

SAHARA

The Forecast, 2018

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Mali

DOMESTIC POLITICS AND POLICY

Opposition to President **Ibrahim Boubacar Keïta** (IBK) is expected to grow ahead of the June 2018 presidential election, unless he can be persuaded to step down. The withdrawal of the state from much of northern and central Mali – in the face of the deteriorating security situation, poor governance, increasing inter-ethnic conflict and corruption – is likely to add to increased political unrest. The key question is whether presidential elections will resolve this security crisis. If the French government want IBK's Administration to continue and decide to back IBK – which largely depends on President Macron – then he will probably win. In this event, the crisis will worsen because of IBK's refusal to negotiate with the key jihadist stakeholders.

The Tuareg drive for secession is unlikely to resolve itself in the immediate future, and any progress on that front is likely to stem more from Tuareg exhaustion than government ingenuity and/or goodwill. International bodies are ready to inject funds into the development of the north, but these will not be forthcoming until the region is more peaceful and governance and accountability is restored. As 2018 progresses, Mali's internal problems may begin to focus more on the central region, rather than the North.

SECURITY

There are few signs that Mali's security situation will improve in the immediate future because of jihadist activity. Any improvement in the north is likely to be offset by deteriorations in the centre and Southern border regions. The situation is, however, extremely fluid, and much depends on: the extent to which the US and France become more proactive in their counter-terrorism strategies; and whether the use of drone missiles and targeting of jihadist leaders will lead to reprisals and increased jihadist activity.

INTERNATIONAL AFFAIRS

Mali is expected to increase its engagement with the US and France because of the likely future rise in US operations in neighbouring Nigér, and the French – and possible US – support for the G5S. The 15,000 personnel deployed as part of MINSUMA will continue to operate in 2018 – at least until June – to support the development of Mali's security and protection of human rights.

ECONOMY

The economy will continue to suffer from the widespread political instability and insecurity which is impeding much-needed development projects and the inflow of international development funds. International enthusiasm and goodwill to provide aid to Mali has been dampened by the latter's corruption and poor governance, and unaccountably is unlikely to turn around without major internal governmental changes.

ENERGY

The Autorité pour la Promotion de la Recherche Pétrolière (AUREP) launched a licensing promotion in October during Africa Oil Week in Cape Town. Whether it is likely to attract IOCs will, however, probably be more dependent on the above-ground politics and security situation than on the attractiveness of the geology and the fiscal terms on offer.

Nigér

DOMESTIC POLITICS AND POLICY

Nigér, which held presidential elections in 2016, could be the most politically stable of the Sahel countries in 2018 despite a noisy opposition and frequent street protests. Inter-ethnic conflict – particularly between Peul and Tuareg groups – could escalate if the government continues to use Tuareg groups to combat supposed Peul insurgents.

SECURITY

The security situation near the Mali border area is expected to worsen. The threat from Boko Haram in the southeast may, however, be reducing. Increasing opposition to the presence of foreign forces – notably French and US troops – could spark more protest. This could increase the future political and security risks if any protests are linked to other causes of domestic discontent.

INTERNATIONAL AFFAIRS

Niger might receive a greater level of international attention in the immediate term – particularly from the US and France – after the 4 October killing of four US Special Forces. The country might also increase its dependency on the French government, which will fuel the level of local protest towards the government and might, perversely, increase local sympathy towards jihadist groups operating near the Mali border.

ECONOMY

Economic growth is still highly dependent on climatic conditions, large-scale investments in extractive industries, and security. Although commodity prices, and especially oil, may stabilise in 2018 they will be offset by Niger's massively increased security costs, which have absorbed the national budget.

ENERGY

A decision is likely to be made in 2018 on which oil export routes will be chosen for the Agadem oil fields but the pipeline itself will not be completed for at least a year if not longer.

The oil sector is expected to grow marginally in 2018 as global commodity prices recover. Fortunately the regional insecurity is in the west of the country and the main producers, China's CNPC, and Savannah Petroleum – which is about to complete a take-over of Seven Energy which has assets in the Niger Delta – are unlikely to be affected.

OTHER INDUSTRY

The mining sector is expected to grow in 2018 as global commodity prices rise. Market conditions, however, remain difficult for uranium exports, and Areva's Somair mine is expected to reduce production of uranium concentrate

from 2,100 tonnes in 2017 to 1,700 tonnes in 2018. Tourism has and will continue to suffer in 2018 because of the security situation, and this will not improve in 2018.

Chad

DOMESTIC POLITICS AND POLICY

Thanks to the support from France, the highly unpopular President Idriss Déby has survived another close call to his political survival and is now ensconced in a fifth presidential term. In spite of Chad's near bankruptcy, and the existence of widespread social and political unrest – which will continue into 2018 – there are few signs that Déby will be overthrown. The army, which is the bedrock of his support, will remain loyal to him in the near future.

INTERNATIONAL AFFAIRS

For 2018, Chad will continue its active participation with the G5S mission and its cooperation with Nigeria and Cameroon to combat Boko Haram. The country will continue to receive refugees from neighbouring Nigeria, Niger, Sudan and the Central Africa Republic. It also will continue its engagement with the UN High Commissioner for Refugees (UNHCR) to manage over 400,000 refugees. France will remain the dominant international partner.

SECURITY

The security situation could improve slightly during 2018 if the Chadian army and its neighbours continue to degrade Boko Haram which is active in the Lake Chad Basin. However, Déby has dangers on his northern front with Libya, where Chadian rebels threaten to gain a foothold.

ECONOMY

Thanks largely to the fall in the oil price in 2014, Chad is effectively bankrupt, but will stabilize – for the moment – because of financial support from France and a marginal increase in oil prices. One consequence of the commodity price shock is that it has forced Chad to revert to its traditional economic base of agriculture and pastoralism. If political stability and security can be achieved in 2018 there could be major international investment in these sectors.

ENERGY

Chad's growth is still dependent on its dominant oil sector which is likely to expand in 2018. The sector could, however, be damaged if the potential conflict between the government and Glencore over the new oil marketing arrangement with Esso results in litigation.

OTHER INDUSTRY

The fall in commodity prices will encourage economic diversification back into food production and processing, including meat. If foreign investment becomes available into 2018, these sectors will see a relatively significant upturn in the coming year. Tourism will remain underdeveloped because of poor infrastructure – outside N'Djamena – and insecurity in the Western region.

Mauritania

DOMESTIC POLITICS AND POLICY

Presidential elections are due in 2019 and President **Mohamed Ould Abdel Aziz** has said that he will step down, as constitutionally required. There is, however, a strong suspicion that he will try to cling on to power. This will raise the risk of political unrest in 2018, and the possibility of a potential overthrow of the regime by a military coup or from pressure from France. A combination of: a deteriorating economy before the expected windfall from the huge newly found gas revenues; corruption associated with the presidency; and other socio-political and racial-ethnic issues could lead to greater social and political unrest as 2018 advances towards the 2019 election.

INTERNATIONAL AFFAIRS

Mauritania is more detracted from regional insecurity and therefore is less active in the G5S engagement. France will continue to be the primary international partner in 2018 but the Aziz regime is expected to further isolate the country.

SECURITY

The security situation is far better than in the other Sahel countries, and it is unlikely that jihadism will expand north from the Sahel to Mauritania in 2018. The most likely security risk will be from internal political unrest associated with the Abdel Aziz regime.

ECONOMY

Lower oil prices and regime corruption will damage the economy. This is unlikely to change without a substantial upturn in commodity prices – for oil, gold and iron ore – and until the very large hydrocarbons arrive but this will not be in 2018. The year will, however, be a decisive year for the country's offshore hydrocarbon resources.

ENERGY

Massive gas reserves have been found in Mauritania and it will eventually transform the economy. 2018 will see major progress on the Tortue project's floating liquefied natural gas (FLNG) development which is scheduled for a final investment decision in late 2018.

OTHER INDUSTRY

Until first gas is produced the two main sectors will continue to be mining and fishing. The former looks to improve in 2018 alongside increased commodity prices. The expansion of gold production in 2018 is expected after Toronto-based Kinross Gold Corp's investment into its

Tasiast gold mine. There is concern from the EU, among other countries, over the depletion of Mauritania's fish stock, which could cause a contraction of the sector in 2018.

Burkina Faso

DOMESTIC POLITICS AND POLICY

Burkina Faso is expected to remain politically stable in 2018 but the upsurge of terrorist attacks – such as the latest attack in August in Ouagadougou – will have a destabilising effect on domestic politics. Policy will directly, or indirectly, revolve around domestic and regional security.

INTERNATIONAL AFFAIRS

Burkina Faso's interaction with the French government and the other G5S countries will be the focus of the country's international relations in 2018.

SECURITY

The security situation in northern Burkina Faso has progressively deteriorated in 2017 and this will continue in 2018,

unless the French Barkhane forces, assisted by the US and other G5S troops, can overcome the expanding jihadist problem in the region. This looks unlikely looking forward.

ECONOMY

Economic growth is expected to marginally increase in 2018, largely driven by public investment and from cotton and gold exports. This growth is dependent on both the ability of the government to reduce security threats and bolster investor confidence.

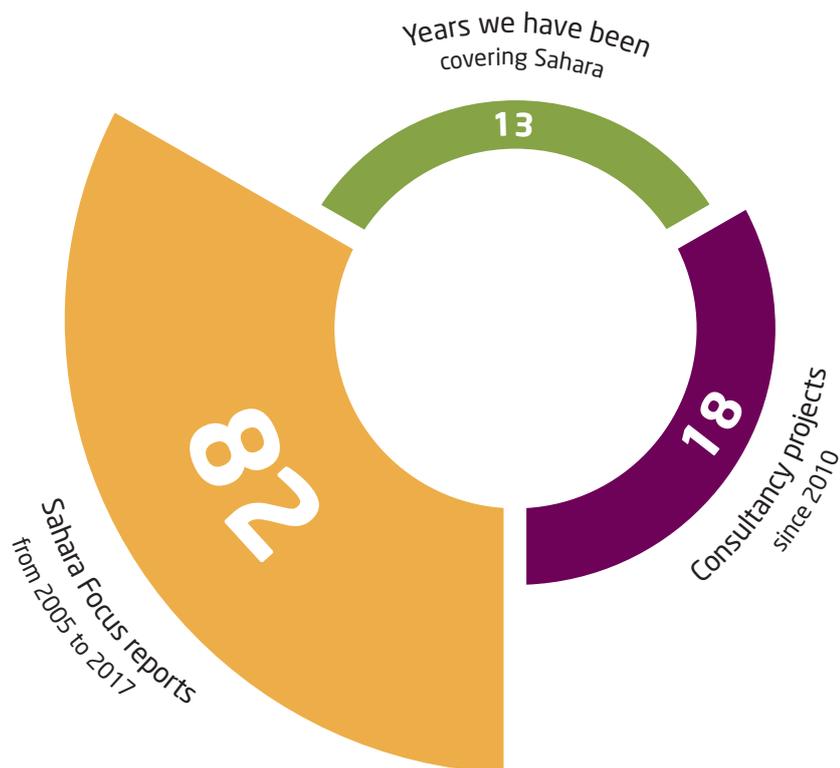
ENERGY

Burkina Faso is limited in its natural resources and we do not expect much growth in this sector in 2018.

OTHER INDUSTRY

Cotton and gold continue to be the country's main exports and both will likely improve in 2018 alongside a global recovery in both markets. Local industry revolves mostly around food and beverage consumer products, which will remain depressed because of the country's insecurity.

For more information on Sahara, or the region, please contact Roger Cabrera, roger.cabrera@menas.co.uk | +44 (0)20 3878 5217



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