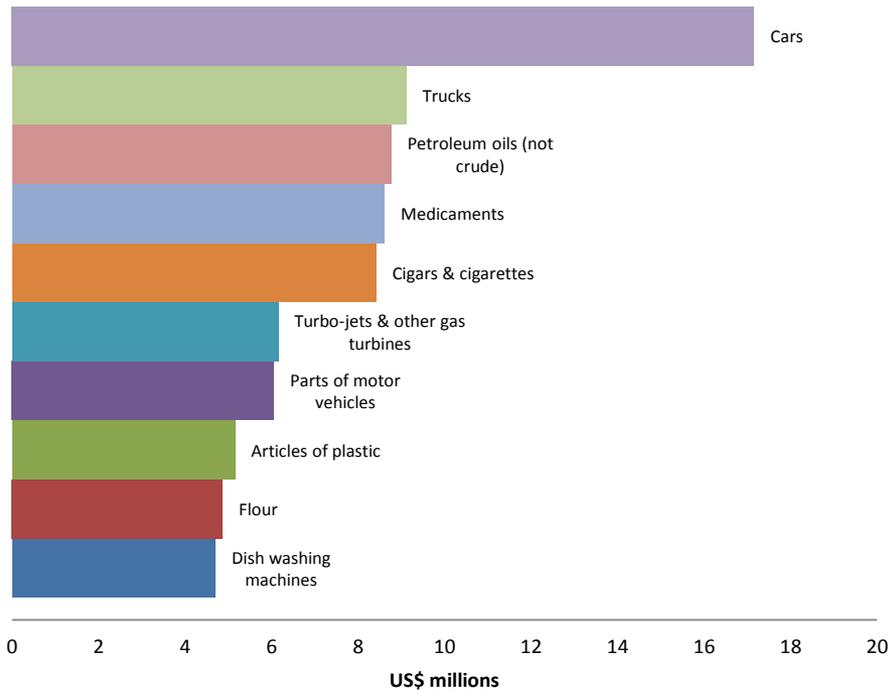
Comparing Sierra Leone's top 10 export products in 2002 (above) and in 2012 (right) is **complicated by the lack of high-quality data available**. Using existing data, it can be seen that key exports have changed over the last decade, with minerals emerging as key products only recently.

In terms of total exports of goods, Sierra Leone has seen impressive growth, from \$167 million in 2002 to \$1.03 billion in 2012.

Exports of goods as a percentage of GDP grew from 13.5% in 2002 to 27.2% in 2012.

Top 10 imports

Top 10 imports in 2002



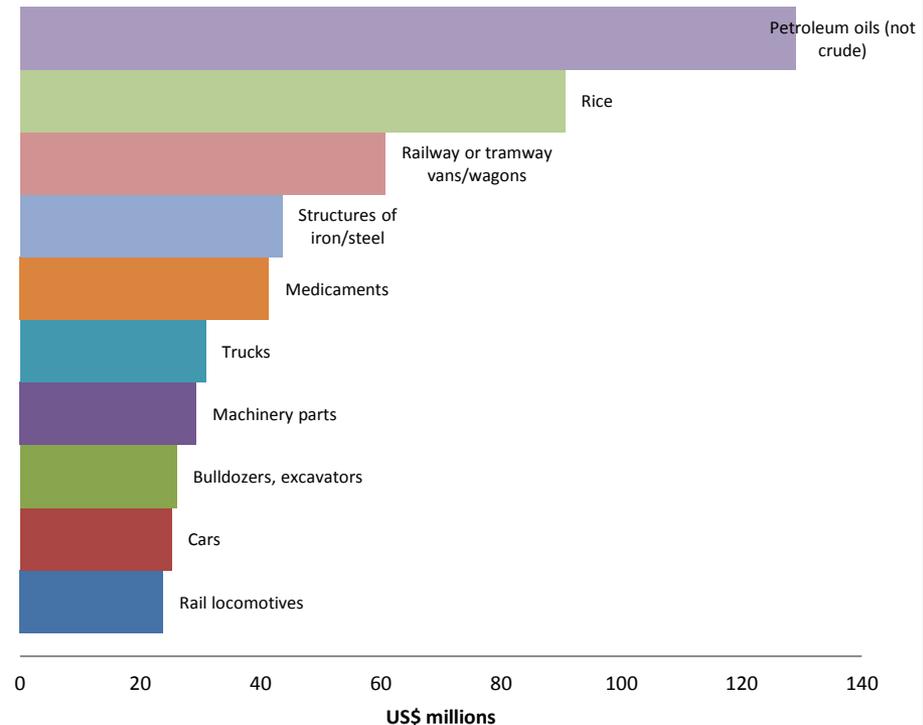
Again, **bearing in mind data weaknesses**, Sierra Leone's top 10 import products in 2002 (above) and in 2012 (right) were significantly different, with only 4 products (petroleum, medicines, trucks, cars) making it into both lists. This partly reflects the recent change in economic structure towards mineral production.

Sierra Leone's total import spending on goods has increased significantly over the last decade, rising from \$407 million in 2002 to \$1.5 billion in 2012. Imports of goods as a percentage of GDP grew from 32.9% in 2002 to 39.6% in 2012.

Data sources: [Trademap \(using mirror data\)](#), [World Development Indicators](#)

As commonly seen across the world, Sierra Leone's top import product in 2012 was petroleum. At least half of the remaining top 10 import products in 2012 (at the HS 4-digit level) were inputs for industrial (mainly mineral) production, with various other consumer goods (rice, medicines, cars) making up the rest of the top 10 (see below).

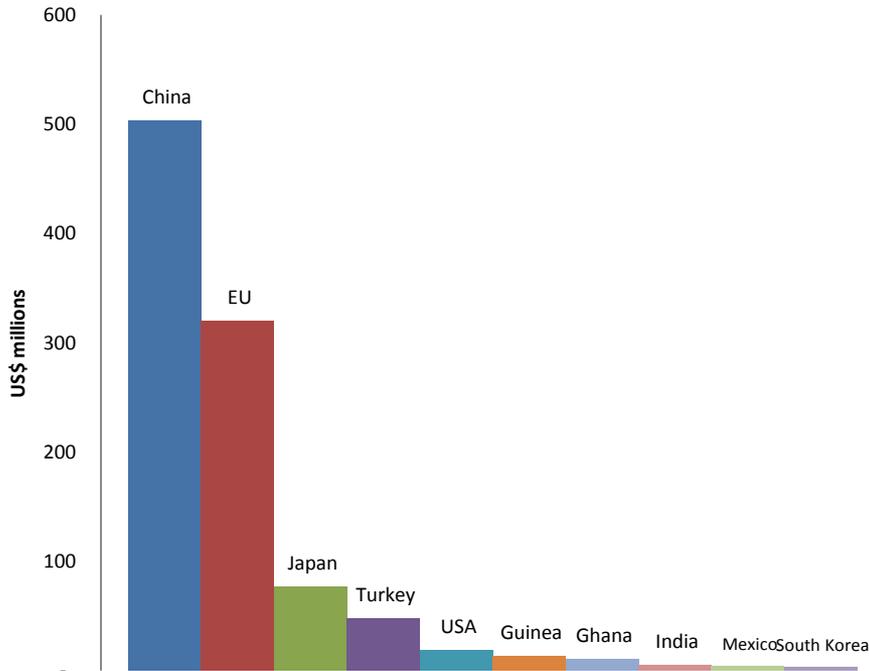
Top 10 imports in 2012



Top 10 trading partners

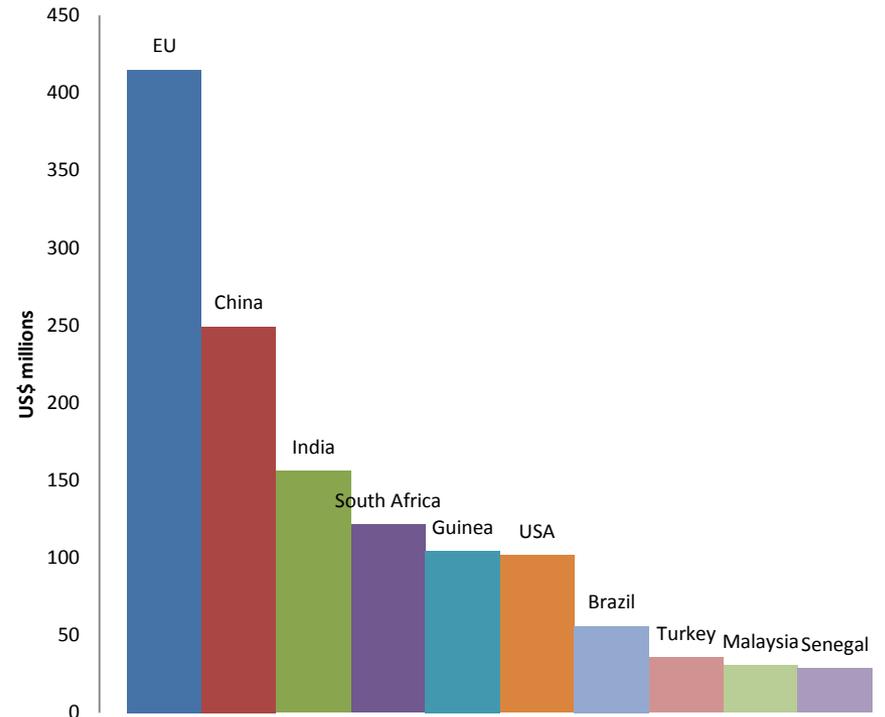
China and the EU are Sierra Leone's key export markets, with 80% of total goods exports in 2012 going to those two destinations. Exports to China are largely minerals, whereas exports to the EU include diamonds, some minerals, and raw agricultural products.

Top 10 export destinations in 2012



Data source: [Trademap \(using mirror data\)](#)

Top 10 import origins in 2012

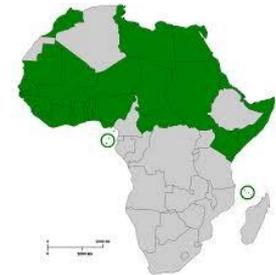


Sierra Leone imports goods from a range of countries. A variety of consumable products and industrial inputs are imported from the EU, industrial inputs and other products are imported from China, and according to the data, most of Sierra Leone's imported petroleum oil comes from Guinea.

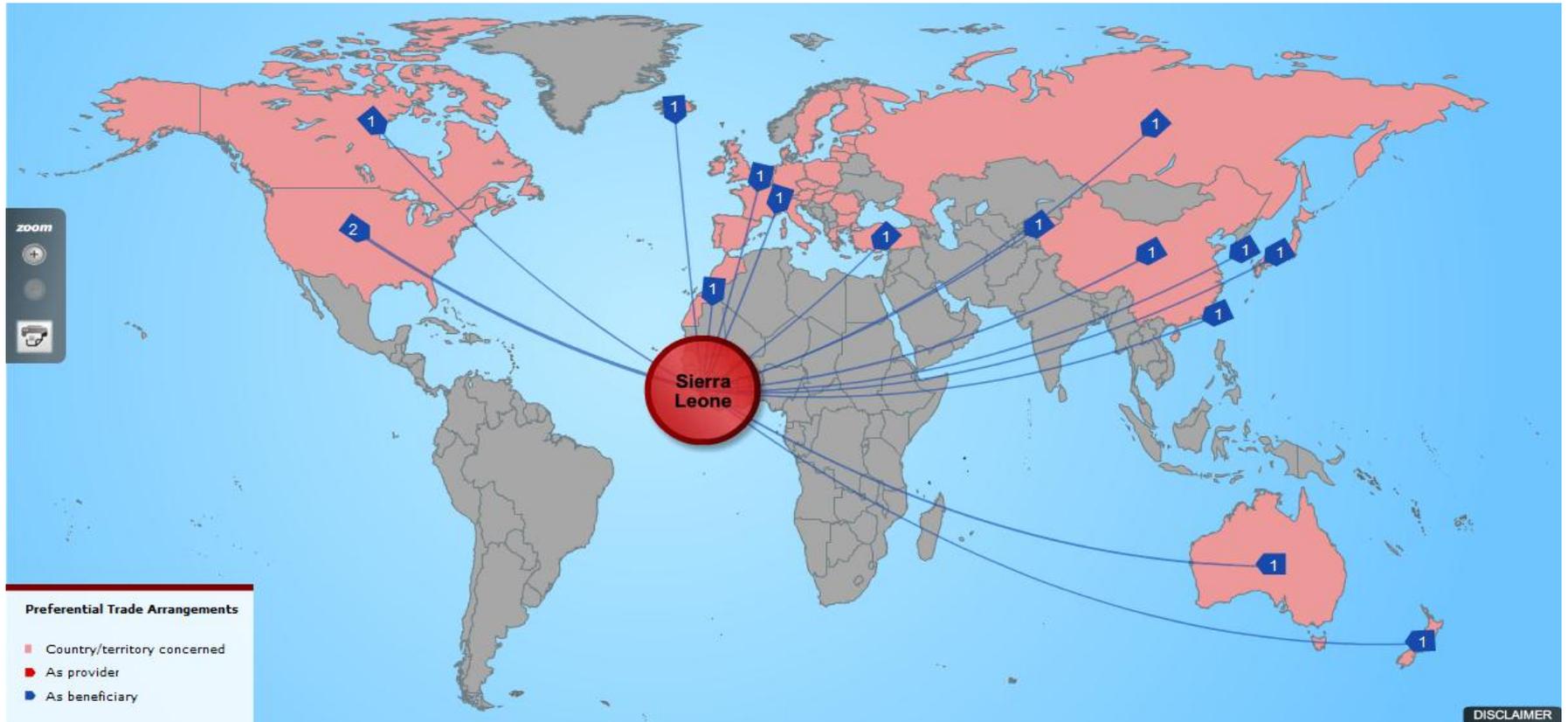
Trade agreements and trade policy

Trade Agreements and institutions that Sierra Leone is part of:

- Economic Community of West African States (**ECOWAS**, member since 1975) – a regional organisation seeking to become an economic and monetary union. Progress to date has been mixed, with some trade liberalisation having taken place, a monetary union (CFA Franc) established and incorporating 8 of the 15 countries (Sierra Leone is *not* one of the 8), and a common external tariff expected to come into force in 2015. However, intra-ECOWAS trade flows are still low ($\approx 15\%$) by comparison with other regional groups.
- Community of Sahel-Saharan States (**CEN-SAD**, member since 2005) – a grouping of 29 North and Sub-Saharan African countries, aiming to establish a free trade area. Progress on trade integration has only been in rhetoric thus far.
- Mano River Union (**MRU**, member since 1973) – includes Sierra Leone, Liberia, Guinea, and Côte d'Ivoire. Early adoption of a common external tariff, but more recently trade integration initiatives fall under ECOWAS, rather than MRU, auspices.
- World Trade Organisation (**WTO**, member since 1995) – the global trade institution working towards liberalised trade, setting rules, and settling disputes.
- Least Developed Countries (**LDCs**, member since 1982) – a UN-led group of 49 countries which are granted preferential (often duty-free and quota-free) access to many advanced economy markets (including the EU).



Preferential access to markets



Source: [WTO Preferential Trade Agreements Database](#)

Sierra Leone receives preferential market access to Australia, Belarus, Canada, China, European Union, Iceland, Japan, Kazakhstan, Kyrgyzstan, Morocco, New Zealand, Russia, South Korea, Switzerland, Taiwan, Turkey, and USA.

Much of this preferential market access is linked to Least Developed Country (LDC) status and the Generalised System of Preference (GSP) schemes that many countries offer, rather than bilateral agreements specific to Sierra Leone. It is worth noting that countries do not always fully utilise the preferential market access they receive, for example because of exports being concentrated in a limited range of products.

Trade enabling environment and aid programmes to address trade constraints

| | Sierra Leone | Senegal | LDCs average |
|---|--------------|---------|--------------|
| Cost to import (US\$ per container) (2013/14) | 1,575 | 1,740 | 2,486.6 |
| Cost to export (US\$ per container) (2013/14) | 1,185 | 1,225 | 1,955.5 |
| Time to import (days) (2013/14) | 30 | 14 | 38.2 |
| Time to export (days) (2013/14) | 25 | 12 | 32.3 |
| Documents to import (number) (2013/14) | 9 | 5 | 8.9 |
| Documents to export (number) (2013/14) | 7 | 6 | 7.6 |
| Ease of doing business rank (1=most business-friendly, 189=least business-friendly) (2013/14) | 142 | 178 | 148.4 |
| Trading across borders rank (1=most business-friendly, 189=least business-friendly) (2013/14) | 140 | 80 | 139.8 |
| Logistics performance index (LPI): Overall (1=low, 5=high) (2012) | 2.1 | 2.5 | 2.4 |
| LPI: Quality of trade and transport-related infrastructure (1=low, 5=high) (2012) | 2.5 | 2.3 | 2.2 |
| LPI: Efficiency of customs clearance process (1=low, 5=high) (2012) | 1.7 | 2.5 | 2.2 |

Data sources: [Doing Business](#), [Logistics Performance Index](#)

From the table above, it can be seen that Sierra Leone performs better than Senegal and the LDCs average in terms of the cost of exporting/importing, the overall ease of doing business, and the quality of trade- and transport-related infrastructure. However, Sierra Leone fares worse than Senegal in terms of the time and bureaucracy of exporting/importing, the overall ease of trading across borders, and overall logistics performance (particularly including customs procedures).

Sierra Leone receives development assistance from several multilateral organisations. For example, the **World Bank** is supporting energy development and management of the mineral and agricultural sectors. The **African Development Bank** and the **Islamic Development Bank** are supporting infrastructure. United Nations-related organisations such as **UNDP** and **UNIDO** are also working on improving Sierra Leone's private sector environment, skills, and trading standards.

There are also numerous bilateral organisations offering development assistance to Sierra Leone. **DFID's** total project budget for Sierra Leone in 2013/2014 is £78.5 million, including programmes supporting energy improvement, management of the mineral sector, and private sector and SME development. The **EU** is also working on technical trade- and export promotion-related capacity building, infrastructure, and border improvements. Programmes on mineral management, agriculture, infrastructure, and energy are also carried out by **Chinese**, **Middle Eastern (e.g. Saudi Arabia, Kuwait)**, **Japanese (JICA)**, **American (USAID)**, and other bilateral agencies.

Sierra Leone's **Ministry of Trade and Industry** has recently established a Trade Facilitation Committee, to oversee initiatives to streamline export/import procedures and remove trade bottlenecks.

Sierra Leone's latest DTIS

The World Bank carried out a [Diagnostic Trade Integration Study \(DTIS\) update on Sierra Leone](#) in 2013, which covers issues such as trade facilitation, logistics, sub-regional integration, and focused coverage of three sectors – tourism, agriculture, and fisheries.

Top 10 action priorities identified:

- 1) Develop a Medium Term Programme derived from the DTIS update and a comprehensive trade strategy which ensures synergies with the Agenda for Prosperity.
- 2) Build capacity of Sierra Leone Standards Bureau for effective standards development, implementation, and compliance; Increase competence of domestic suppliers of goods and services to comply with quality principles to increase competitiveness of exports and expand market access.
- 3) Ensure that a robust plan for road maintenance is in place before further construction and rehabilitation of roads; Gradually Restore the Road User Charge to a level consistent with funding required to maintain the core road network (Road User Charge of 12 UScts/ litre).
- 4) Resolve remaining technical and capacity issues with the implementation and maintenance of ASYCUDA by providing adequate electrical power and backup generators, and real-time backup facilities onsite and at the Bank of Sierra Leone, introduce ASYCUDA at Gbalamuya and Gendema without further delay.
- 5) Reduce the number of checkpoints along trade routes and enforce measures to prevent harassment and corrupt practices at borders.
- 6) Reduce congestion outside the Freetown Port by improving access to and from the port through expansion of roads, relocation of roadside vendors, introducing signalisation, and optimisation of truck trips and volumes.
- 7) Increase dialogue to facilitate taking collaborative action with Guinea and Liberia to implement and enforce existing ECOWAS and Mano River Union protocols on trade and transport and sensitise traders, transport operators, and border officials on their rights and obligations under these arrangements on both sides of the border.
- 8) Enforce the Environment Agency Protection Act 2008 with immediate effect to prevent further sand mining on the country's prime touristic beaches.
- 9) Develop an appropriate certification process for fish products for export as demanded by international standards.
- 10) Encourage large-scale cultivation of rice with a view to increasing volumes to meet local demands in the short-term and regional exports in the medium-long term.

Recommendations from Chapter 2: Facilitating Trade and Improving Domestic Logistics Services for Lower Trade Costs and Efficient Supply Chains

- Eliminate infrastructure bottlenecks and improve intermodal connectivity.
- Improve the quality and operating environment of core logistics services to build efficient supply chains.
- Build on progress made in customs and border management to boost revenue collection and efficiency in cargo clearing and transit.
- Strengthen institutional capacity to implement strategies and manage infrastructure investments.

Recommendations from Chapter 3: Enhancing Sub-Regional Integration for Addressing Issues of Common Interest

- Increase coordination channels among Mano River Union countries.
- Increase efficiency at joint border posts to create secure borders.
- Deepen coordination in the mining sector and related infrastructure development.
- Protect fisheries and marine resources.
- Improve coordination of trade policies.

Recommendations from Chapter 4: Harnessing the Potential of Sustainable Tourism for Employment Generating

- Convene a representative cross-section of tourism stakeholders from the public and private sectors to agree on a clear vision for tourism; Communicate the vision throughout Government; Propose policies based on the vision.
- Update the 2008 Tourism Strategy to match the vision and policies and, most importantly, include a detailed action plan and budget.
- Use the Enhanced Integrated Fund Tier 2 activity funding of institutional capacity building for proper work programme and budget planning so that a realistic budget and action plan can be drawn up.
- Consider possible sources of revenue for financing the tourism institutions.
- Consider possible areas for public-private partnerships.
- Encourage Government to enforce the Environment Protection Agency Act 2008 to prevent further sand mining on the country's prime touristic beaches.

Recommendations from Chapter 5: Strengthening Agricultural Value-Chains for Promoting Value-Added Exports

- Produce high quality cocoa and coffee products for certification and export.
- Increase the number of large scale private investments that add significant value.
- Diversify the export base by transforming oil palm, rubber, cashew, sugar cane, cassava and ginger into export crops by maintaining the production area and attracting new private investors.
- Expand value-added processing in oil palm and cashew.
- In the long term, establish agricultural growth corridors, which can enhance public-private partnerships to stimulate investments in regional value chains.
- Implement the Sierra Leone Export Strategy by focusing on crop quality management and certification.
- Engage as an active member in global and regional crop roundtables to raise the country's profile as a serious industry player, and to gain access to market knowledge, funds, training and certification support.
- Push further to gain fair trade and rain forest alliance certification for a proportion of its cocoa and coffee products.
- Explore regional trade agreements more fully.

Recommendations from Chapter 6: Building Effective Marine Management and Protection Systems for a Competitive Fisheries Sector

- Supply-side interventions: Investment in infrastructure (and local enforcement); Establishment of mechanisms in order to obtain clear and realistic information about the social and environmental market demands for trade facilitation; Build capacity in the sector through technical and other support; Build standards capacity for expanding market access and enhancing production levels, food safety and public health.
- Demand-side interventions: Further development of policy, strategy, and a stewardship approach aligned to sustainable exploitation of fisheries resources; Development of an appropriate certification process for fish products for export as demanded by international standards; Adoption of recognised standards for suppliers to ensure responsibility in their own practices and operations.
- Entrepreneurial approaches: Develop alternative markets for new products as a way of facilitating direct marketing, particularly at a regional level in West Africa, considering products from both fisheries and aquaculture.

Useful links for further information

- Sierra Leone's [Ministry of Trade and Industry](#) – responsible for international trade policy
- World Trade Organisation – [country profiles](#), Regional and Preferential trade agreement [databases](#)
- International Trade Centre – Trade Competitiveness, Investment and Market Access [Maps](#)
- World Integrated Trade Solution – data visualisers, trade flows data, tariffs data . Uses data from UN Comtrade and UNCTAD Trains <http://wits.worldbank.org/wits>
- European Commission – [EU and West Africa Trade](#)
- Some interesting visualisations using UN Comtrade data at <http://atlas.media.mit.edu>