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Dear Investor

I am delighted you are taking the time to learn about our beautiful country and the varied investment opportunities it offers. Delighted because before taking office, I was a Chief Executive myself and spent over 20 years in business. As soon as I entered politics I knew that the key to running a successful company is also the key to running a successful government. This is why in 2007 I said I would ‘run my government like a business’ – clear about our objectives, clear about how we get there, and relentless in making it happen.

Since I came into office a little over four years ago, my Government published what we called the Agenda for Change which set out the changes required to put Sierra Leone on a path towards growth in energy, infrastructure and strengthening our institutions:

- For energy, we brought significant amount of electricity to Freetown, our capital, by completing the Bumbuna Hydro Electric Dam.

- For infrastructure, we embarked on the most ambitious road rehabilitation and construction programme in our country’s history, with by now over a 1,000km of roads constructed or rehabilitated. Parts of the port have been privatised, and our international airport is being modernised.

And finally, we strengthened our laws and institutions, including greater macroeconomic stability, improved public financial management, a stronger investment climate and a reduction in corruption through one of the most stringent anti-corruption laws in Africa.

The impact of all this is clear. Sierra Leone is no longer classified as a ‘fragile state’. As of 2011 we rank 30 out of 53 African nations scored in the Mo Ibrahim governance index, climbing in ranking year on year. One big driver of this success is our ability to attract high quality investment. We are now a place to do business. The 2011 World Bank’s Doing Business Report showed Sierra Leone to be among the top reformers in the World, jumping 9 places over the last year.

Sierra Leone now sees new multi-million dollar investments – in agribusiness, in mining, in tourism. In agribusiness, we now have large scale investors like Siva Group and Addax Bio investing billions. In mining, last year saw the first iron ore exports in over 30 years from London Mining and African Minerals. And in tourism, the first Raddisson Blu will open in Sierra Leone in 2013 and the first Hilton soon after, bringing five-star hotels to Freetown.

As a result, our GDP is expected to rise by 32% in 2013. This follows an average above 5% year on year rise in GDP over the last 5 years, despite the global economic downturn. My vision for Sierra Leone is to achieve middle-income status by 2035. And I have outlined this vision in our next national development strategy, entitled Agenda for Prosperity. So I look forward to welcoming you to Sierra Leone and declare it continually open for business!

*Ernest Bai Koroma*
*President of Sierra Leone*
# BASIC FACTS AND FIGURES

<table>
<thead>
<tr>
<th>General Country Information</th>
<th>Measurements</th>
<th>Metric system</th>
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<tbody>
<tr>
<td>Form of state &amp; Government</td>
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<td>Unitary Republic with</td>
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<td>constitutional government</td>
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<td>common law</td>
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<td>Head of state</td>
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<tr>
<td>President Ernest Bai Koroma</td>
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<td>elected in 2007</td>
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<td>Population</td>
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<td>6,294,774 (World Fact Book)</td>
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<td>5.7 million (UN, 2009)</td>
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<td>Population</td>
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<td>GDP</td>
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<td>$1.99 billion (2011)</td>
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<td>GDP growth rate</td>
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<td>35.9 percent (2012 est.)</td>
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<td>Market access</td>
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<td>ECOWAS, 220 million</td>
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<td>EU Cotonou Agreement, 456</td>
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<td>million</td>
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<tr>
<td>U.S. AOGA, 310 million</td>
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<td>Major cities</td>
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<td>Freetown (capital): 1,070,200</td>
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<td>Bo: 472,919</td>
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<td>Kenema: 254,539</td>
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<td>Koidu Town: 123,800</td>
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<td>Hottest month, April, 29°C;</td>
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| Exchange rate               |               |               |
| Euro 1 = SLL 5,674          |               |               |
| BP 1 = SLL 6,367            |               |               |
| Japanese Yen 1 = SLL 42.851 |               |               |
| ZAR Rand 1 = SLL 513.612    |               |               |
| Nigerian Naira 1 = SLL 25.218|             |               |
INTRODUCTION

Politically and economically stable, Sierra Leone is a country with significant and diverse potential.

An English-speaking, resource-rich country, with a reforming former businessman as President, it is becoming ever more attractive to international investors seeking new opportunities.

The country, recognised as one of the most religiously harmonious in the world, has had almost a decade of peace following civil strife, holding two internationally recognised free and fair elections since 2002, including a peaceful transition of power in 2007 and series of local and bye elections. During this time the country has collectively rebuilt the institutions of civil society. Now it is one of Africa’s best business reformers and has some of the toughest anti-corruption laws on the continent.

Over the past four years, the country has made significant gains in attracting Foreign Direct Investments in the agribusiness, mining, tourism and oil and gas sectors. The Government is pursuing an ambitious infrastructure development programme that covers energy, roads, transport and communications. With recent discoveries of oil and gas deposits and additional interest in further explorations, the range of opportunities continue to span from the country’s traditional strengths in mineral resources to other huge untapped opportunities in agriculture, fisheries and tourism.

The country is ideally situated as a regional hub. It can boast easy access to a regional market of over 225 million people and has one of the largest harbours in the world at the capital Freetown. With recent private sector participation in the operation and future expansion of the port, Sierra Leone is gearing up to become a major commercial hub linking the West African region with Europe, North and South America.

Sierra Leone has come a long way in a short space of time. It can now be regarded as a place of real potential on the African continent and it is ready for significant international investment. It’s time to make your move to be on Africa’s most preferred investment destination.
Section 1: A STABLE BASE FOR GROWTH

With a supportive, reforming Government and a stable business environment, Sierra Leone presents a vast array of potential for investment. With Sierra Leone ranking 2nd in the Mo Ibrahim Index for change in ‘Sustainable Economic Opportunity’ for the period 2006 to 2012, the country is ready to enter a new phase of growth built on the steady foundations created over the first decade of this century.

OPPORTUNITY AND GROWTH

One of Africa’s most active business reformers, Sierra Leone is an attractive preferred investment destination for many reasons. The country is rich in natural resources, has an appealing climate, and offers stunning panoramas, pristine beaches, and extensive wildlife-viewing opportunities for tourists. Moreover, the relatively low number of current investors offers the benefits of first-mover advantage for many investment possibilities.

Market Access

Located on the south west corner of the West African bulge, Sierra Leone is home to six million people and provides easy access to a market of over 30 million via the Mano River Union (MRU), which it shares with Liberia, Guinea and Cote d’Ivoire and over 225 million via ECOWAS. Sierra Leone provides duty-free access to large markets such as the European Union and United States of America under treaties such as the EU Everything But Arms (EBA) initiative and US African Growth and Opportunity Act (AGOA).

The deep harbour at Freetown, the largest in Africa, its location close to the European market, and with direct shipping access to the Americas, Sierra Leone has long been an important trading and refuelling stop off. The potential for the country to become a regional trading hub is clear and the Government is working actively to improve on existing port facilities and, if possible, construct new ports to support emerging economic activities such as oil and gas production. There are ongoing construction projects for new international and domestic highways.

Key Sectors for Growth

Sierra Leone has identified the following key sectors as priority sectors for Government support for investment promotion, therefore offering significant opportunities for investors: agribusiness, energy, tourism, fisheries, manufacturing, infrastructure and the extractive sector, which covers mineral resources and the oil and gas sub-sectors. There have been significant gains made in opening up these sectors to investment and making them more convenient for long-term, sustainable growth.

Agricultural production is rising and certain products have experienced steady growth; the past 2 years have seen major investments in the oil palm and sugar crops, with committed investments of over 150,000 hectares of oil palm plantations and a major sugar cane and ethanol project ongoing. Going forward, the Government is gearing up to support and promote large scale investments in the rice and cocoa sectors, as means of promoting food self sufficiency and value added exports.

Recent studies by the European Commission and the UK Department for International Development (DFID) show that Sierra Leone’s coast is well-stocked with fish and seafood. The Government has piloted a major infrastructure investment in the construction of a modern fish landing facility in the capital city of Freetown and other activities are ongoing, which are expected to culminate in EU approval for the export of fish and marine resources packaged in Sierra Leone packing facilities.

In mining, there were major investments in the iron ore sector, which had been non-existent up till 2008; the activities of this sector have been a major driver of the 35% percent increase in GDP growth expected in 2012. According to DNB Bank ASA and Bloomberg, iron ore exports from Sierra Leone, among other Western African countries, are expected to drive the global increase in ore exports by 2017. In 2010, a consortium led by US oil group Anadarko, announced a big find of high quality light, sweet crude off the coast of Sierra Leone. Analysts have suggested that this discovery at the Jupiter oil field could open up a multi-billion barrel oil frontier. In August 2012, a number of offshore oil blocks were awarded to successful international bidders to carry out exploration activities.

The country’s energy sector received a huge boost in late 2009 with the commissioning of Phase I of the Bumbuna dam. The Government is now focusing its attention on delivering Phase II, which independent analysts believe will address the power needs of cities, towns and urban areas in the country. Further growth is expected through the development of additional sites of great hydro potential to meet emerging industrial needs, while there are advanced plans to make the country’s under-used agricultural land available for bio-fuels and new developments in palm oil, bio ethanol and solar power.

Given Sierra Leone’s beautiful and underdeveloped beaches, primeval rainforest, historical sites and attractive flora and fauna, tourism also offers considerable potential for investment. The National Tourism Board (NTB) has identified several areas, activities, and cultural sites that offer potential for tourism. For example, Sierra Leone can offer high-end ecotourism experiences such as bird-watching, sport fishing, mountain-ering, and hiking in nature preserves. Already, major international hotel brand operators are backing hotel projects in Sierra Leone.

“Sustainable, equal partnerships with international investors are the only way to deliver long term growth.”

His Excellency, President Ernest Bai Koroma
Foreign Direct Investment

There is enormous potential for FDI in Sierra Leone. During 2000-05 FDI averaged $18 million a year; it reached $81 million by 2007, US$ 74 Million in 2009 and US$ 86 Million by 2010. At 4.9 per cent of GDP in 2005 and 4.55 percent of GDP in 2010, FDI in Sierra Leone has shown strong performance in attracting FDI, compared to neighbouring countries. Accordingly, annual FDI inflows have increased ten-fold since 2002.

POLITICAL STABILITY

Governance

Since 2002, the country has worked hard to establish stability, both politically and economically. Sierra Leone is Africa’s most improved country for governance over the past two years of the Mo Ibrahim Africa Governance Index. Sierra Leone is also the second most improved country in the world over the past decade in terms of standards of governance, political stability and the ability of citizens to hold government to account, according to a recent study by the World Bank. New anti-corruption laws, regarded as among the toughest in Africa, were introduced in 2008 with accelerated progress being made by the country’s Anti-Corruption Commission to tackle the problem the Government recognises can severely undermine growth.

Safety

Sierra Leone has been at peace for almost a decade, with the peaceful transition of government in 2007 proving a bellwether event of this new coming of age. The capital city Freetown is now generally regarded as one of the safest on the African continent, illustrated by a police force which is one of the few in the world that does not carry guns. It is worthy to note that all foreign forces have since pulled out of the country.

Integration

The country also has a strong and proud heritage of religious tolerance, and its people are now among the most religiously harmonious in the world. The Gallup Coexist Index, published in 2009 check for 2010 index to reflect the % increase, examined 27 multi-faith countries and found Sierra Leone the most integrated, with two thirds of the population classified as such. This was almost 20 percent higher than any other country in the sample, three times higher than India, UK or France and more than doubles the integration in the USA or Canada.

Economic Overview

At present, the economy is largely driven by agriculture, construction and mining. Agricultural production is the most important contributor to GDP, accounting for 45 percent in 2011. Recent growth in agricultural production is due to higher yields of rice, cassava, sweet potatoes, maize, groundnuts and cocoa.

Blessed with a plentiful resource base and strong mineral potential, including known deposits of rutile, bauxite, diamonds, gold and iron ore, Sierra Leone’s mining sector remains under-explored and underdeveloped. Although the sector already drives the vast proportion of Sierra Leone’s exports and is a key recipient of FDI, output is likely to grow significantly further following existing mining operations coming on-stream and new Government reforms opening up the sector to new market entrants. Real GDP growth rate is projected at 35.9 percent in 2012, mainly on account of the commencement of iron ore exports in the period.

Manufacturing is growing, but its contribution to GDP remains far below its potential. The government remains focused on further developing the infrastructure and regulatory environment of the sector to encourage continued growth across a number of segments, including manufacturing for export and the processing of resource-based products. The Government provided support for the establishment of a Special Economic Zone (SEZ) for industrial operations. The first company to be located in the zone is a fruit juice factory that processes and exports fruit puree to the EU markets.

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<th>Comparative FDI Flows (US$ Millions)</th>
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<tr>
<td>Country</td>
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<tr>
<td>Ghana</td>
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<td>Guinea</td>
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<td>Sierra Leone</td>
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<td>Senegal</td>
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<td>Togo</td>
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<td>Benin</td>
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<td>Niger</td>
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Section 2: A CONSTANTLY IMPROVING INVESTMENT ENVIRONMENT

Sierra Leone is steadily developing a more attractive business environment for investors. From concentrating initially on stabilising the country and rebuilding state institutions, the Government has moved into an active period of economic reform to help unlock the latent wealth of the country to the benefit of both investors and the people.

DOING BUSINESS

Recognised by the World Bank’s Doing Business reports as one of Africa’s best reformers, the Government has been drawing on international best practice in the composition of new legislation. In 2009 the report identified that Sierra Leone had made it easier to start a business, get credit, protect investors, pay taxes and close a business. It also highlighted Sierra Leone as the most shareholder friendly country in the sub region and among the top five for ease of starting a business across the continent. Sierra Leone is also ranked in the second place in Africa for Investor Protection. The report in 2011 identified Sierra Leone making reforms in four key areas: dealing with construction permits, registering property, paying taxes and trading across borders.

Generally, the country is ahead of most of its peers in the sub-region. This is largely due to the fact that the government of Sierra Leone has put considerable effort in bringing into play pro-business legislations. The Government’s stated ambition is to make Sierra Leone a preferred investment destination and regional trade hub. No doubt, the country is prided as one of the top ten (10) reformers in the World Bank’s Doing Business Report 2012.

INVESTMENT PROTECTION

Investors can be reassured by the World Bank’s judgement that Sierra Leone’s laws on investment protection are second only to South Africa in Sub-Saharan Africa. Investors’ rights are covered across a range of areas. These include the following provisions that are diligently enforced:

- Open access to all sectors of the economy to foreign investment
- Rights to 100 per cent foreign ownership of companies
- Freedom to use foreign managerial, technical and unskilled workers
- No exchange restrictions
- Guarantees on capital repatriation and loan remittance
- Guarantees against expropriation
- Jurisdiction of the United Nations Commission on International Trade Laws or any other internationally recognised arbitration body over investment disputes

CONTINUING IMPROVEMENTS

A deliberative approach to reform with active engagement with the private sector has ensured that the Government has built on the platform set by investment protection legislation. Since 2009, the following improvements have been made to Sierra Leone’s investment environment:

- Simpler start-up procedures with the establishment of a one-stop shop for business registration
- Stronger investment protections with a new Company Law that enhanced director liability and improved disclosure requirements
- Better banking payment system that ensures all payments are performed electronically and in line with ECOWAS monetary policies. A Stock Exchange – new legislation and regulations passed, ushering in the first official stock exchange in the country and the Mano river Union as a whole; Sierra Leone Stock Exchange
- Clearer tax system with better training and equipment making it easier to pay taxes, along with a consolidated income tax act, and a new Goods and Services Tax (GST) that replaces other taxes#
- Better access to credit by allowing the use of fixed and floating charges over company assets
- Smoother insolvency process including provisions to encourage and assist ailing businesses to reorganise instead of going straight to liquidation
- Less restrictions on closing a business by making it easier to declare bankruptcy

8
INVESTMENT INCENTIVES

There is a range of incentives available to investors across Sierra Leone’s key growth sectors, with a raft of new incentives announced by the Government in 2009. These include:

General Incentives
Three year exemption on import duty for plant, machinery and equipment
- Reduced duty rate of 3 per cent on the import of raw materials
- 100 per cent tax loss carry forward can be utilised in any year
- 125 per cent tax deduction on R&D and training spend
- 125 per cent tax deduction on expenses for export promotion activities
- Three year income tax exemption for skilled expatriate staff, where bilateral treaties permit

Tourism
Investments in hotels meeting certain eligibility criteria will attract the following benefits:
- Exemption from income tax that expires at the earlier of (i) 5 years, (ii) 2015, or (iii) when the amount qualifying under the tax holiday exceeds 150 per cent of original invested capital
- Three year exemption from import duties for key building materials and other inputs

Agribusiness
Investments meeting certain eligibility criteria will attract the following benefits:
- Exemption on import duty for farm machineries, plants and equipment, agrochemicals and other key agricultural inputs
- Exemption from income tax up to 2020 for companies, individuals and partnerships. In addition, 50 per cent of dividends paid from companies engaged in agricultural activity will be exempt from withholding taxes

Mining
- Tax rate reduced to 30 per cent for all companies with audited accounts
- Losses allowed to be carried forward for 10 years following the date of initial production
- Capital allowance of 100 per cent in the first year for prospecting and exploration expenses. For production rights and other expenditures, investors will be allowed an initial allowance of 40 per cent in the year of expenditure followed by an annual allowance of 20 per cent a year for the next three years following the date of initial production
- 100 per cent of reclamation, rehabilitation and mine closure costs can be deducted in the year incurred

Infrastructure
- Projects developed by the private sector in excess of US$1,000,000 will be exempted from income taxes for the earlier of 10 years from start-up or the year 2020
- Additional incentives are also available for investments in what government considers pioneer industries, such as pharmaceuticals and solar energy. In keeping with plans to promote export diversification and competitiveness, the Government of Sierra Leone supported the establishment of a new Special Economic Zone by a private investment group; the industrial and economic export processing zone in Newton, about 5km from Freetown and plans to further establish agro-processing units in other suitable locations across the country.

It is the most investor friendly place to do business in the sub region and among the top five for ease of starting a business across the continent according to the World Bank.

MOVING FROM AGENDA FOR CHANGE TO AGENDA FOR PROSPERITY

The Government of Sierra Leone’s vision for the country from 2008-2012 was articulated in its “Agenda for Change”. Whilst building on the successes of the Agenda for Change, the Government is developing an Agenda for Prosperity as a roadmap to guide development activities on the next five (5) years (2013-2017).

The Agenda for Change was a commitment by the Government to work in partnership with the people to improve social and economic conditions in the country focusing on four key priorities:

1. Providing a reliable power supply to the country by improving the management and regulation of the energy sector, strengthening revenue collection and increasing generating capacity
2. Raising quantity and productivity in agriculture and fisheries
3. Developing a national transportation network
4. Ensuring sustainable human development through the provision of improved social services

Since the launch of the Agenda for Change, Sierra Leone has made significant progress in various areas ranging from improved macroeconomic management, strengthening good governance, promoting private sector development, improving infrastructure (electricity and roads), to enhancing the delivery of basic social services in health, education and water to improve human development.

The Agenda for Prosperity, which is the country’s development policy framework for the period 2012-2017, comprises eight (8) key pillars. There are also cross cutting development issues which will be mainstreamed into the pillars. The pillars are:

1. Economic Diversification for inclusive growth
2. Managing Natural Resources
3. Accelerating Human Development
4. International Competitiveness
5. Employment and Labour Strategy
6. Social Protection
7. Governance and Public Sector Reforms
8. Gender Equality and Women Empowerment

These strategic priorities are underpinned by measures to consolidate political stability, ensure good governance and to further build strong foundations for economic growth.
FINANCIAL AND PROFESSIONAL SERVICES

Commercial banks
Sierra Leone has a vibrant and growing banking sector. It is home to 13 commercial banks, including ten foreign banks, from the UK, Malaysia and Nigeria among others. These banks are well capitalised and they present innovative ways to serve the market with new products and services.

Banks are based in Freetown with branches in rural areas and accounts can be opened in both domestic and foreign currencies.

Insurance
Sierra Leone has a strong and growing insurance sector, with most of its funds invested in real estate. There are insurance companies providing competitive services (life, fire, automotive and marine insurance) in the country. The Sierra Leone Insurance Commission (SLICOM) monitors and regulates the operations of insurance companies.

Capital market
Newly introduced to the economy, Sierra Leone has an official Stock Exchange, which was launched in late 2009. The exchange has created a platform for raising private capital as well as trading of securities in the secondary market. It is presently operating a ‘Call-Over’ trading system; however there are plans to automate the trading facilities very soon when the transactions are few.

Private equity
The country’s leading private equity fund is Manocap. Established in 2005, Manocap invests in small to medium-sized agriculture, fisheries and light manufacturing enterprises. So far, the company has invested several million USD into Sierra Leonean businesses.

Since establishment, Manocap has expanded to serve markets in Liberia and Ghana as well, but remains headquartered in Freetown.

Why invest in Sierra Leone?

Sierra Leone is a country with enormous potential. The country has emerged from a protracted civil war and is well on the way to becoming a successful democratic, market economy. Investor and consumer confidence continues to rise, adding impetus to the country’s economic recovery. Sierra Leone has attracted millions of USD in foreign direct investments. The country has also enjoyed improvements in trade as a result of lower international petroleum prices.

Sierra Leone boasts of increasingly attractive opportunities in the following sectors: tourism, mineral resources, fisheries and agriculture. It has abundant sunshine and rainfall evenly distributed in two halves of the year. Sierra Leone’s people are warm and known for their hospitality and generous spirit. Investing in Sierra Leone enables the potential investor to link to the wider market of over 225 million inhabitants of the Economic Community of West African States (ECOWAS).

KPMG has had a presence in Sierra Leone since the 1970s and has grown to be the largest international professional accounting firm in the country. Its portfolio includes clients in the mining, telecommunications and banking sectors.

KPMG has a positive outlook on Sierra Leone. The Government has a very open attitude towards foreign investment and the investment policy is aimed at providing incentives to industries that increase the country’s exports and create jobs. KPMG supports the development of Sierra Leone and will be part of the successful transition of the country.

Investors are doing business in Sierra Leone. In order to spur economic growth, the Government has turned its focus on five key areas: private sector development, agriculture, reviving the mining industry, improving infrastructure and building human capital.
The Kona Lodge Hotel is a subsidiary of Kona Investments and Construction Group, and one on the modern mid-range business hotels developed over the past 2 years, driven by emerging domestic entrepreneurship and supported by an increasingly conducive investment environment and a proactive banking and financial services sector. The project received financing from one of Sierra Leone’s leading banks, Rokel Commercial Bank and has seen the expansion from under 20 rooms and no ancillary facilities in 2010, to about 38 rooms with a range of services and facilities for its guests. The medium term growth target for the hotel is to increase the number of rooms to 120 and expand to other regions of the country. The founder and CEO of the hotel, Mr. Ernest Ndomahina, stated that “Sierra Leone has definitely come a long way in terms of making the private sector space more conducive even for domestic investors. In addition, the present economic growth trajectory offers tremendous opportunities for new businesses to thrive, particularly in the service sectors”. Ventures like this provide testimonies that indeed successful business can be done in Sierra Leone irrespective of whether it is foreign-owned or not.

The Radisson Blu Mammy Yoko is Sierra Leone’s first five star hotel and achieving those sorts of standards has taken time and the entire refurbishment of the building to Radisson Blu’s exacting standards. The hotel features 172 rooms and suites, many with breath-taking views of the Atlantic Ocean.

With a range of top class facilities directed at international business travellers, including a dedicated business class floor for business travellers, the hotel is a valuable addition to Sierra Leone’s rapidly expanding business scene. The newly refurbished hotel’s conference centre, has its own separate entrance and reception area, as well as free high-speed, wireless Internet access, and can accommodate gatherings of between 15 and 260 guests in its six modern, well equipped meeting rooms.
Section 3: SECTOR PROFILE: AGRIBUSINESS

Sierra Leone’s lush tropical climate, with the highest rainfall in West Africa (400cm per year) and vast swaths of fertile land provide the ideal conditions for commercial agricultural activity.

OVERVIEW

Sierra Leone boasts of 5.4 million hectares of arable land, nine major rivers and a varied topography able to sustain a vast range of crops. Yet in spite of this natural potential, more than 75 per cent of Sierra Leone’s arable land is currently uncultivated, presenting a blank canvas of possibility for those investing in its agribusiness.

“Sierra Leone has fantastic agricultural and mineral resources and a large and young labour force.” Tom Cairnes, Co-founder of Private Equity Fund Managers, Manocap

That notwithstanding, agriculture is the backbone of the national economy, accounting for at least 45 per cent of GDP, 25 per cent of total exports and employing over 60 per cent of the total population as at 2011. However, the majority of farming activity is at subsistence level. The Government has intensified its efforts to rehabilitate and reconstruct the infrastructure necessary to support large cash crops and is encouraging large-scale commercial agriculture. Moreover, since achieving political stability, Sierra Leone can offer investors an alternative to neighbouring countries such as Ghana, where the growing conditions and access to international markets are similar, but the market is more crowded.

The Government is in the process of implementing a range of measures to grow the sector and attract investments. The Sierra Leone Investment and Export Promotion Agency (SLIEPA) has embarked on a vigorous targeted approach to attract responsible investments through detailed sector studies documenting competitive and comparative advantages to this effect, and the real impact in terms of wealth and employment creation.

KEY RESOURCES

In terms of proven resources in its key agricultural resources Sierra Leone offers:

- **Rice**: Located in the Forest Zone of Africa, Sierra Leone has rice yield potential higher than most other Forest Zone countries, and as high as The Sahel with its advantage of higher solar radiation. It is a major crop in Sierra Leone accounting for 75% of agricultural GDP. Per capita, consumption of rice is amongst the highest in sub-Saharan Africa: the current production represents only 60% of total domestic demand. Rice output in 2010 was 1,026,671 Mt, 15.6 percent higher than that produced in 2009 which is 51.0 percent in excess of production recorded in 2008.
- **Cocoa and Coffee**: Both have the potential to become major cash and export crops. Cocoa production in 2010 was 19,700 Mt and coffee production in 2010: 2,990 Mt
- **Sugar**: excellent growing conditions. Currently 50% of the local demand is satisfied through imports.
- **Oil palm**: Despite the fact that government plantations were neglected. There are opportunities for both domestic demand and export. As such, private investors are taking on the advantage and are cultivating land across the country.
- **Livestock**: Animals are reared mainly in the North Province and poultry is the most widely owned form of livestock. The sector contributes to over 6% of agricultural GDP. The domestic production is insufficient to meet domestic demand
- **Biofuels**: There are opportunities for integrated production and refining of ethanol (sugar, cassava) and biodiesel (oil palm).
- **Biomass** (mostly wood and charcoal) already accounts for 90% of the country’s energy consumption, and there is plentiful wood and non-wood biomass that can be used for fuel
Signs of growth

Since 2002 crops including ginger, palm oil, cocoa, coffee and rice have all seen increases in production. In 2011 exports of cocoa, cassava, and other products increased. A wealth of products have yet to be fully exploited, such as palm kernel processing, kola nuts, mangos, peanuts, cassava and piassava, cashew nuts all of which are well-suited to the growing conditions. Livestock is currently reared in the Northern Province, accounting for about 6 per cent of agribusiness, but there is room for significant expansion as domestic demand is currently far from satisfied. There is a value addition opportunity as well.

Among the most recent prospects available to investors is Sierra Leone's fast-growing biofuels industry. The country provides optimal growing conditions for common crops such as sugar, palm oil and cassava. Some key investors are already exploring the opportunity. Meanwhile palm oil, which is widely used in soap production, is already being produced successfully, with thousands of hectares currently under cultivation across the country.

The regional and domestic market

Regional and domestic demand is high for many agricultural products, as well as fresh and processed fish and meat, and investors could strategically establish themselves in Sierra Leone to supply all these markets and zero duty.

Reforms

Within the Agenda for Prosperity Policy Framework, the Government has developed a strategy framework to achieve food security, increase agricultural productivity and expand exports. All of these are key focus areas in the Government's agenda.

The strategy is based on a drive to provide better quality seeds and pesticides, wider access to machinery, improved storage and processing facilities, and improved infrastructure, including new feeder roads to enable more efficient transportation of goods.

The Government has also identified the need for high quality research to support farming activities. The reports are available upon requests for better management and higher levels of cooperation within the sector are also key priorities in the new strategy, and the establishment of a National Federation of Farmers represents an important step towards a more cohesive and inclusive agricultural sector.
SECTOR OVERVIEW: Extractives Mining

Sierra Leone has an abundance of mineral wealth, the full extent of which is still yet to be fully assessed, and a recent programme of rigorous reforms makes this a good time to invest.

KEY MINERALS

In terms of proven resources in its key mineral resources Sierra Leone offers:

- **Diamonds**: The diamond fields cover an area of 7,700 sq. miles in the south-east and east of Sierra Leone.
- **Rutile**: Used mostly in refractory ceramics, pigments and titanium metals. According to the US Geological Survey: Mineral Commodity Summary, 2011, Sierra Leone is the third major producer of rutile, accounting for (approximately 67,000 MT after Australia and South Africa). Sierra Rutile Limited plans to undertake a major new expansion plans that will cost US$177 million and increase production output from 80,000 tons in 2012 to 200,000 tons by 2014.
- **Iron ore**: A focus of extensive exploratory drilling, a five billion tonne resource has already been discovered. In one of the discoveries operated by London Mining, listed on the AIM Exchange, production of iron ore stands at 712,000wmt (670,000dmt) in the first half of 2012. The company is on track to achieve production of 1.5Mt in 2012, with capacity of 5Mtpa expected in 2013. African Minerals, a United Kingdom based Alternative Investment Market (AIM) listed on the London Stock Exchange is also operating with any estimated resource base of about 5.1 Billion Metric Tone, and a production target of 12 Million Tones per annum in 2013.
- **Bauxite**: There are proven mineable reserves of 78 million tonnes and indicated reserves of more than 100 Million tonnes near Port Loko, 45 km from Freetown the capital.
- **Gold**: Sierra Leone has attracted investment in gold exploration including the recent completion of a drilling programme by UK firm Cluff Gold that has identified a measured and indicated mineral resource of 2.1 million ounces (25.6Mt at 2.5g/t) and a further 0.9 Million ounces of inferred resources have been delineated to date.

KEY MINERALS

Mining is a strong sector for growth. The sector remains the country’s key revenue earner and the second largest employer in the economy. Sierra Leone has one of the largest deposits of Rutile in the world, plenty of gold and one of the largest iron ore discoveries in West Africa.

However, it is only since stability and democracy were restored to the country that the Government has been in position to start managing these assets more effectively. This has culminated in new drive to transform the industry in line with international best practice, turning raw potential into a promising and workable investment opportunity.

Minerals currently being investigated or mined in Sierra Leone include diamonds, gold, bauxite, ilmenite, rutile and iron ore, but the country also has proven deposits of chromite, nickel, molybdenum, lead and zinc. In each of these areas the current output represents only a small proportion of what could be achieved once there has been a full exploration of the country. Based on current output and known future activity, the Government estimates that by 2012, the sector is poised to record impressive performance in mineral production and exports in the years ahead.

KEY MINERALS

Two newly-revised pieces of legislation – the Mines and Minerals Act and the Diamond Trading Act – form the centrepiece of the Government’s drive to manage Sierra Leone’s mineral wealth efficiently and responsibly. Both are intended to ensure that the sector is supported by a clearly-defined system of management, involving tighter governance and more rigorous oversight. Particular attention has been given to defining the rights and obligations of licence-holders operating in Sierra Leone to ensure there is exploration and activity within a reasonable period and prevent opportunities being constrained. Importantly, under the new laws companies can be confident of a more predictable fiscal regime and improved security of tenure.

Another new development in this sector is the establishment of a Mining Cadastre Office (MCO); to increase the transparency in the allocation of exploration and mining concessions around the country as well as report on revenues realised by Government from companies operating in the sector.
Regulation

The Government has demonstrated a commitment to ensuring that its trading activities are ethical and well-regulated, implementing internationally-recognised measures such as the Kimberley Certification Scheme Process to help ensure mining activities meet appropriate standards. The Government has recently constituted a National Minerals Agency (NMA) to improve the Government's ability to manage mineral rights, attract investments, incentivise exploration and monitor activities. This Agency is expected to commence full operations by January 2013.

Reducing Investment Risks

The Sierra Leone Government is also beginning to play a more active part in exploration activity so as to minimise the risk to investors. A major area of work is the ongoing programme to build up the capacity of the Geological Survey Division, allowing it to collect, interpret and manage geological information more effectively.

Opportunities

With such a systematic and thorough overhaul of the industry in place, Sierra Leone stands on the threshold of a new phase in its economic development. Investors in the mining industry can move into Sierra Leone with more confidence and with greater ease than ever before.

General Fiscal Regime of the Petroleum Industry

The Fiscal Regime of the oil and gas sector comprises three key instruments:

- Royalties, which stand at 10% and 8% for drilling water depths of up to 200m and more than 200m respectively in the case of oil;
- Corporate Income Tax, which is 30% of profits for all forms of operations; and
- Petroleum Resource Rent Tax (PRRT), which stands at US$ 40 per square Kilometre per annum for initial exploration periods and US$ 110 per square Kilometre per annum for commercial production

The presence of vast undeveloped lands close to sheltered deepwaters and natural harbours in various points along the coast, create opportunities for oil and gas port infrastructure and services for imminent production activities.

"Marampa’s success will attract other companies to invest in the country; creating further wealth through increased economic activity, taxes and job creation."

Rachel Rhodes, - Chief Financial Officer, London Mining Company

Oil and Gas

Sierra Leone has proven deposits of offshore oil and gas; the full extent of these deposit is the subject of aggressive and ongoing exploration activities by a wide range of internationally reputable companies in the sector.

Anadarko Petroleum Corporation in 2009 announced a deepwater discovery at the Venus exploration well in block SL 6/07 offshore Sierra Leone. The Venus B-1 well was drilled to a total depth of approximately 18,500 feet in about 5,900 feet of water and encountered more than 45 net feet of hydrocarbon pay. Venus is the first deepwater test in the Sierra Leone-Liberian Basin. Anadarko operates the Venus well with a 40-percent working interest. Co-owners in the discovery include Woodside (25-percent working interest), Repsol (25-percent working interest) and Tullow (10-percent working interest). According to Bob Daniels, Anadarko Sr. Vice President, Worldwide Exploration, “the Venus discovery confirms the existence of an active petroleum system in the basin and enhances the prospectivity of our vast West Africa acreage position... we have established bookends spanning approximately 1,100 kilometres (700 miles) across two of the most exciting and highly prospective basins in the world".

London Mining

London AIM-listed mining firm Cluff Gold has been involved in Sierra Leone since 2002. The wholly-owned company is focused on becoming a mid-tier producer to its Baomahun project, which is expected to contribute an additional 135,000ounces of gold per annum, with significant exploration potential along strike. As current resource base is limited to only 1.5km of a total 12km strike length, the company has a two-fold strategy: to advance towards production with the current resources while delineating additional ounces along the 12km strike.

CEO of Cluff Gold, John Gordon Cluff, has been doing business in Africa for over 35 years. Mr Cluff enjoys working in Sierra Leone and rates the investment environment favourably: “The infrastructure is improving all the time and the Sierra Leoneans are very decent people who are easy to do
SECTOR OVERVIEW: Fisheries

The Fisheries and Marine Resources is one of Sierra Leone’s lesser known sources of untapped wealth, but it has the potential to become the country’s second largest sector for export after minerals.

OVERVIEW

With over 570 kilometers of coastline and a continental shelf area of about 30,000 square kilometers that contains commercially viable stocks of pelagic and demersal fish resources, Sierra Leone claims a sizeable share of West African waters. The country has a comparative advantage in West Africa, hosting high fisheries biomass comprising of shrimps, demersal finfish, pelagic and tuna fishery. However the current yield of the region is a small percentage of the stock, and with one of the largest harbours in Africa, Freetown is geographically equipped to deal with much higher volumes of trade.

Sierra Leone’s waters hold a variety of high-export quality species. Recent data from the Government show commercially viable stocks of high-value fish and cephalopods including snapper, grouper, catfish, barracuda, tuna, shrimp, lobster, cuttlefish, herring and sea bream.

The sector has since undergone substantial growth, increasing by one third over the years. With more investment growth the sector could expand exponentially. The sector currently contributes about 10% to the country’s GDP and fish is a major source of animal protein for over 80% of the country’s population.

Activities range from large-scale industrial operations aimed at supplying the international market and to small-scale fishing, which is mainly conducted by local fishermen using basic technology to supply domestic and regional demand. Artisanal fishing levels increased 3-fold between 2007 and 2011, with industrial fishing levels also growing steadily during the period.

Total Government revenues from the sector in 2007 were around US$ 1 Million. By 2009, this increased to approximately US$ 2.2 Million and in US$ 2.5 Million in 2011. As at June 2012, approximately US$ 2.2 Million has been generated in revenues.

Domestic Demand

Herring, croakers, bonga and oysters are popular in the domestic market. Recent estimates indicate that the small-scale and commercial catch is about half its annual Maximum Sustainable Yields of 16,000–40,000 metric tons of freshwater fish, 55,000 metric tons of pelagic fish, and 85,000–100,000 metric tons of demersal fish.

With improving trade links across West Africa and new roads connecting the country to its neighbours close to completion, Sierra Leone is well placed to supply the sub-regional demand for both fresh and dried fish, and with fishing in many places still following very traditional methods, even very moderate levels of modernisation can be expected to boost output substantially.

International Demand

Initiatives are far underway to obtain certification for Sierra Leone as an approved supplier to the European Union market. This includes Government investments in fish landing and processing infrastructure; and the promotion of private sector participation in the operation of these facilities. This process, which is being both backed and funded by the EU itself, will equip the country with the quality control facilities necessary to meet EU regulations and put in place a system for having imports screened and approved. When this is achieved, Sierra Leone will have duty and quota free access to one of the largest markets for fish in the world, and one which it is graphically very well-placed to supply.

Securing permission to export to the EU is only one aspect of an entire programme of works designed to build industry capacity. From better maintenance of basic infrastructure to an overhaul of the management systems and agencies involved in fishing, improving performance is a key objective of the current administration that recognises the huge contribution that aquaculture could make to the economy.

INVESTMENT OPPORTUNITIES

There are huge investment potentials in the fisheries sector, which is already heavily underinvested in terms of infrastructure, operations and services. With ongoing government investments in equipment, training and other measures to combat and reduce Illegal, Unreported and Unregulated (IUU) Fishing in the coastal water, this is expected to create substantial boosts to potential yields and economic rents on fisheries operations. The Government is presently promoting private sector involvement in the development of landing sites, landing and repair harbours for fishing trawlers, refrigeration and packaging of fish and other marine resources for local, regional and international export markets.

The incentive structure for investments in marine infrastructure grants corporate tax waivers of up to 7 years for investments more than US$ 2 Million.
Created in 1976, Sierra Fishing Co specialises in commercial fishing and fishing processing activities. It is Sierra Leone’s largest supplier of seafood with over 200 permanent employees and limited contracts with over 400 fishermen.

Bassem Mohamed manages the family-run firm and has noted significant progress in the ease of doing business in Sierra Leone since 2002. For him the economic outlook improved especially after the 2007 elections with more investors coming and more capital being available for entrepreneurs: “We could feel that there was a greater confidence in the country’s future”. The main advantage of Sierra Leone over its neighbours is that: “There is a great room for growth, the country offers diverse opportunities and investors can take advantage of being among the first movers.”

Currently exporting to many African and Middle Eastern countries including Senegal, Nigeria, Egypt and Lebanon, Mr Mohamed expects to export to the European Union market very soon to increase his production from at least 3,000mt to over 9,000MT per month.
SECTOR OVERVIEW: Extractives Mining

Energy is one of the Government's key priorities as it prepares for a new wave of economic growth in Sierra Leone.

OVERVIEW

Boosting domestic energy production is one of the fundamental platforms for the future growth of Sierra Leone. The country possesses vast potential in hydropower and biofuels. Sierra Leone has nine major rivers, vast tracts of arable land and a two season climate, so these energy sources work in a counter cycle - dry for biofuels and wet for hydropower - providing reliable power all year round.

This potential is beginning to be realised, with the commissioning of the Bumbuna dam in 2010 with total generating capacity of 50MW; additional investments in thermal generation plant, all of which increased total energy output by over 300 percent; and the establishment of new biofuels plantations and manufacturing plants.

According to the World Bank, recent progress in developing renewable energy technologies, particularly in the hydropower and biofuel subsectors, will make Sierra Leone self-sufficient in energy.

Furthermore, recent explorations have indicated that Sierra Leone could become a major exporter of oil and gas in the near future, making the energy sector a key area of growth.

Energy Policy

The new Bumbuna hydroelectric dam is one of the country's most ambitious development projects to date. Built by the Italian firm Salini Costruttori and the first phase completed in 2000, the 440m-wide hydropower facility on the Seli River is currently delivering about 50MW into the country's national grid, ensuring a more stable and affordable supply of energy.

Plans are already in the advanced stages for development of Bumbuna phase II which will raise output to 372MW; the technical feasibility studies have been completed by a Mauritius-based project development company, Joule Africa. There is also significant potential for several more hydroelectric plants around the country. The United Nations Industrial Development Organisation (UNIDO) is presently funding the development of a 10MW hydro plant in the southern region of the country; a Chinese firm has also announced plans to build another mini-hydro dam in the Western area of the country.

Biofuels

Sierra Leone has an ideal climate and plenty of available land for significant production of foods such as sugar, cassava and palm oil, all of which are suitable materials for biofuels production. With less than 20 per cent of Sierra Leone's 5.4 million hectares of arable land currently under cultivation, there is ample scope for fuel crops to be planted without infringing on food production activities, local communities or rainforest.

Across a variety of parameters from the cost of land, proximity to ports, and type and quality of soil, Sierra Leone competes equally with or better than Brazil. Moreover, Sierra Leone offers proximity to the EU and preferential access to this key market, making it an increasingly attractive destination for businesses in this sector. Biofuels production is still a very new addition to the Sierra Leone economy, but already significant investments have been made, and there is huge potential for the sector to develop.

Solar

In a country that receives an average of six hours of sunlight per day, there is significant scope for greater use of solar energy. There is growing interest in using solar energy for a range of different applications. Some areas across the country are generating solar energy for domestic and/or business consumption. Negotiations for a contract to introduce solar powered street lights in Freetown and other parts of the country are underway.
Transmission and Distribution Networks

A comprehensive T&D network rehabilitation project was launched in 2010, as part of a medium term investment programme that will see the complete overhaul and expansion of the country’s entire domestic T&D network and integration of into the West African Power Pool network.

The foregoing offers significant opportunities for private investments in the generation, transmission and sale of energy in both domestic and regional markets. Ongoing industrial projects in the area of manufacturing and processing of mineral resources are also expected to generate substantial levels of demand; current energy needs of imminent steel manufacturing and other industrial operations create a potential demand of over 850 MW.

Addax has established an operation in the country comprising the cultivation of a large sugar cane plantation and the construction of an ethanol factory which is expected to reach full production capacity by 2014.

Mr Nikolai Germann, Managing Director of Addax Bioenergy, has nothing but praise for Sierra Leone as a place to invest in agribusiness: “Sierra Leone has been an excellent business partner. We consider the country safe, the Government supportive, and the people are willing, welcoming and enthusiastic about us as an investor.” Yet Mr Germann does identify that while many improvements are still necessary, covering the country’s infrastructure, availability of skilled labour and the strength of the supply chain, the country’s biggest challenge is probably its public perception.

“We have had nothing but positive experiences in Sierra Leone, but we are forever bringing in highly sceptical people who are experienced African consultants. But they all leave positive and excited about the opportunities. The country has huge potential.”
SECTOR OVERVIEW: Tourism

Tourism is a growing global industry, and as one of Lonely Planet’s Top Ten places to visit in 2009, Sierra Leone has the potential to secure a healthy share of sub-Saharan Africa’s over $66bn tourism market. At the prestigious Africa Investor Tourism Awards 2010, Sierra Leone won the Tourism Promotion Agency (TPA) and Tourism Board (TB) of the Year award.

OVERVIEW

With over 360km of idyllic and unspoilt coastline, 18 national heritage sites linked to Sierra Leone’s rich past of both the slave trade and as a home for returning slave, and 31 protected areas of unique wildlife, including pygmy hypos, chimpanzees, jungle elephants, and many species of birds; not to mention a guaranteed supply of winter sun, Sierra Leone has all the raw ingredients necessary to compete with existing winter hotspots. Freetown is only half an hour further by aeroplane than current West African holiday favourite the Gambia, and has regular connections to Europe via both London and Brussels in six hours, and eight hours to the Americas. In 2012, the Government signed an open skies agreement with the United States of America’s department of States.

Forward-looking and vibrant, with a thriving home-grown music scene and a buzzing capital, Sierra Leonean culture has flourished since 2002. Hospitality, one of the cornerstones of national tradition, offers a natural foundation for developing the tourism industry, and businesses are rising to the challenge in preparation for a surge in visitor numbers.

Tourism in Sierra Leone can only be strengthened by the country’s growing record of good governance and civil security. One of the few capital cities in the world in which the police don’t carry guns, and with two peaceful UN approved elections behind it, Sierra Leone is shedding its troubled image and is ready to welcome tourists from around the world.

“It’s been a while since I got so attached to a place so quickly, I’ve vowed to return.”
Richard Green, the Sunday Times

International Demand

As the endorsement from Lonely Planet suggests, Sierra Leone holds real appeal for the first movers of the tourism industry – those keen to venture into new and original territory in search of a unique experience.

In this respect Sierra Leone boasts immense resources, including untouched beaches, lush hills and primary rainforests. Conservation areas such as the Outamba Kilimini National Park, Tiwai Island and Gola Forest are home to a diverse range of wildlife and activities such as hiking, fishing and bird watching are already on offer. However, the potential of these areas of natural beauty has yet to be fully developed by the tourism industry.

Meanwhile, life in most parts of the country is still very traditional, making it possible for travellers to experience a different and authentic way of life first hand.

All these factors make Sierra Leone well-placed to develop an eco-tourism industry – an increasingly popular sub-sector which respects existing natural and cultural balances.
Expatriate and returning tourists

Sierra Leone’s substantial expatriate population also represents a key potential market for investors looking to move into the tourism sector. After several years of stability and reform, many Sierra Leoneans are increasingly keen to return to their country to reconnect with their roots and contribute to rebuilding the economy. Since the recent arrival of mortgages in Sierra Leone, members of the country’s diaspora have been tempted to go home to retire, encouraged by the low cost of living. Meanwhile, the decision in 2007 to repeal the 30-year-old law which prevented Sierra Leoneans from holding dual citizenship has further strengthened diaspora relations.

There is also a growing demand among a wider community of people of African and Afro-American descent for tourism which allows people to retrace their roots. Nearby Ghana has already made huge strides in catering for “returning” tourists, and with its rich cultural history and traditional way of life, Sierra Leone is well-positioned to follow a similar course.

Rainbow Tours is a UK-based travel operator specialising in bespoke holidays to Africa and the Indian Ocean. It added Sierra Leone to its roster of destinations in 2008, the first West African country to become part of Rainbow Tours’ portfolio. Programme Manager, Sam Longair, first visited Sierra Leone with a group of businessmen in April 2008. He was struck by the unspoilt beaches and the friendly atmosphere in the country and felt that Sierra Leone had much to offer Rainbow’s clients. “Sierra Leone offers the opportunity to have authentic, friendly engagement with local people that is rare in almost all beach destinations.” Recognised as the UK’s best small tour operator at the Guardian Observer Travel Awards 2009, Rainbow Tours is committed to Sierra Leone as a destination.

“We identified the tourism potential in Sierra Leone last year. We are committed to the country as we see it has significant growth potential.”

It predicts a growing influx of tourists to the country from birds and wildlife enthusiasts to sun seekers looking for an unspoiled destination that provides some of Africa’s most stunning beaches, a wide variety of wildlife and a welcoming atmosphere.

Future Prospects

According to the World Travel and Tourism Council, the country already earns $90 million from travel and tourism and is likely to grow at 5.8 per cent a year for the next decade.

According to the National Tourist Board, the tourism sector contributed $36.9 million as revenue in 2011, showing a huge climb as of $27.1 million in revenue contributed in 2010 demonstrating and increase of 36.2 percent. Tourist arrivals also increased from 32,223 in 2007 to 52,442 in 2011. Average revenue growth for tourist receipts over the past five years was estimated at 10 percent and is projected to grow by 20 percent in the next five years. Opportunities remain to further develop the business hospitality sector in Freetown, as the incentives for tourism developments are already in place. A strong growth in tourist numbers is evidence for the increase in scheduled flights to four flights a week between London Heathrow and Freetown. Airline fleets have also increased operating in the Sierra Leone.

The Place: It’s a 50-chatalet luxury boutique resort, set in 15 acres of tropical gardens, on the unspoiled, pretty white sands of Tokeh Beach, Sierra Leone. Lush, jungle-clad mountains sweep up behind the hotel, creating a truly magical setting.

“Sierra Leone had a thriving tourist industry in the 1980s. It is an attractive destination for tourists in terms of its beauty, hospitality and largely unspoilt nature.”
SECTOR OVERVIEW: Infrastructure

Sierra Leone has embarked on a vast programme of works to improve the country's infrastructure. There are many opportunities for contracts and strategic public-private partnerships in this sector.

OVERVIEW

Over the past 5 years, rebuilding and developing the country's infrastructure was at the top of the national agenda. Already, marked improvements have been seen in almost every sphere, with some of the most ambitious projects in the nation's history being at various stages of implementation.

There is still work to be done, but investors coming to Sierra Leone will find a country galvanised by a common vision and committed to the task of realising it. For this reason the Government is keen to develop public-private partnerships wherever possible, and so every improvement waiting to be made represents an investment opportunity.

Roads and Waterways

The Government has recognised the importance of roads to the country's economic and social well-being. Accordingly, the country is undertaking the most ambitious road-building programme in its history.

Between 2008 and 2012, over 640 Kilometres of road construction projects were implemented, some of which were completed while others are nearing completion. These include links to neighbouring countries, intercity highways and inner city roads. Over 50 new bridges have been constructed, major motorways are nearing completion, and a newly constructed road will vastly improve links between Freetown and the airport at Lungi.

Additional projects to improve feeder roads and rural access are also underway, covering over 1,200 Kilometres; and the Government is conducting feasibility studies and applying for funding for many more roads of up to 350 Kilometres. Some of these projects are now in various stages of tender.

There has been a separation of the Road Maintenance Fund from the Sierra Leone Road Authority; and the functions of road planning and budgeting vested in the newly established Road Maintenance Fund.

Ports

With one of the largest harbours in West Africa, Freetown has the potential to become a major international hub. Since 2006 port traffic has grown considerably, and the Government is looking to attract even higher volumes of trade. Plans to construct the largest port at Lungi (the airport town) are well underway. The African Mineral Company is prepared to invest around US$ 2.5 billion in this project before the end of 2012. When completed this port will be the largest in West Africa.

Currently Sierra Leone Ports and Authority (SLPA) oversees operations, but the Government of Sierra Leone has privatised the port to French Company – Bollore, offering concessions of the container terminal for a proposed 25 year period and licensing services provided for shore handling of break bulk and bulk cargoes. The Government has also privatised the port at Pepel, which is currently non-operational.

Airports

Government of Sierra Leone has entered into two contracts with private sector organisations to improve on the infrastructure and quality of services at the existing international airport. In addition to these interventions, Government has set up a Planning Committee to examine all aspects of the design, planning and operation of a new international airport that is to be located on the mainland in the mid-west of the country.

Telecommunications

While overall mobile penetration rates have increased dramatically over the past 7 years from below 5 percent to about 48 percent in 2011, the levels are still well below African averages, leaving ample room for growth as well as a broad scope to offer emerging services such as mobile internet access, advertisements, payments and social networks.
Sierra Leone’s fixed-line telecommunications infrastructure is also very weak, with less a fixed-line tele-density of less than 0.5 percent and an internet penetration rate of 0.4 percent. However, the internet industry is witnessing rapid growth as the number of ISPs have increased from only one in 2005 to about six, providing high speed internet access and Voice over IP services across the country and throughout the many internet cafes in Freetown and some provincial towns.

The Government has implemented two major fibre optic cable projects. A Special Purpose Vehicle, SALCAB, was established to participate as a consortium member of the Africa Coast to Europe (ACE) sub-marine fibre optic project, which is expected to bring in high speed international bandwidth into the country. The Government has also launched a National Terrestrial Fibre Optic Cable network, which incorporates the ECOWAS Wide Area Network (ECOWAN) that links Sierra Leone with Guinea and Liberia and the wider ECOWAS region. These investments are expected to significantly increase telecommunications bandwidth and reduce the prices of activated voice, data and video services over the fibre optic cable network.

In Sierra Leone, SBTS consults in the areas of software development, web development, training, e-learning for companies with the help of dedicated staff members and also runs training session for young graduates. So far the company, which opened up in 2004, has invested over $2 million in Sierra Leone.

According to Evelyn Lewis, CEO for SBTS Group, Sierra Leone has enormous potential as an outsourcing centre, particularly because of the high quality of English spoken in the country relative to comparative outsourcing destinations.

SBTS is currently supporting efforts to secure investment and connect Sierra Leone to the international fibre optic submarine cable that lies off the country’s coast. Mr Lewis says: "The introduction of fibre optics in Sierra Leone would provide a massive and almost immediate boost to economic growth. Because of this, it also represents a real investment opportunity."
Section 4: Useful Information

Sierra Leone has embarked on a vast programme of works to improve the country’s infrastructure. There are many opportunities for contracts and strategic public-private partnerships in this sector.

TAXES AND TARIFFS

The tax system in Sierra Leone has benefited from recent reforms and is becoming more streamlined. All taxes are collected by the National Revenue Authority (NRA) which has three revenue departments: the Domestic Tax Department, Customs and Excise Department, Non-Tax Revenue Department, which is fully operational.

- Corporate tax: 30 per cent except for mining
  35 per cent
- Income tax: 15 – 30 per cent depending on people’s incomes
- Goods and services tax: 15 per cent

In the diamond trading sector, an export tax of 5 percent applies. Royalty taxes for trading licence holders 5 per cent for precious stones, 4 percent precious metals and 3 percent for other minerals. The common external tariff adopted by the Economic Community of West African States (ECOWAS) in 2005 set four tariff bands of 0, 5, 10 and 20 per cent with a mean of about 13 per cent.

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<th>Average Tax Rates for a Medium Sized Company Operating in Sierra Leone</th>
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<td><strong>Tax Area</strong></td>
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<td>Sales Tax</td>
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<td>Fuel Tax</td>
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<tr>
<td>Tax on Interest Income</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank, Doing Business 2010

EMPLOYMENT

Sierra Leone has an abundant and increasingly well-educated labour force, with large numbers of the diaspora returning to the country and an improving education system. Wages in the country are relatively lower than in most other West African countries across all labour categories.

<table>
<thead>
<tr>
<th>Comparative Wages and Labour Force</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sierra Leone</td>
<td>24</td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>38</td>
</tr>
<tr>
<td>Liberia</td>
<td>40</td>
</tr>
<tr>
<td>Gambia</td>
<td>43</td>
</tr>
<tr>
<td>Ghana</td>
<td>45</td>
</tr>
<tr>
<td>Senegal</td>
<td>67</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: UNDP, Human Development Indexes. For wages, data reported by the US Department of State, Bureau of Democracy, Human Rights and Labour.

**Note:** The precise comparison of labour costs is difficult to make mainly due to the lack of data on the different variables that compose the total labour bill. Available data on minimum wages is used as a proxy.

“We have introduced some of the toughest Anti-Corruption legislation in Africa, for we recognise that the scourge of corruption fatally undermines the long-term growth of any nation.” President Koroma
Work week and pay
The work week in Sierra Leone is 40 hours, with two mandatory consecutive days off. Work beyond 40 hours is paid at 50 per cent overtime and work required on rest days is paid at 100 per cent overtime.

BUSINESS REGISTRATION AND LICENSES
Investors must take four steps to register their businesses and the process takes about 3 days, if all relevant documentation is in place. The main requirements are:
1. Register the name of the company
2. Prepare Memorandum and Articles of Association
3. Incorporate the company and register the memorandum
4. Obtain Tax Identification Number (TIN) and tax clearance certificate from the National Revenue Authority
5. Obtain a Labour Clearance Certificate from the Ministry of Labour and Industrial Relations
6. Get the business started

ACCESSING LAND
There are two types of land tenure, inherited from colonial times:
- Colonial land is a freehold system in Freetown and the Western Area
- Customary land is a leasehold system that prevails in the rest of the country

Citizens can acquire private land in Freetown and the Western Area through the State Lands Committee and the Ministry of Lands, Country Planning and the Environment. Under the customary land system an investor can lease land up to 99 years by entering into a “joint venture” with the local paramount chief who controls the land in his district, on behalf of his subjects.

IMPORTING AND EXPORTING
Inspections
As at August 2012, the need for Pre-Shipment Inspections (PSI) has been eliminated, with importers required to submit their cargoes to Destination Inspection for all goods exceeding US$ 2,000 in value. The current DI fees are 0.99 percent of the CIF value

Import Permits
Import permits are not required except for certain sensitive goods – such as agricultural and pharmaceutical products – subject to pre-approval by the relevant ministry.

Export procedures
The Chamber of Commerce, Industry, and Agriculture issues certificates of origin.

TRAVEL AND HEALTH
Entering Sierra Leone requires a visa, a valid passport of origin and international health certificate showing a current yellow fever immunization. Preventive medications and vaccinations for malaria and typhoid are strongly recommended.

TACKLING CORRUPTION
The Government of Sierra Leone recognises how corruption can fatally undermine economic growth and has been taking major steps to tackle the issue. In 2008, a new Anti-Corruption Act was introduced, with the assistance of the UK’s Department for International Development that is one of the toughest pieces of anti-corruption legislation in Africa.

The country’s reinvigorated Anti-Corruption Commission is now focused as much on reforming the system of Government to prevent corruption as it is on identifying corrupt activities. Three key elements were introduced in order to assist the Commission:
1. Independence and autonomy from Government
2. The power to initiate prosecutions
3. The power to recover assets through civil actions

The Act also included new offences on illicit enrichment, abuse and misuse of office, adequate protection for whistleblowers and informers, and made it compulsory for all public officers to declare their assets. Since its introduction, over 17,000 public officers have declared their assets.

By the end of 2012, a huge number of Government Ministries had been reviewed by the ACC to ensure they met anti-corruption best practice. The ACC’s prosecution unit achieved major convictions in recent years of operation. Since 2007, over one $1million has been recovered, mostly monies misappropriated in the period.

The Global Corruption Barometer conducted in 2009 by Transparency International found that almost two-thirds of Sierra Leoneans believed that the Government’s efforts in the fight against corruption have been effective.

<table>
<thead>
<tr>
<th>Citizenship</th>
<th>Single Entry</th>
<th>Multiple Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian</td>
<td>75</td>
<td>140</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>85</td>
<td>170</td>
</tr>
<tr>
<td>United States</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Others</td>
<td>50</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: National Immigration Department

For information on obtaining a visa, visit [www.embassysierraleone.org](http://www.embassysierraleone.org) or [www.visitsierraleone.com](http://www.visitsierraleone.com). It takes about a week to obtain a visa after fulfilling the requirements; Table 8 shows the associated fees.
SIERRA LEONE INVESTMENT AND EXPORT PROMOTION AGENCY (SLIEPA)

The Sierra Leone Investment and Export Promotion Agency (SLIEPA) is responsible for attracting foreign investments into Sierra Leone and promoting the country’s exports.

SLIEPA provides free facilitation support in promoting private sector investments in Sierra Leone and in building public-private partnerships.

SLIEPA offers:
- A quick, 24-hour response service to all investment and export related enquiries
- Relevant, regularly-updated information pertinent to investors and exporters
- Tailored investor visits to Sierra Leone and aftercare services
- Market intelligence for exporters
- Export facilitation and special services

SLIEPA also provides business services including assistance in securing business name registrations, incorporation certificates and license certificates.

SLIEPA’s core values are service excellence, accountability and transparency, integrity and a high level of commitment and participation.

For further information please contact:
Sierra Leone Investment and Export Promotion Agency
O.A.U. Drive
Tower Hill
Freetown, Sierra Leone
Tel: Switchboard: +232 22 220788
Email: info@sliepa.org
Website: www.sliepa.org
USEFUL CONTACT INFORMATION

MINISTRIES

Ministry of Agriculture, Forestry and Food Security
1st and 2nd Floor
Youyi Building, Brookfields
Freetown, Sierra Leone
Tel: +232 22 242136/241170/236122

Ministry of Employment and Social Security
New England Ville
Freetown, Sierra Leone
Tel: +232 22 240854

Ministry of Energy and Water Resources
4th Floor, Electricity House, 36 Siaka Stevens Street
Freetown, Sierra Leone
Telephone: +232 22 226 566/225054

Ministry of Finance and Economic Development
Ministerial Building, George Street
Freetown, Sierra Leone
Tel: +232 22 225612/228181/226631/225862
www.mofed.gov.sl

Ministry of Fisheries and Marine Resources
Youyi Building, Brookfields Tel: +232 22 240642/240828
Fax: +232 22 235135

Ministry of Information and Communications
8th Floor, Youyi Building
Freetown, Sierra Leone
Tel: +232 22 240911/235019

Ministry of Lands, Housing, and Country Planning
3rd Floor, Youyi Building, Brookfields
Freetown, Sierra Leone
Tel: +232 22 225141
Fax: +232 22 235055

Ministry of Mines and Mineral Resources
5th Floor, Youyi Building, Brookfields
Freetown, Sierra Leone
Tel: +232 22 235234
Website: www.slmineralresources.org
Ministry of Tourism and Cultural Affairs
Kingharman Road
Freetown, Sierra Leone
Tel: +232 22 235468/235428

Ministry of Trade and Industry
6th Floor, Youyi Building, Brookfields
Freetown, Sierra Leone
Tel: +232 22 222 706/222755
Fax: +232 22 235 129/224761/235575
Website: www.trade.gov.sl
e-mail: info@trade.gov.sl

BUSINESS ASSOCIATIONS AND ORGANISATIONS

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Aberdeen Road
P.O. Box 1435, Freetown, Sierra Leone
Tel: +232 22 272 520
Fax: +232 22 272 197
Email: rtbinfo@sierratel.sl
Website: www.welcometosierraleone.org

Sierra Leone Chamber of Commerce, Industry, and Agriculture (SLCCIA)
5th Floor, Guma Building, Lamina Sankoh Street
P.O. Box 502, Freetown, Sierra Leone
Tel: +232 22 226305/220904
Fax: +232 22 228005
Email: cocosl@sierratel.sl
Website: www.cocosl.com

National Commission for Privatization (NCP)
5th Floor, Lotto House
O.A.U. Drive, Tower Hill
P.O. Box 56, Freetown, Sierra Leone
Tel: +232 22 227759/290447/290448
Email: ncp@ncpsl.com

National Revenue Authority (NRA)
Modesty House, 7 Bathurst Street
Freetown, Sierra Leone
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Website: www.nationalrevenueauthority.org

Sierra Leone Business Forum
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Email: info@slbizforum.org

National Social Security and Insurance Trust (NaSSIT)
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Freetown, Sierra Leone
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Fax: +232 22 220362
Email: nasstl@nasstsl.org
Website: www.nasstsl.org

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More information is available at www.sliepa.org

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