

Invest in Africa

CASHEW

Special Feature:



Invest in
Côte d'Ivoire



A F R I C A N C A S H E W A L L I A N C E

Growing the African Cashew Industry!

2019 edition | Issue No. 7

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About the African Cashew Alliance

BACKGROUND

The African Cashew Alliance (ACA) was established in 2006 as an alliance of African and international businesses with an interest in promoting a globally competitive African cashew industry. Today, more than 100 member companies work under the ACA banner and represent all aspects of the cashew value chain, including producers, processors, traders, and international buyers.

OUR NEW VISION

A sustainable African cashew industry that delivers globally competitive, value-added products and secures profitability for all actors

OUR NEW MISSION

To create a platform for accelerating growth and investments in the African Cashew Industry through partnerships, advocacy, market linkages, technical support and global networking

OUR OBJECTIVES

ACA seeks to:

1. Facilitate networking among members and offer timely information on cashew sector
2. Advocate for sector improvements and partnerships
3. Facilitate food safety standards
4. Increase processing in Africa through investment promotion and technical support services



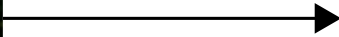
ACA
AFRICAN
CASHEW
ALLIANCE



The Cashew Value Chain



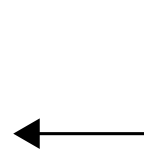
Growing Cashews on Trees



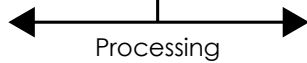
Picking Cashews



Storing & Drying Raw Nuts



In Africa



Elsewhere, After Export



In Africa



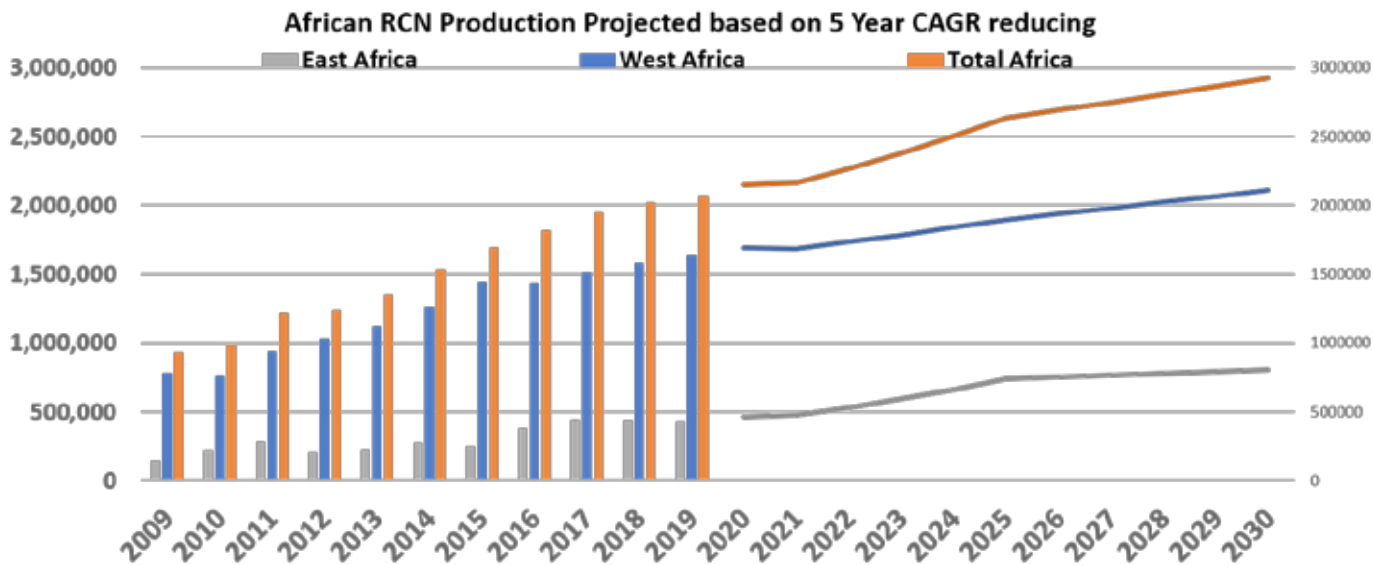
Elsewhere



Purchase in International Markets

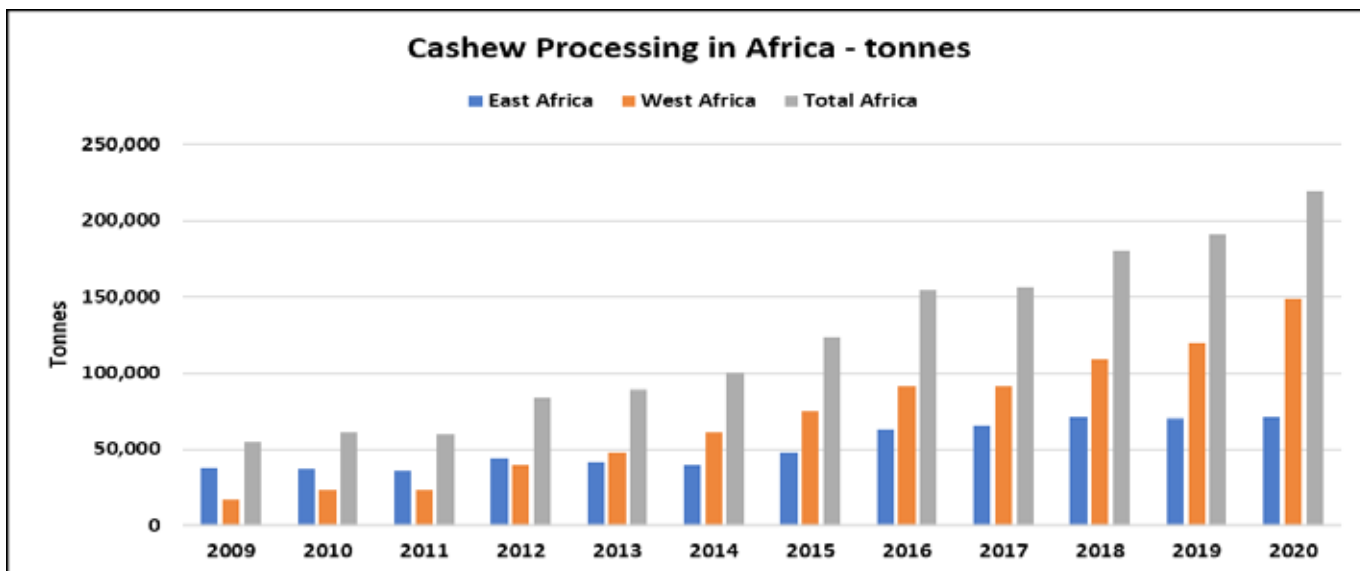
Why Invest in Africa?

Global interest in the African cashew market is growing rapidly. Investors recognize that current industry trends combined with Africa's abundant natural wealth and improving economic and political landscape make the continent a more and more attractive place for investment. In fact, sub-Saharan Africa has notched strong growth for the last decade and is likely still in the early stages of a powerful and transformational surge of economic progress. However, only a small fraction of global private capital is invested in sub-Saharan Africa. As the continent becomes gradually more prosperous, levels of private investment are expected to increase significantly, especially since Africa currently offers the highest returns on foreign direct investment of any region in the world, according to the World Bank. Investing in African cashew makes good economic sense. African raw cashew nut production has been rising at a rate of about 7-8% annually over the last fifteen years. Although prices fluctuate, they are stable over the long-term: the cashew nut is an up-market snack food. Demand for cashew has rapidly increased over the last five years as knowledge about the associated health and nutritional benefits has become more widespread. In addition, there is the rising purchasing power of emerging economies which traditionally use cashew as an ingredient in many foods.



Cashew production in Africa

Changing conditions in the industry make African cashew a good investment choice. While Africa grows approximately over 58% of the world's cashew supply, nearly 90% of this is exported to Asia and Southern America for further processing. Vietnam and India currently remain first two largest cashew processing and value-added cashews exporting nations. However India, Europe and USA currently account for a majority of the world's market for cashews, with rapidly growing domestic consumptions of healthy foods as cashews stands for. Therefore, to increase efficiency, decrease transactional costs, and to support the African cashew stakeholders, investment in the African cashew processing industry would be very necessary. Africa's geographical proximity to the USA and Europe, the world's second largest consumption destinations for processed cashew products is an important advantage. Increasing processing capacity in Africa holds tremendous potential, generating an estimated \$280 million USD in added value and creating more than 250,000 new jobs, particularly benefiting women in rural areas. Improving African business environment, supportive industrial policy reforms and incentive schemes are encouragements for new investments to take place in Africa. International cashew consumers are also demanding frequently the traceable cashews from production origins directly sourced for food safety reasons. Therefore investing in Africa is a wise decision for ensured sustainable supplies of traceable quality cashews with shortest shipping route with least environmental impact.



Raw cashew nuts processed in Africa

Ease of Doing Business

As outcome of continuous promotion of cashew value-addition in Africa done by African Cashew Alliance for the last decade, most African cashew producing nations are preparing grounds for new investments in cashew sector. These governments are better organized to offer the new investors with favorable conditions of prompt business environment along with incentive schemes to accommodate new investments. This year the World Bank's Doing Business report is out to measure the aspects of business regulation affecting domestic small and medium size firms, based on standardized case scenarios and located in the largest business city of each economy. This survey covers 11 areas of business regulation—starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, as well as some aspects of the labor laws. A good performance in the Doing Business ranking is increasingly becoming a government priority for many African countries. In sub-Saharan countries, Mauritius was ranked 1st followed by Rwanda 2nd, Kenya 5th, and Ghana 10th and so on. Many African governments also have invested and established units dedicated to specific reform action plans targeting the Doing Business indicators, the report states the reforms made during 2016-2017.

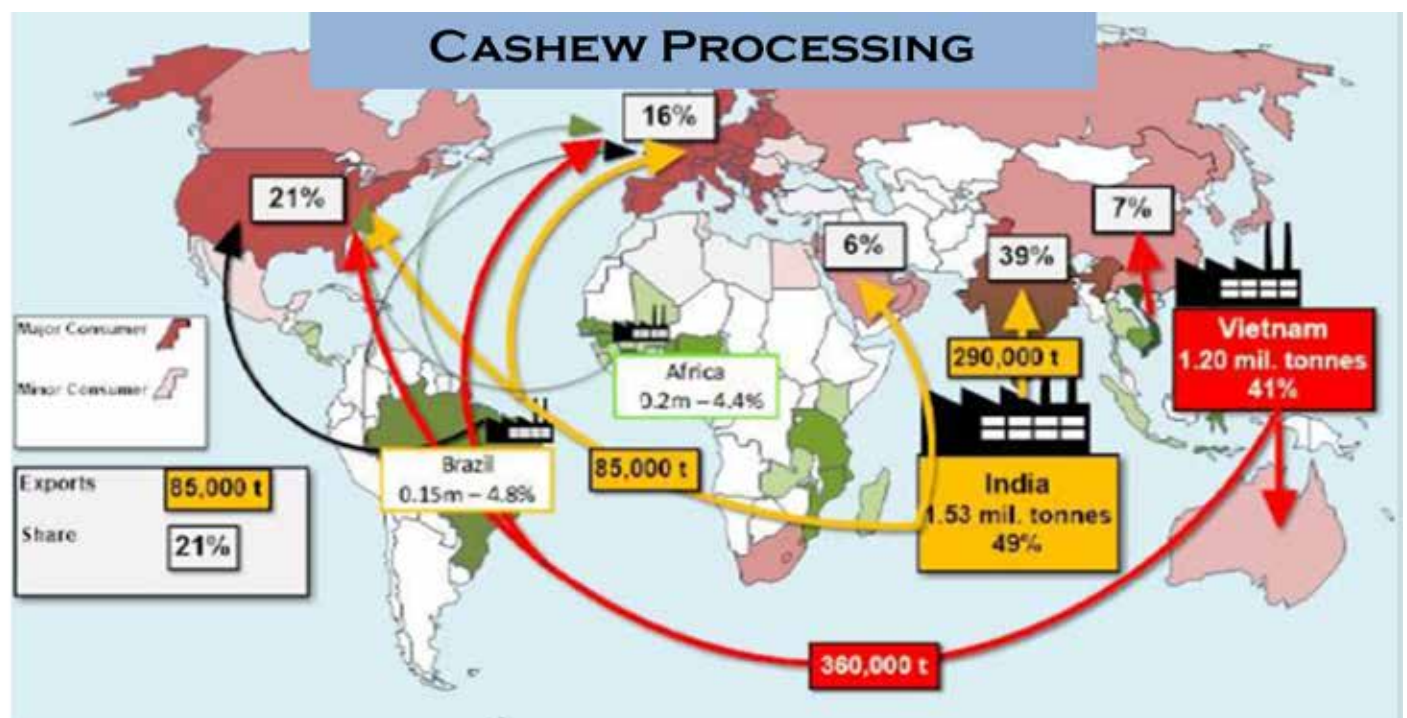
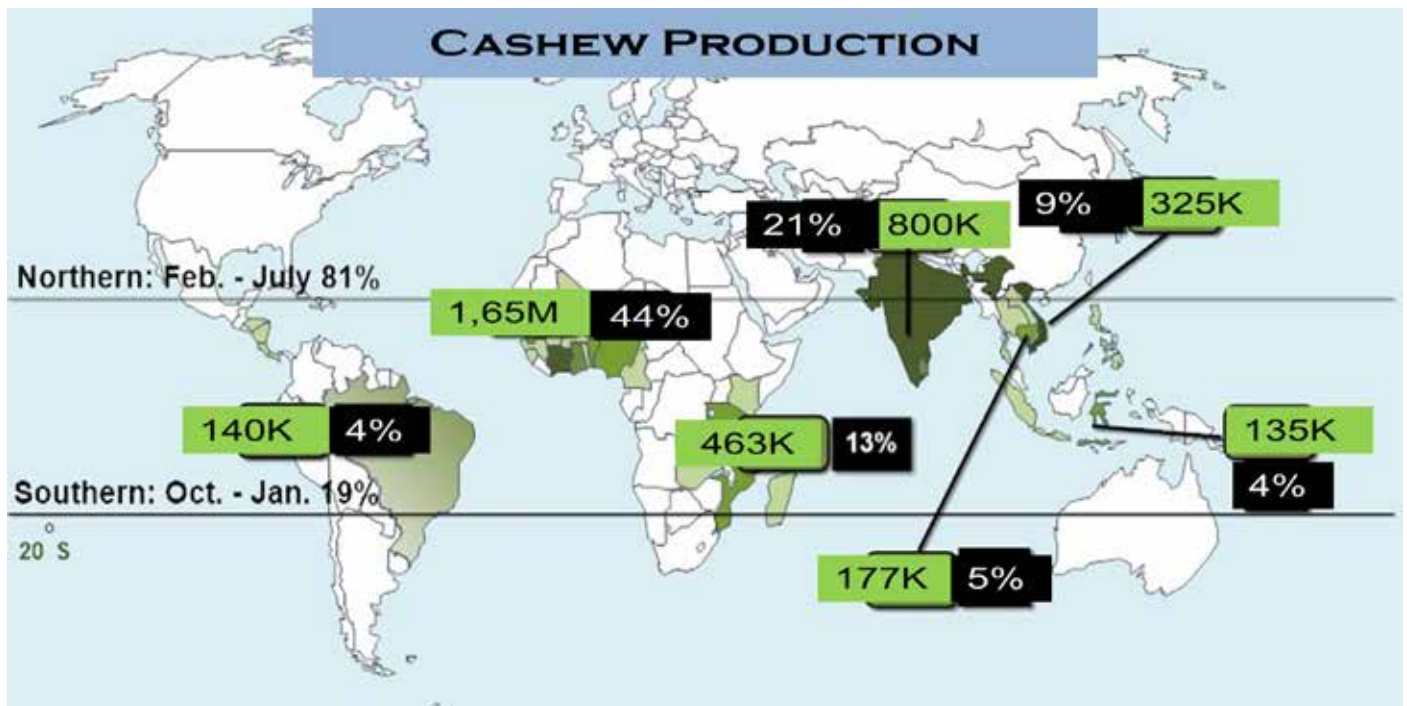
| Indicator | Reforms |
|---|--|
| Making it easier to start a business | Equatorial Guinea made starting a business easier by eliminating the need to obtain an authorization of establishment from the Office of the Prime Minister to start a business. Nigeria made starting a business faster by allowing electronic stamping of registration documents. Senegal made starting a business more affordable by reducing the notary fees for company incorporation. |
| Making it easier to deal with construction permits | Benin increased the transparency of dealing with construction permits by publishing regulations related to construction online free of charge. Côte d'Ivoire made dealing with construction permits easier by streamlining processes at its one-stop shop. Ghana increased the transparency of dealing with construction permits by publishing regulations related to construction online free of charge. Tanzania made dealing with construction permits easier by implementing a one-stop shop and streamlining the building permit process. |
| Making it easier to get electricity | Kenya improved the reliability of electricity by investing in its distribution lines and transformers and by setting up a specialized squad to restore power when outages occur. Mozambique reduced the time to get an electricity connection by streamlining procedures through the utility instead of different agencies. |
| Making it easier to register property | Benin made registering a property less costly by eliminating the registration tax and making the schedule of fees and list of documents required for property registration available publicly. Tanzania made registering property more expensive by increasing the land and property registration fee. |
| Strengthening the legal rights of borrowers and lenders | Nigeria improved access to credit information by guaranteeing borrowers the legal right to inspect their credit data from the credit bureau and by starting to provide credit scores to banks, financial institutions and borrowers. |
| Improving the sharing of credit information | Burkina Faso improved access to credit information by launching a new credit bureau. Togo, Mali, Côte d'Ivoire and Senegal improved access to credit information by launching a new credit bureau. |
| Making it easier to pay taxes | Kenya made paying taxes easier by implementing an online platform, iTax, for filing and paying corporate income tax and the standards levy. Senegal made paying taxes easier by introducing time limits to the General Tax Code for processing value added tax cash refunds and applying these time limits in practice. |
| Making it easier to trade across borders | Mozambique made exporting easier by improving infrastructure at the Maputo-Matola port complex. Ghana made trading across borders easier by removing the mandatory pre-arrival assessment inspection at origin for imported products. Togo made trading across borders easier by implementing an electronic single-window system, which reduced the time for border compliance and documentary compliance for both exporting and importing. |
| Making it easier to enforce contracts | Senegal made enforcing contracts easier by introducing stricter pre-trial hearing rules that led to a reduction of the time necessary to resolve a commercial dispute. Côte d'Ivoire made enforcing contracts easier by introducing a simplified fast-track procedure for small claims that allows for parties' self-representation. |
| Making it easier to resolve insolvency | Benin, Burkina Faso, Guinea and Guinea-Bissau made resolving insolvency easier by introducing a new conciliation procedure for companies in financial difficulties and a simplified preventive settlement procedure for small companies. |
| Labor legislation: social protection and benefits | The Gambia strengthened minority investor protections by clarifying the duties of directors and providing new venues and remedies for minority shareholders seeking redress for oppressive conduct. Nigeria introduced a new compulsory labor contribution paid by the employer. |

Source: *Doing Business, World Bank Group, 2017-2018*

REQUISITE CONDITIONS OF BUSINESS ENVIRONMENT FOR INVESTMENT:




- + Political stability
- + Investment incentive schemes
- + Investment potential (RCN availability, etc.)
- + Presence of solution center for investors
- + Cashew is government's priority sector
- + Competitive access to finance
- + Availability of energetic and skilled labor
- + Local competitive technology innovators
- + Effective transfer of capital and/or profits
- + Protection against nationalization
- + Tax incentives for export-ready companies
- + Proximity to end markets

AFRICA ACCOUNTS FOR 58% OF WORLD PRODUCTION AND 4.4% OF GLOBAL KERNEL PROCESSED:



Cashew Investment Models

VARIOUS INVESTMENTS MODELS BASED ON TECHNOLOGY & SCALE

| | Manual Model Small-Scale (<500MT) | Semi-Mechanized Model Medium Scale (>10,000 MT) | Fully-Mechanized Model Large Scale (>30,000 MT) |
|---|---|--|---|
|  | <p>Manual technology based</p> <p>Smallest plant capacity <500 MT/year</p> <p>Machinery used are often locally sourced</p> | <p>Semi-Mechanized technology based</p> <p>Medium plant capacity 5-10,000MT/year</p> <p>Machinery used are often externally sourced from Asia</p> | <p>Fully-Mechanized technology based</p> <p>Large plant capacity >30,000 MT/year</p> <p>Machinery used are often externally sourced from Brazil, Europe & South East Asia</p> |
|  | <p>Very little initial investment required</p> <p>Easy access to RCN</p> <p>No scale to achieve quality and quantity required</p> <p>Equipment sourced domestically</p> | <p>Moderate investment</p> <p>Low operating cost</p> <p>High productivity</p> <p>High product quality with easy food safety certification</p> <p>Fairly balanced machine and human dependency</p> <p>Centralized model</p> | <p>More appropriated for big scale and high capacity utilization</p> <p>Good hygiene & quality and easy certification</p> <p>Cost effective</p> <p>Single grade production for exports and better priced</p> |
|  | <p>Decentralized model</p> <p>High overheads</p> <p>Difficult to obtain food safety certification</p> <p>Labor Intensive</p> <p>Difficult access to international markets</p> | <p>Skilled management required</p> <p>16 mix grade production</p> <p>Extensive technical assistance required</p> | <p>Big investment required</p> <p>High maintenance cost</p> <p>High scorch and low wholes grades production</p> <p>Less direct linkages with farmers</p> <p>Only worked (under capacity) in a protectionist environment in past</p> |

PERFORMANCE INDICATORS

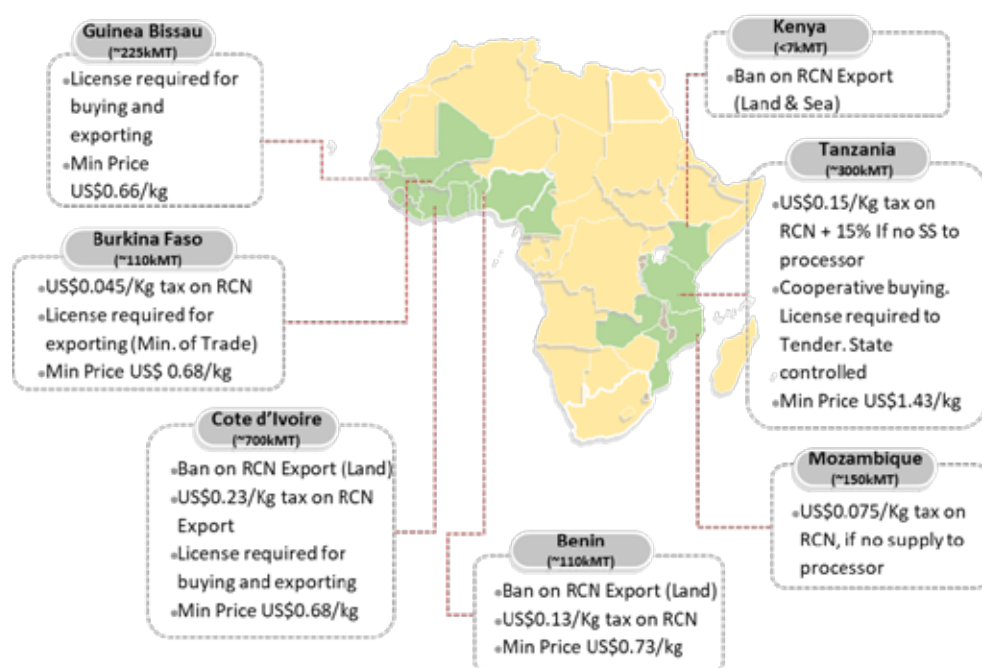
| | | | |
|--|------|------|------|
| Percentage of Whole Kernels | 73% | 66% | 55% |
| Percentage of White Kernels | 75% | 85% | 60% |
| Average Value/kg of Kernels (FOB in USD) | 6.65 | 6.32 | 6.03 |

FINANCIAL INDICATORS

| | | | |
|---------------------------------|-----------------|-----------|-------------|
| Plant & Machinery Capital (USD) | 350,000 | 6.0mio | 18mio |
| Civil Construction Areas (M2) | 1,311 | 16,260 | 42,630 |
| Working Capital (USD) | 370,000-450,000 | 7mio-9mio | 20mio-27mio |
| Return on Investments (%) | <5 | 20-28 | 25-35 |

Cashew Sector Policy Mapping

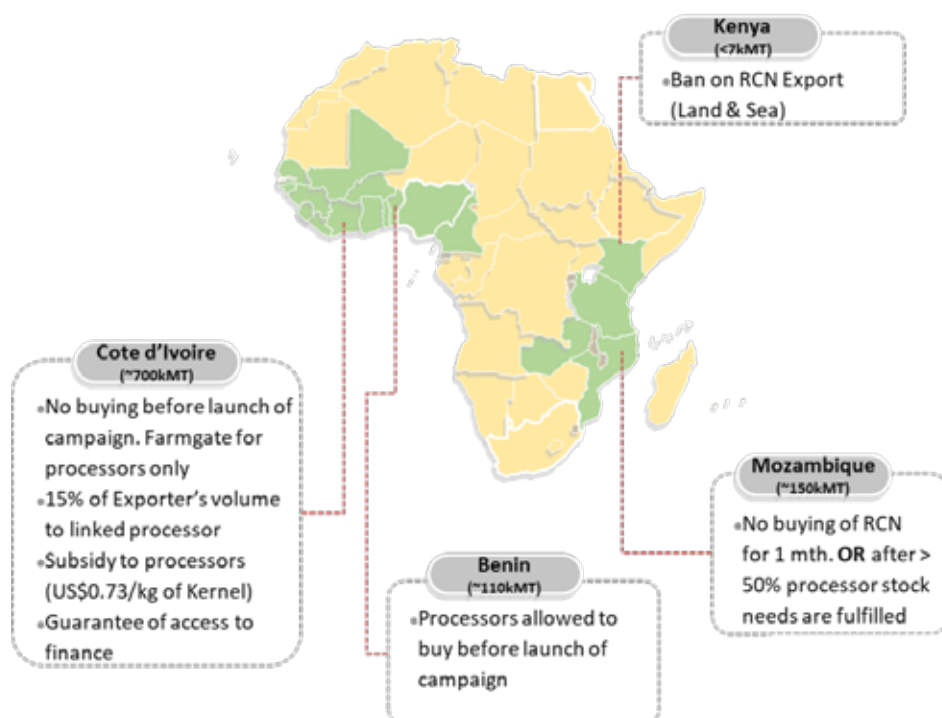
Cashew Sector Policies in Africa – RCN Focused



Key Policies:

1. **Ban on land export** in Cote d'Ivoire and Benin, of RCN exists. Kenya, has both Export land and sea ban.
2. **Tax on RCN Export** ranging from US\$0.045 in Burkina Faso to US\$0.23 per kg (2019) in Cote d'Ivoire
3. **Buyer/ Exporter licensing Requirement** before buying RCN in GB, BF, CIV and TZ
4. **Minimum Farm-gate price** of RCN ranging from US\$0.66 to US\$1.43 per kg (2019) are set annually in GB, BF, CIV, BN and TZ

Cashew Sector Policies in Africa – Processing Focused



Key Policies:

1. MZ and BN have defined **buying periods** for Processors, to fill their stock before allowing Traders/Exporters
2. In CIV, RCN **exporters are to sell-back 15%** of RCN to Processors before exporting.
3. CIV pays a **subsidy to local Processors** (US\$0.73/kg of kernel exported)
4. CIV **guarantees 25%** of loans to Processors, up to \$billion FCFA

Côte d'Ivoire

SOMETHING EXTRAORDINARY IS HAPPENING IN CÔTE D'IVOIRE

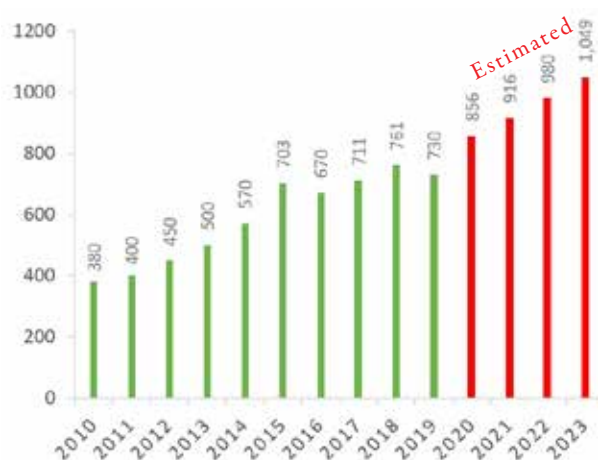
NO.1 IN THE WORLD

In less than a decade, Côte d'Ivoire has doubled its production of raw cashew nuts to become the global leader with a production of more than 750,000 metric tonnes in 2018. 23% of the global trade of raw cashew nuts now originates from this single country of West Africa. It is no small feat and a testimony of what can be achieved with the right focus, policies and market incentives.

What had started as a sturdy plant introduced to fight desertification in the 1960s is now a central pillar of the economy. And this is just the beginning. The ambition of Côte d'Ivoire is to locally process 50% of its raw cashew nuts – and it is on the right track to do it!

Why are those production figures important?

- Supply of raw cashew nuts (RCN) is the single most important cost driver in cashew processing.
- 5 kg of RCN are needed to produce 1kg of cashew kernels
- Mastering the supply chain and ascertaining access to raw cashew nuts is imperative for processors
- In Côte d'Ivoire, 15% of production is reserved for locally based processors.



Production of raw cashew nuts in Côte d'Ivoire (Thousand metric tonnes)

IT ALL STARTS WITH ENTERPRISING FARMERS



Photo: Yao Danada

Over the years, taking stock of the increasing demand for cashew, farmers have expanded their production and enhanced their farming techniques with support from government, development partners and non-governmental organisations. Public investment in research and development has resulted in use of high yield polyclonal seeds while farmers were provided training on better farm management practices.

Today, about 350,000 small holder farmers have invested in cashew production on 1,400,000 hectares in the central and northern regions of the country. Yield has increased from 300kg to 500kg over the last years and quality of Ivorian raw cashew nuts stands on average between 46 and 48 KOR (Kernel Output Return). Those combined efforts are poised to pay off as global cashew consumption is on the rise.

PROPELLED BY GROWING GLOBAL DEMAND

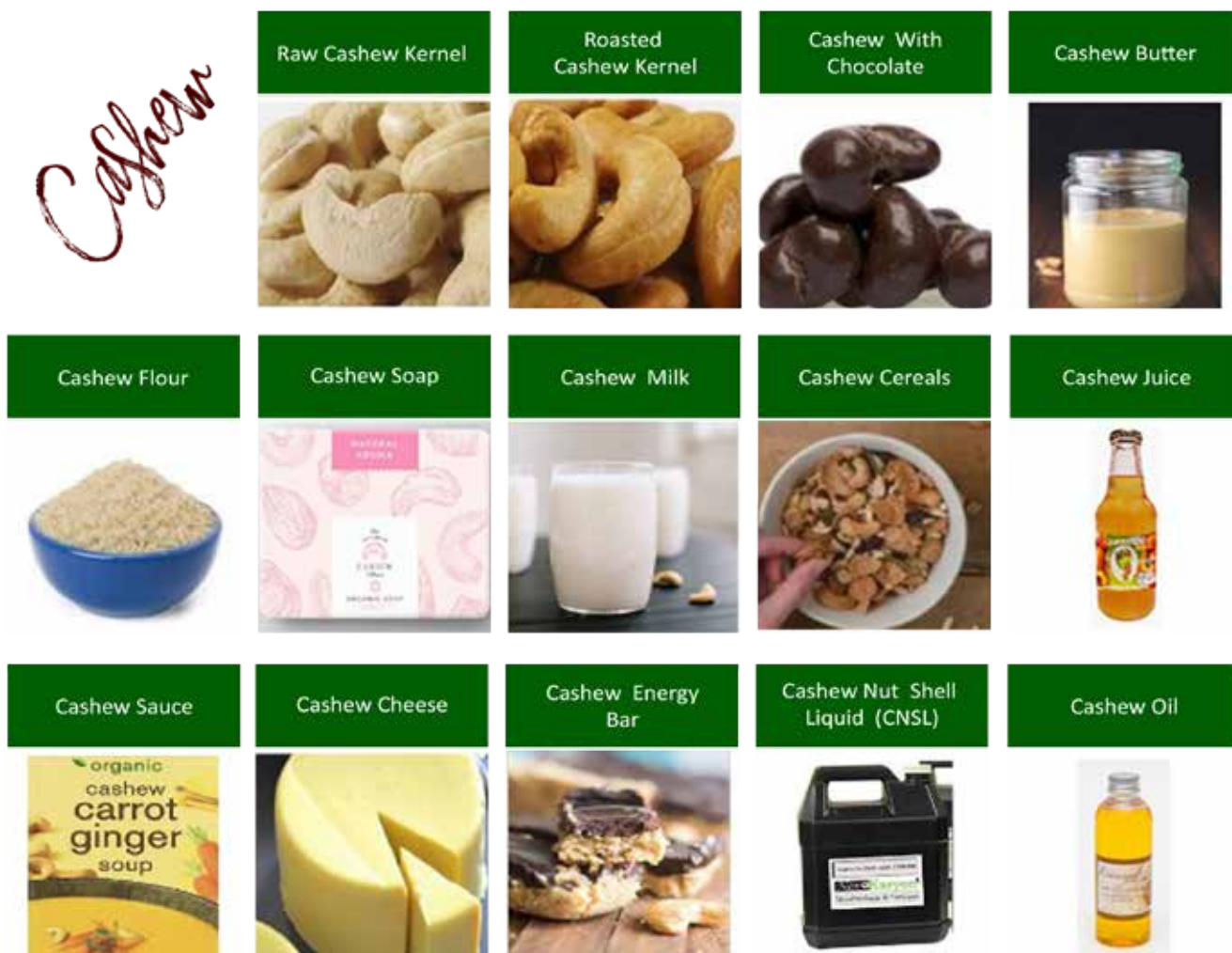


Global kernel consumption market value (Billion USD)

The global cashew market has experienced sustained growth, doubling in size since 2012 to reach USD 7.6 billions in 2017. Estimates are that the market will keep growing by 5.4% on average per year. What keeps investors' spirit buoyant is that there are multiple drivers to this rising demand:

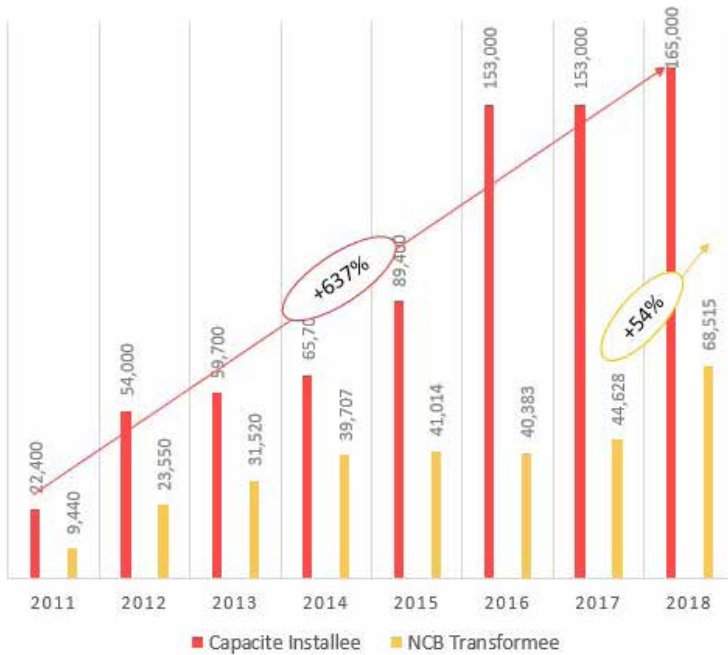
- Traditional markets, such as the US which now weighs USD 1.7 billion, have experienced a 43% growth between 2012 and 2017;
- Evolving consumer trends, such as the health conscious, vegan and vegetarian markets, have put nuts on the map more than ever;
- Emerging markets, such as China which has experienced a 47% increase in cashew consumption between 2012 and 2019, pave the way for an even brighter future.

Moreover, the better known delicious cashew kernel is only one of the many products derived from the raw cashew nut. The cashew value chain produces both food and non-food consumer items, including white and roasted kernels, milk, soap, oil and cardanol.



Côte d'Ivoire

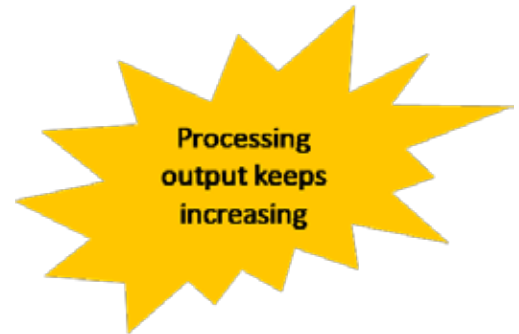
DOMESTIC PROCESSING IS STRONGLY GEARING UP



Processing capacity and utilization (Thousand metric tonnes of raw cashew nuts)

Today, Côte d'Ivoire is the leading cashew processing country in Africa by volume, with 69,000 metric tonnes of locally processed raw cashew nuts in 2018:

- Installed processing capacity has increased by 637% between 2011 and 2018, from 22K to 165K metric tonnes
- Processing yield has increased by 33% (CAGR) between 2011 and 2018 and has jumped to 54% between 2017 and 2018



Those impressive results reflect increased mastery of the cashew value chain and industrial processing expertise by private operators as well as responsive and well targeted government policies and regulations to support them to succeed. A new generation of both domestic and foreign investors, with sophisticated business background and strong capital base, is contributing to accelerate this pace.

Cashew processors have understood that Côte d'Ivoire is the perfect destination for single-sourced cashew kernels and easier traceability. Local processors are privileged to buy directly from farmers, benefiting from a shorter value chain and reduced carbon footprint



IVORIAN ADVANTAGES

- Availability of good-quality raw material
- Destination for single-source, traceable production
- Generous incentive scheme and massive public support
- No RCN Shipping costs; Reduced for Kernels to US+EU
- Shorter value chains promote sustainability
- Benefits of Free trade agreements
- Clean and safe industrial processing methods

EXCELLENT INCENTIVES

Public investment continues to flow to the sector, backed by a World Bank funded USD 200 million project, primarily dedicated to developing industrial infrastructure in cashew areas and facilitating access to finance for cashew investors.

Over and above a generous investment package adopted by Government of Côte d'Ivoire, the cashew sector benefits from additional specific incentives:

- Government subsidy of US\$ 0.68 per kilo of locally processed white kernels and US\$ 0.25 per kilo of locally processed deshelled kernels
- Credit guarantee scheme to facilitate domestic financial lending to processors
- Duty-free importation of processing equipment for 5 years
- Export tax exemption for processors of cashew kernels
- A 4-years total exemption from VAT on cost at project preparation phase
- Prioritized access to industrial land and serviced agro-industrial parks



Photo: TBI

Processing facilities employ a majority of women

JOIN A WINNING TREND

Côte d'Ivoire is looking for investors to process an additional 250,000 metric tonnes of raw cashew nuts.

Both brownfield and greenfield opportunities are available. To know more, contact:



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Benin

COUNTRY OVERVIEW^I

Political Context: French Dahomey achieved independence in 1960; it changed its name to the Republic of Benin in 1975. A succession of military governments ended in 1972 with the rise to power of Mathieu KEREKOU and the establishment of a government based on Marxist-Leninist principles. A move to representative government began in 1989. Two years later, free elections ushered in former Prime Minister Nicephore SOGLO as president, marking the first successful transfer of power in Africa from a dictatorship to a democracy. KEREKOU was returned to power by elections held in 1996 and 2001, though some irregularities were alleged. KEREKOU stepped down at the end of his second term in 2006 and was succeeded by Thomas YAYI Boni, a political outsider and independent, who won a second five-year term in March 2011. Patrice TALON, a wealthy businessman, took office in 2016 after campaigning to restore public confidence in the government.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's



Local Currency: B/Negative
Foreign Currency: B

Fitch

Fitch Ratings

Local Currency: B
Foreign Currency (long term/short term): B/B

ECONOMIC TRENDS^I

Current Account Balance: -\$1.024 billion USD (2017 est.)
Reserves: \$698.9 million USD (31 December 2017 est.)
GDP: \$10.36 billion USD (2018)
Currency: Franc CFA
Inflation: 2.3% (2018)
Growth Rate: 6% (2018)
Export Commodities: Cotton, cashews, shea butter, textiles, palm products, seafood

ENVIRONMENT^I

Area: 112,620 sq km; land: 110,620 sq km; water: 2,000 sq km
Climate: Tropical; hot, humid in south; semiarid in north
Terrain: Mostly flat to undulating plain; some hills and low mountains
Land Use: Arable land: 23.94%; permanent crops: 3.99%; other: 72.06% (2012 est.)
Natural Hazards: Hot, dry, dusty harmattan wind may affect north from December to March
Environmental Issues: Inadequate supplies of potable water; poaching threatens wildlife populations; deforestation; desertification

LABOR^{II}

Labor Force (age 15+): 4.7 million (2018)
Labor Force (by Occupation): Agriculture: 43.19%
Industry: 18.48%
Services: 38.31%
Unemployment Rate: 2.4% (2017 est.)
Minimum Monthly Wage: \$70 USD
Legal Working Hours: 40 hours/week

BENIN'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

131,000 MT RCN Production
135,572 MT RCN Exports
19.09 % RCN Production Growth
14.31 % % of Production Processed



Cashew is a strategically important sector for Benin Republic, as it brings significant export revenues and creates huge social and economic impact in country. Benin's annual cashew production crop size is approximately 120,000 MT. Designated as one of 12 priority industries, the government of Benin has conceived a strategic plan to develop cashew sector as part of its overall agricultural sector strategy (PSRA, 2006- 2011). Benin cashew ranks second on

quality scale among other African nations and this fact is well recognized by local and external cashew processors.

SECTOR REGULATIONS & POLICY UPDATE

At the beginning of each cashew harvest, the Ministry of Trade sets a minimum farm gate price. The raw cashew nut season calendar is fixed by the Ministries of Trade and Agriculture. The government levies export taxes of FCFA 70/kg on raw cashew nuts, however there is no tax on kernel exports. A road tax is levied at 0.85% of the value of transported goods. Benin grants tax and duty exemptions on imports of agricultural processing equipment. Free zone regulations provide many more tax and duty reductions and exemptions to export-oriented businesses investing in Benin. (See www.a-zfibenin.com and www.cpiibenin.com). Domestic goods transportation costs to Cotonou Port is in the range of 15-20 CFA/kg depending on point of origin, while for exports sea freight cost ranges between \$900 and 1,100 US\$ for a 20 feet container for European destinations. Following are new policy and regulatory updates:



- IFA – Interprofession de la Filière Anacarde and B2A-Bureau d'étude et d'Appui au secteur Agricole, are private sector representative recognized by Beninese Government and now strongly involved in cashew sector promotion. New executives took over on 10th October 2019 and will be on board for 3 years.
- The government is currently discussing two new decrees with stakeholders.
- Government investing in massive forest management and rehabilitation programs in cashew cultivation zones.
- Export Window is available to benefit locally established cashew processors with additional access of 5 MT/truck load of RCN delivered by exporters prior to exportation parallel to their own RCN procurement efforts.
- Export tax on RCN has been increased from 10 CFA to 70 CFA in 2019 harvest season.
- Minimum farm gate price was announced at 400 CFA (US\$ 0.66)/kg by Beninese government in 2019 harvest season. KOR also dropped to an average of 43.
- Benin is facilitating local processors access to RCN, Price stabilization, and raising funding for value chain development as well as support for production.
- Benin signed on to the Consultative International Cashew Council (CICC)
- Ban of RCN export over land borders imposed in 2017 after start of season

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal Committee – For publication of company registration in National bulletin.
- Business Administration Center (Le Centre de Formalités des Entreprises (CFE)): The CFE is a single window agency for the creation of companies. It is based in the Chambre de Commerce et d'Industrie du Bénin (CCIB, www.ccib.bj) and provides information on legal implications and documentation required according to company structure. Every regional department of the CCIB has a CFE outreach office.
- The Investment Promotion Center of Benin (CPI) is an institution of the Ministry of Economy, Development and Public Action Evaluation (MEPDEAP). It advises and facilitates investment projects in Benin Republic.

Non-governmental Agencies in the Cashew sector:

- Competitive Cashew (ComCashew)
- National Institute of Agricultural Research of Benin (INRAB) funded by GIZ, DANIDA
- Vegetal Protection Service (SPV/DAGRI)
- Center of Vegetal Quality Products Promotion and Packaging (DPQC)
- Regional Centers of Agricultural Promotion (CeRPA)
- National Society for Agricultural Promotion (SONAPRA)
- Agronomic science Department of Abomey-Calavi University (FSA/UAC)
- Agronomic Department of Parakou University (FA/UP)
- Development Fund for professional formation and training (FODEFCA)
- International Institute of Tropical Agriculture (IITA-Bénin)
- Neerlandese Development Organization (SNV)
- Benin Caju
- Technoserve
- Belgium Cooperation
- FENAPAB
- National Chamber of Agriculture (CNA)



Burkina Faso

COUNTRY OVERVIEW^I

Political Context: Burkina Faso (formerly Upper Volta) achieved independence from France in 1960. Repeated military coups during the 1970s and 1980s were followed by multiparty elections in the early 1990s. Former President Blaise COMPAORE (1987-2014) resigned in late October 2014 following popular protests against his efforts to amend the Constitution's two-term presidential limit. By mid-November, a framework for an interim government was adopted under the terms of the National Transition Charter. An interim administration, led by President Michel KAFANDO and Prime Minister Yacouba Isaac ZIDA, began organizing presidential and legislative elections planned for October 2015, but these were postponed during a weeklong failed coup in September. The rescheduled elections were held on 29 November 2015, and Roch Marc Christian KABORE was elected president in the first round.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: B
Foreign Currency: B/Positive

Fitch

Not available.

STANDARD & POOR'S

Fitch Ratings

ECONOMIC TRENDS^I

Current Account Balance: -\$1.019 billion USD (2017 est.)
Reserves: \$49 million USD (31 December 2017 est.)
GDP: \$14.44 billion USD (2018)
Currency: Franc CFA
Inflation: 1.9% (2018)
Growth Rate: 6.5% (2018)
Export Commodities: Gold, cotton, livestock



ENVIRONMENT^I

Total Area: 274,200 sq km; land: 273,800 sq km; water: 400 sq km
Climate: Tropical; warm, dry winters; hot, wet summers
Terrain: Mostly flat to dissected, undulating plains; hills in west and southeast
Land Use: Arable land: 21.93%; permanent crops: 0.26%; other: 77.81% (2012 est.)
Natural Hazards: Recurring droughts
Environmental Issues: Recent draughts and desertification severely affecting agricultural activities, population distribution, and the economy; overgrazing; soil degradation; deforestation

LABOR^{II}

Labor Force (age 15+): 7.25 million (2018)
Labor Force (by Occupation): Agriculture: 90%
 Industry and Services: 10%
Unemployment Rate: 6.3% (2017 est.)
Minimum Monthly Wage: \$56 USD
Legal Working Hours: 40 hours/week

BURKINA FASO'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

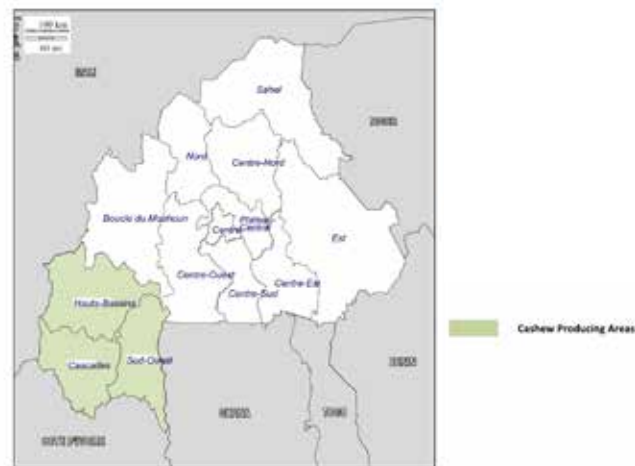
80,000 MT RCN Production
63,000 MT RCN Exports
14.3 % RCN Production Growth
7.5 % % of Production Processed



Burkina Faso is seventh largest cashew nuts producer in African. Burkina Faso is known for big cashews with natural resistance against common farm diseases. The country also offers industrially skilled and dedicated work force to serve the agro-industries. In 2016 cashew harvest season, the country registered its bumper crop reaching 75,000 MT of annual raw cashew production.

SECTOR REGULATIONS & POLICY UPDATE

At the beginning of each cashew harvest, the Ministry of Trade sets a minimum farm gate price. The raw cashew nut season calendar is fixed by the Ministry of Commerce, Industry and Handicrafts. In 2015, the economy should remain dynamic with the continuation of investment in infrastructure as part of the government's Strategy for Growth and Sustainable Development (SCADD). Investment expenditure remained almost unchanged at 11.2% in 2013, compared to 11.1% in 2012. Investment was maintained because of the start of Ouagadougou-Donsin airport work, the Bagré growth pole project, and road and electricity infrastructure projects. The 2004 Investment Code demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The Code contains six investment and operations preference options, which are equally applicable to all Greenfield investments, mergers, and acquisitions. All investment-specific incentives are outlined in the 2004 Investment Code. Additionally, companies that use at least 50% locally-supplied raw materials are exempted from trading taxes, and also receive a 50% reduction in customs taxes. Such companies are also exempt from excise duties on production equipment and spare parts.



The government of Burkina Faso, which hopes to take advantage of its central location in West Africa, has recently announced the development of a foreign trade zone or "free port" in Samandéni, in the western region of Burkina Faso (see). Burkina Faso has adopted the Free Zones policy to provide tax and duty reductions and exemptions to businesses investing in the country (see www.tradepoint.bf). Domestic goods transportation costs to the capital of the country range between 12 and 18 CFA/kg depending on point of origin while, for exports, road freight to Abidjan, Tema, and Cotonou is also possible. Abidjan is also served via rail. Quotations are done once every three months and are available through known shippers, i.e. Maersk, SNTB, Africa Logistic; who are all represented in Burkina Faso. Following are new policy and regulatory updates:

- CIAB liaise with public sector and advocate for measures to facilitate access to raw material and improve cashew production.
- Export Window is available to benefit locally established cashew processors with additional access of RCN and to also regulate price fluctuation and trade flows.
- Burkina Faso benefited from \$ 4m for cashew production as loan from African Development Bank (AfDB).
- 2016 cashew harvest season launched with indicative farm gate price of 640 CFA (US\$ 1/kg).
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce, Industry and Handicrafts – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture, and Water resource – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice, Human Rights and Civic Promotion Keeper of the Seals—for legal registration of company.
- Municipal committee—for publication of company registration in National bulletin.
- The agencies which are active in the sector with regards to food safety and regulations, physical and chemical analysis, are ONAC, DTA, National Public Health Laboratory (LNSP), INERA.

Non-Governmental Agencies:

- Competitive Cashew (ComCashew)
- Oxfam International
- PDA-GTZ
- FairMatch Support (FMS)
- INADES – Training/ RONGEAD
- SNV
- Specialized service providers: Biological and equitable structures (ECOCERT. SA, FLO-cert), Bureau d'études et de formation and L'ONAC, The national public health laboratory



The Gambia

COUNTRY OVERVIEW^I

Political Context: The Gambia gained its independence from the UK in 1965. Geographically surrounded by Senegal, it formed a short-lived federation of Senegambia between 1982 and 1989. In 1991 the two nations signed a friendship and cooperation treaty; tensions have flared up intermittently since. Yahya A. J. J. Jammeh led a military coup in 1994 that overthrew the president. A new constitution and presidential elections took place in 2017, followed by parliamentary balloting, and completed a nominal return to civilian rule. Adama Barrow has been newly elected president most recently in early 2017 with political stability in place.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$194 million USD (2017 est.) |
| Reserves: | \$170 million USD (31 December 2017 est.) |
| GDP: | \$1.62 billion USD (2018) |
| Currency: | Dalasi (GMD) |
| Inflation: | 6.6% (2018 est.) |
| Growth Rate: | 6.6% |
| Export Commodities: | Peanut products, fish, cotton lint, palm kernels |



ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 11,295 sq km; land: 10,000 sq km; water: 1,295 sq km |
| Climate: | Tropical; hot, rainy season (Jun. to Nov.); cooler, dry season (Nov. to May) |
| Terrain: | Flood plain of the Gambia River flanked by some low hills |
| Land Use: | Arable land: 43.48%; permanent crops: 0.49%; other: 56.03% (2012 est.) |
| Natural Hazards: | Draught (rainfall has dropped by 30% in the last 30 years) |
| Environmental Issues: | Deforestation; desertification; water-borne diseases prevalent |

LABOR^{II}

| | |
|-------------------------------------|-------------------|
| Labor Force: (age 15+): | 756,130 (2018) |
| Labor Force (by Occupation): | Agriculture: 75% |
| | Industry: 19% |
| | Services: 6% |
| Unemployment Rate: | 2.35% (2016 est.) |
| Minimum Monthly Wage: | \$33.75 USD |
| Legal Working Hours: | 48 hours/week |

THE GAMBIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

| | |
|------------------|---------------------------|
| 6,000 MT | RCN Production |
| 18,215 MT | RCN Exports |
| 0 % | RCN Production Growth |
| 1.67 % | % of Production Processed |

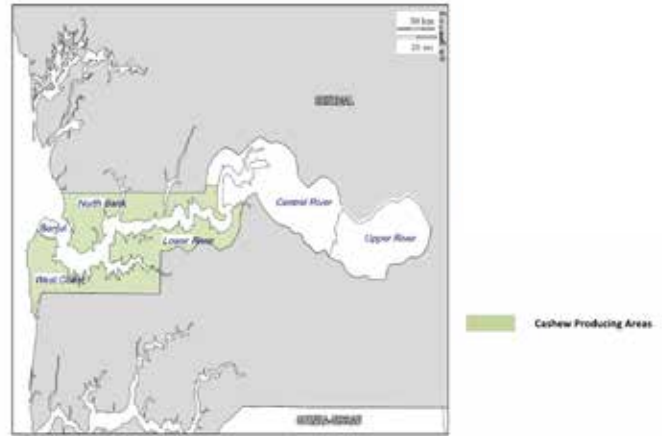


The Gambia produces 10,000 MT of cashew annually. Production is concentrated in the zones indicated on the map below. The production zones are close to the processing locations, allowing for an abundance of cheap and locally-available labor.

SECTOR REGULATIONS & POLICY UPDATE

The Gambia produces only 10,000 MT of RCN but exports more than 50,000 MT, due to RCN inflows from Senegal. During the first five years of a new investment, the investor is exempt from industrial taxes. Furthermore, facilities for agro-industrial equipment are exempt from import taxes and there is no tax on the export of cashew kernels. Domestic goods transportation costs to Banjul port in range of GMD 25/kg depending on point of origin while sea exports freight of 20 feet container to USA/Europe International port costs US\$4,000. Following are new policy and regulatory updates:

- Initial 5 years for new investment free from industrial tax
- Import tax exemption facilities for agro–industrial equipment
- No tax on cashew kernel export
- Price increased by \$US 2.13/kg at farm gate due to cross border trade ban by Guinea Bissau at the end of the season.
- Gambia has one of the best equipped port in the SEGABI region.
- High tax imposed to trucks from Senegal.
- The Gambia invested heavily in GAP this year and production is expected to be high. Good Port facilities encourage exports of the region through the port.
- Enforcement of the Guinea Bissau cross border trade ban created huge demand in Gambia.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce– To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Industry, SMEs and Private Sector promotion
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Seal keeper– for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Gambia Investment & Export Promotion Agency (GIEPA) – To obtain Investment code, information about requirements, facilities and benefits of investment in Gambia, and to submit a proposed project.

Non-Governmental Agencies:

- International Relief & Development (IRD).
- Cashew Alliance of Gambia – Local private sector alliance of Gambia.



Ghana

COUNTRY OVERVIEWⁱ

Formed from the merger of the British colony of the Gold Coast and the Togoland trust territory, Ghana in 1957 became the first sub-Saharan country in colonial Africa to gain its independence. Ghana endured a series of coups before Lt. Jerry RAWLINGS took power in 1981. After approving a new constitution and restoring multiparty politics in 1992, RAWLINGS won presidential elections in 1992 and 1996. John KUFUOR of the opposition New Patriotic Party (NPP) succeeded him and was reelected in 2004. John Atta MILLS of the National Democratic Congress won the 2008 presidential election and took over as head of state, but he died in July 2012 and was constitutionally succeeded by his vice president, John Dramani MAHAMA, who subsequently won the December 2012 presidential election. In 2016, however, Nana Addo Dankwa AKUFO-ADDO of the NPP defeated MAHAMA..

CREDIT RATING (LONG TERM RATING)

Standard & Poor's



Local Currency: B
Foreign Currency: B/Stable
Country Ceiling: B

Fitch



Local Currency: B
Foreign Currency (long term/short term): B
Country Ceiling: B

ECONOMIC TRENDSⁱ

GDP: \$65.56 billion (2018 est.)
Currency: Ghana Cedi (GHS)
Inflation: 9.1% (2019)
Growth Rate: 6.3% (2018)
Export Commodities: Oil, gold, cocoa, timber, tuna, bauxite, aluminum, manganese ore, diamonds, horticultural products. Cashew is the highest earning nontraditional export.

ENVIRONMENTⁱ

Total Area: 238,533 sq km; land: 227,533 sq km; water: 11,000 sq km
Climate: Tropical; warm and comparatively dry along southeast coast; hot and humid in southwest; hot and dry in north
Terrain: Mostly low plains with dissected plateau in south-central area
Land Use: Arable land: 20.66%; permanent crops: 11.87%; other: 67.48% (2012 est.)
Natural hazards: Dry, dusty, northeastern harmattan winds occur from Jan. to Mar.; droughts
Environmental Issues: Recurrent drought in north severely affects agricultural activities; deforestation; overgrazing; soil erosion; poaching and habitat destruction threatens wildlife populations; water pollution; inadequate supplies of potable water

LABORⁱⁱ

Labor Force (age 15+): 12.53 million (2018)
Labor Force (by Occupation): Agriculture: 44.7%
Industry: 14.4%
Services: 40.9%
Unemployment Rate: 4.2% (2018)
Minimum Monthly Wages: \$60 USD
Legal Working Hours: 40 hours/week

GHANA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

95,000 MT RCN Production
229,966 MT RCN Exports
26.7 % RCN Production Growth
10.53 % % of Production Processed



Ghana produces crop ranging 60-70,000 MT of raw cashew nuts and exports around 30,000MT of RCN. Production is concentrated in the Brong Ahafo region. Due to continuous political stability and suitable business environment, Ghana has attracted many investments in the Cashew processing sector including both local and foreign. Due to strong competition for raw cashew nuts, and poor capitalization, most of the processors have folded up, and are looking for additional capital injection to take advantage of recent ease on the ban on land exports of RCN from Cote d'Ivoire.

SECTOR REGULATIONS & POLICY UPDATE

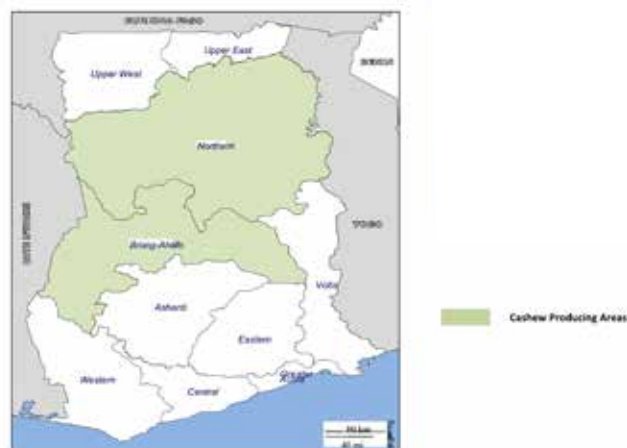
Ghana has Free Zones which are overseen by the Ghana Free Zones Board (GFZB), providing tax and duty reductions and exemptions for businesses that invest in Ghana. The Ghana Investment Promotion Council also offers additional incentives to businesses (see www.gfzb.com and www.gipc.org.gh). Domestic goods transportation costs to Tema port is about US\$ 0.0333, while sea exports freight to to European and Asian destinations range from US\$ 850 to US\$1,500 range for a 20 feet container load. Following are new policy and regulatory updates:

Last in the year the price reduces to 2.5 GHC/Kg and quality dropped

KOR – 43

- Corporate Tax to all companies is set at 25%
- Income from nontraditional exports attracts income tax of 8%, though no export tax is levied on vashew Kernels
- Tax holidays (from start if operation) for a period of 3 years
- Location incentives; Ghana has Free Zones, providing tax and duty reductions and exemptions for businesses that invest in Ghana.
- Beginning 2018, all RCN exporters are required to register with the Ghana Export Promotion Authority (GEPA) and the Plant Protection and Regulatory Services Directorate (PPRSD). The registration process involves payment of various fees.
- Signed on to the Consultative International Cashew Council (CICC)
- The government has begun the process to pass a tree crop development Bill to set up an authority to regulate the cashew sector. They are other crop to be regulated under this Bill un include shea, oil palm and rubber.

This year's production averaged 110,000 MT with a price range of 2.5 GHC to 6 GHC/Kg. KOR of 43 was generally observed.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Trade & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and Economic Planning – To register the company for tax control.
- Ministry of Food and Agriculture – To obtain the phytosanitary certificate for export purpose.
- Registrar Generals Department – for legal registration of company.
- Ghana Export Promotion Agency (GEPA)
- Ghana Revenue Authority
- Environmental Protection Agency (EPA.)

Non-Governmental Agencies:

- African Cashew Alliance.
- Competitive Cashew (ComCashew).
- GIZ.
- USAID – WA.
- SECO.
- SNV.
- DANIDA/BUSAC.
- World Bank – WA.
- MEDA.
- TechnoServe.
- African Development Bank

NOTICE FOR THE EXPORTATION OF RAW CASHEW NUTS

NOTICE is hereby given to Exporters and the General Public that the Regulations as set out in the Ghana Investment Promotion Centre Act, 2013 (Act 856) and the Plants and Fertilizer Act, 2010 (Act 803), are to be strictly complied with for the exportation of Raw Cashew Nuts (RCN).

Consequently, any Entity/Individual seeking to export RCN, should comply with the following instructions as set forth below:

1. Register with the Registrar General's Department
2. Register with the Ghana Investment Promotion Centre (GIPC) (For Foreigners)
3. Register with the Ghana Export Promotion Authority (GEPA)
4. Register with the Plant Protection and Regulatory Services Directorate (PPRSD)

The above instructions take effect from the First Publication of this notice.

It is an offence to export Raw Cashew Nuts without adherence to these instructions.

Any raw cashew nuts that are brought to ports or borders of Ghana without the proper documentations shall be confiscated to the State.

The Public is hereby obliged to take note and comply with accordingly.

Thank you.



Guinea

COUNTRY OVERVIEW^I

Political Context: Guinea gained its independence in 1958, after the Guinean leader, Sekou Touré, organized a referendum on September 28 rejecting the proposed Franco-African community issued by General De Gaulle. Touré remained President for 26 years, until his death in 1984, at which point Colonel Lansana Conté became president following a bloodless coup. June 1995 saw the first multi-party elections since independence. Since December 2010, the chief of state is the President, Alpha Conde; the head of government is the Prime Minister, Mohamed Said Fofana.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | -\$190.5 million USD (2018) |
| Reserves: | \$331.8 million USD (31 December 2017 est.) |
| GDP: | \$10.99 billion (2018) |
| Currency: | Guinean Francs |
| Inflation: | 9.9% (2018) |
| Growth Rate: | 5.8% (2018) |
| Export Commodities: | Bauxite, alumina, gold, diamonds, coffee, fish, agricultural products |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 245,857 sq km; land: 245,717 sq km; water: 140 sq km |
| Climate: | Generally hot and humid; monsoonal-type rainy season (Jun. to Nov.) with southwesterly winds; dry season (Dec. to May) with northeasterly winds |
| Terrain: | Generally flat coastal plain, hilly to mountainous interior |
| Land Use: | Arable land: 12.21%; permanent crops: 2.85%; other: 84.94% (2012 est.) |
| Natural Hazards: | Hot, dry, dusty harmattan haze may reduce visibility during dry season |
| Environmental Issues: | Deforestation; inadequate potable water; desertification; soil contamination and erosion; overfishing, overpopulation in forest region; poor mining practices have led to environmental damage |

LABOR^{II}

| | |
|-------------------------------------|----------------------------|
| Labor Force (age 15+): | 4.5 million (2018) |
| Labor Force (by Occupation): | Agriculture: 76% |
| | Industry and Services: 24% |
| Unemployment Rate: | 2.8% (2017 est.) |
| Minimum Monthly Wages: | \$58.23 USD (2012 est.) |
| Legal Working Hours: | 35 hours/week |

GUINEA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

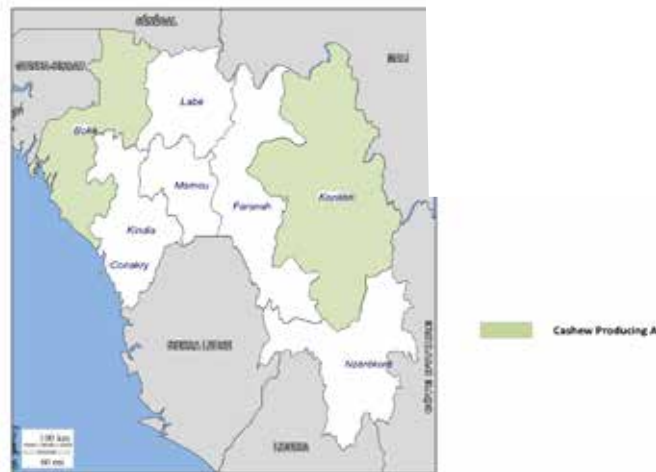
| | |
|------------------|---------------------------|
| 25,000 MT | RCN Production |
| 76,000 MT | RCN Exports |
| 0 % | RCN Production Growth |
| 1.4 % | % of Production Processed |



Historically, Guinea has been the main agricultural producer among the French colonies in West Africa. The sector has subsequently collapsed, making the country a net importer of food, despite many small landowners with its huge agricultural potential. The increase of foreign direct investment mainly to mining, have discouraged other foreign companies seeking to invest in agricultural projects in Guinea, such as the production of rice in the northern region of Boké. Total cashew production in Guinea is estimated at 10,000 MT, almost 70% of which is exported.

SECTOR REGULATIONS & POLICY UPDATE

The national cashew stakeholders' platform, the Guinean Cashew Alliance (l'Alliance Guinéenne de l'Anacarde - AGA) was launched in 2013 with government support. With a growing production and processing industry, cashew contributes to the incomes of 50,000-80,000 people in rural Guinea. A Private Investment Promotion Agency (APIP) was set up along with a one-stop shop for registering new companies (operational since December 2011). The technical process of starting a business in Guinea is simple. According to regulations of Guinea, the process is centralized at the Agency for the promotion of private investment (APIP), the office of central business registration. However, the largest investments have recently started directly via the Office of the President. The new government is eager to attract foreign investment and has made efforts to improve the process. Domestic goods transportation costs to Conakry port is about US\$ 321/MT depending on point of origin while sea exports freight to European and Asian destinations range from US\$ 800 to 1,600 range for a 20 feet container load.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Industry, SMEs and Private Sector Promotion
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Seal keeper – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Export Promotion Council.
- Agency for the promotion of private investment (APIP)

Non-Governmental Agencies:

- l'Alliance Guinéenne de l'Anacarde (AGA).
- ONG SAPE “Synergie d'Action pour la Protection de l'Environnement”
- USAID – GC.



Guinea-Bissau

COUNTRY OVERVIEWⁱ

Political Context: Guinea-Bissau achieved independence from Portugal in 1974. Joao Bernardo Vieira, who has been in power during most of the country's existence, first came to power in 1980 through a military coup, and was later elected in the country's first open elections in 1994. Vieira, was removed from power in 1999 during the country's civil war. In 2000, the country once again held open elections, and Kumba Yala was elected president. In 2003, a bloodless military coup brought Henrique Rosa to power. Vieira was once again elected in 2005, but was assassinated in March 2009. Malam Bacai Sanha was elected in an emergency election held in June 2009. A military coup in April 2012 prevented Guinea-Bissau's second-round presidential election - to determine SANHA's successor - from taking place. The Economic Community of Western African States, a civilian transitional government assumed power in 2012 and remained until Jose Mario VAZ won a free and fair election in 2014.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDSⁱ

| | |
|---------------------------------|---|
| Current Account Balance: | -\$27 million USD (2017 est.) |
| Reserves: | \$356.4 million USD (31 December 2017 est.) |
| GDP: | \$1.46 billion USD (2018) |
| Currency: | Franc CFA |
| Inflation: | 1.4% (2018) |
| Growth Rate: | 3.8% (2018) |
| Export Commodities: | Fish, shrimp, cashews, peanuts, palm kernels, sawn lumber |



ENVIRONMENTⁱ

| | |
|------------------------------|---|
| Total Area: | 36,125 sq km; land: 28,120 sq km; water: 8,005 sq km |
| Climate: | Tropical; generally hot and humid; monsoonal-type rainy season (Jun. to Nov.) with southwesterly winds; dry season (Dec. to May) with northeasterly harmattan winds |
| Terrain: | Mostly low-lying coastal plain with a deeply indented estuarine coastline rising to savanna in east; numerous off-shore islands including the Arquipelago Dos Bijagos consisting of 18 main islands and many small islets |
| Land Use: | Arable land: 10.67%; permanent crops: 8.89%; other: 80.44% (2012 est.) |
| Natural hazards: | Hot, dry, dusty harmattan haze may reduce visibility during dry season; brush fires |
| Environmental Issues: | Deforestation; soil erosion; overgrazing; overfishing |

LABORⁱⁱ

| | |
|-------------------------------------|----------------------------|
| Labor Force (age 15+): | 788,430 (2018) |
| Labor Force (by Occupation): | Agriculture: 82% |
| | Industry and Services: 18% |
| Unemployment Rate: | 6.09% (2017 est.) |
| Minimum Monthly Wages: | \$37.25 USD |
| Legal Working Hours: | 45 hours/week |

GUINEA BISSAU'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

| | |
|-------------------|---------------------------|
| 185,000 MT | RCN Production |
| 66,277 MT | RCN Exports |
| 6.6 % | RCN Production Growth |
| 1.76 % | % of Production Processed |



Guinea-Bissau is the second-largest cashew producer in West Africa, and ranks fourth in the world among cashew-producing countries. The annual production is about 210,000 MT. The production zones are close to the processing locations, allowing for an abundance of cheap and locally-available labor.

SECTOR REGULATIONS & POLICY UPDATE

Guinean Cashew Sector is regulated via national stakeholder agency, National Cashew Stakeholder Agency (ANCA) while producers, traders and processors

are represented by respective national associations. There are four commercial banks and one central bank which lend funds for trade and processing. During the first five years of a new investment, the investor is exempt from industrial taxes. Furthermore, facilities for agro-industrial equipment are exempt from import taxes and there is no tax on the export of cashew kernels. Domestic goods transportation costs to Bissau port range from CFA 20 to 50/kg depending on point of origin while sea exports freight European and Asian destinations range from US\$1,200 to US\$2,500 for a 20 feet container load. Following are new policy and regulatory updates:

- Government appealed for a fair price to farmers, price increase from 500 CFA to Max 1.000 CFA/kg (1.66 USD) /kg in 2016 harvest season. The government sets up a minimum price of 500 CFA/Kg and the exports tax on RCN has been reduced from 20 CFA to 15 CFA/Kg
- New Exports regulation agency set the Ministry of Finance to monitor trade licenses.
- Obligation to deliver letters of credit, confirming bank transfers by SWIFT
- All cashew traders and exporter should be licensed
- Easy land facilitation – long term leasing for abandoned locations.
- 4 commercial banks & 1 central bank lend for trade & processing.
- Stable currency – generally.
- Initial 5 years for new investment free from industrial tax of 25%
- Import tax exemption facilities for agro-industrial equipment.
- 0% export tax on cashew kernel export.
- Signed on to the Consultative International Cashew Council (CICC)



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Entrepreneurship Promotion – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture, and Forest – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Investment promotion council Bissau – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit an investment project.
- ANCA – To obtain operational advisory regarding licensing.
- CNC – National Cashew Commission – To have better access of cashew production & procurement information.

Non-Governmental Agencies:

- ANCA – National Cashew Stakeholder Agency.
- ATCCAJU – National Cashew Processors Association.
- SNV– Providing assistance to cashew value chain – producers & processors small scale capacity buildings
- FUNDEI–Semi Government NGO and finances industrial initiatives
- Paz Desenvolvimento–Supporting small scale cashew processors, financed by Spanish cooperation
- ADPP – Supporting producers in better cashew plantation practices, works in collaboration with
- Food and Agriculture Organization (FAO)
- PRSPDA Project of World Bank.



Kenya

COUNTRY OVERVIEW^I

Political Context: Kenya gained independence in 1963. Jomo Kenyatta served as President from 1963 until 1978, when he was succeeded by Daniel Arap Moi. From 1969 to 1982, the Kenya African National Union was the only legal political party in Kenya; responding to outside pressures, the country held its first open elections in 1992. President Moi was elected in 1992 and 1997, finally stepping down in 2002. Mwai Kibaki was elected in 2002 and was reelected in 2007. However, the opposition candidate, Raila Odinga, alleged that the elections had been rigged, and substantial violence followed. UN-led negotiations in February 2008 resulted in a power-sharing agreement between Kibaki and Odinga, who was subsequently installed as prime minister. Uhuru Kenyatta, son of founding president Jomo Kenyatta, assumed office in 2013 after the new constitution was put into place. Uhuru Kenyatta is re-elected president recently for another term of office.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Rating: B⁺



Fitch

Local Currency: B⁺

Foreign Currency: B⁺

Fitch Ratings

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | -\$5.021 billion USD (2017 est.) |
| Reserves: | \$7.354 billion USD (2017 est.) |
| GDP: | \$87.91 billion USD (2018) |
| Currency: | Kenyan Shilling |
| Inflation: | 4.7% (2018) |
| Growth Rate: | 6.3% (2018) |
| Export Commodities: | Tea, horticultural products, coffee, petroleum products, fish, and cement |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 580,367 sq km; land: 569,140 sq km; water: 11,227 sq km |
| Climate: | Varies from tropical along coast to arid in interior |
| Terrain: | Low plains rise to central highlands bisected by Great Rift Valley; fertile plateau in west |
| Land Use: | Arable land: 9.84%; permanent crops: 0.93%; other: 89.23% (2012 est.) |
| Natural Hazards: | Recurring drought; flooding during rainy seasons |
| Environmental Issues: | Water pollution from urban and industrial wastes; degradation of water quality from increased use of pesticides and fertilizers; water hyacinth infestation in Lake Victoria; deforestation; soil erosion; desertification; poaching |

LABOR^{II}

| | |
|-------------------------------------|------------------------------|
| Labor Force (age 15+): | 20.52 million (2018) |
| Labor Force (by Occupation): | Agriculture: 61.1% |
| | Industry and Services: 38.9% |
| Unemployment Rate: | 11.47% (2017 est.) |
| Minimum Monthly Wages: | \$53.03 USD |
| Legal Working Hours: | 52 hours/week |

KENYA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

| | |
|-----------------|---------------------------|
| 6,000 MT | RCN Production |
| - | RCN Exports |
| 20 % | RCN Production Growth |
| 83.33 % | % of Production Processed |



Kenya has an installed processing capacity of 12,000 MT/year of raw cashew. After having reached the highest peak of 36,000 MT in 1978, production of cashew dropped sharply. Over the 25 years period, 1981 -2004, the output fluctuated around an annual average 6,000 MT, obliging processors to heavily rely on cashew imports from Tanzania in order to operate their plants. Cashew is largely grown in three Coast counties - Kilifi, Kwale and Lamu.

SECTOR REGULATIONS & POLICY UPDATE

Kenya has export processing zones managed by EPZA, the national authority to promote domestically value-added exports. NUTPAK is nationally recognized cashew and other nuts processors association active in sector. Domestic goods transportation costs to Nairobi port is in range of KSH 7 to 10/kg depending on point of origin while sea exports freight to European and Asian destinations is in range of US\$ 1,800 to 2,400 for a 20 feet container load. Following are new policy and regulatory updates:

- RCN importation from neighboring countries is allowed; RCN export banned 15 years ago.
- Kenya offers the lowest RCN price in Africa.
- Kilifi County the main production region of cashew is promoting cashew production to overcome the lack of raw material in the country.
- The following incentives are granted to EPZ companies Tax benefits:-
 - 10 year corporate income tax holiday and a 25% tax rate for a further 10 years thereafter (except for EPZ commercial enterprises)
 - 10 year withholding tax holiday on dividends and other remittances to non-resident parties (except for EPZ commercial licence enterprises)
 - Perpetual exemption from VAT and customs import duty on inputs – raw materials, machinery, office equipment, certain petroleum fuel for boilers and generators, building materials, other supplies. VAT exemption also applies on local purchases of goods and services supplied by companies in the Kenyan customs territory or domestic market. Motor vehicles which do not remain within the zone are not eligible for tax exemption.
 - Perpetual exemption from payment of stamp duty on legal instruments
 - 100% investment deduction on new investment in EPZ buildings and machinery, applicable over 20 years.



Cashew Producing Areas

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and National Treasury– To register the company for tax control.
- Ministry of Agriculture, Livestock and Fisheries– To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Investment promotion council Kenya – To obtain Investment code, information about requirements, facilities & benefits of investment in Bissau, and to submit an investment project.
- NUTPAK – To obtain operational advisory regarding licensing.

Non-Governmental Agencies:

- NUTPAK – Nut Processor’s Association of Kenya.
- One Acre Fund
- Promethean Power Systems
- World Concern International
- ACORD International



Mali

COUNTRY OVERVIEW^I

Political Context: Rule by dictatorship was brought to a close in 1991 by a military coup that ushered in a period of democratic rule. President Alpha Konare won Mali's first two democratic presidential elections in 1992 and 1997. In 2002, he was succeeded by Amadou Toumani Toure, who was elected to a second term in 2007 - elections which were widely judged to be free and fair. Malian returnees from Libya in 2011 exacerbated tensions in northern Mali, and Tuareg ethnic militias started a rebellion in January 2012. Low- and mid-level soldiers, frustrated with the poor handling of the rebellion, overthrew Toure. Intensive mediation efforts led by the Economic Community of West African States (ECOWAS) returned power to a civilian administration in April 2012 with the appointment of interim President Dioncounda Traore. An international military intervention to retake the northern regions began in January 2013 and within a month; most of the north had been retaken. In a democratic presidential election conducted in July and August of 2013, Ibrahim Boubacar KEITA was elected president. The Malian Government and northern armed groups signed an internationally-mediated peace accord in June 2015.

CREDIT RATING (LONG TERM RATING)

Not available.

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | -\$886 million USD (2017 est.) |
| Reserves: | \$647 million USD (31 December 2017 est.) |
| GDP: | \$17.2 billion USD (2018) |
| Currency: | Franc CFA |
| Inflation: | 2.0% (2018) |
| Growth Rate: | 4.9% (2018) |
| Export Commodities: | Cotton, gold, livestock |



ENVIRONMENT^I

| | |
|------------------------------|---|
| Total Area: | 1,240,192 sq km; land: 1,220,190 sq km; water: 20,002 sq km |
| Climate: | Subtropical to arid; hot and dry (Feb. to Jun.); rainy, humid, and mild (Jun. to Nov.); cool and dry (Nov. to Feb.) |
| Terrain: | Mostly flat to rolling northern plains covered by sand; savanna in south, rugged hills in northeast |
| Land Use: | Arable land: 5.62%; permanent crops: 0.12%; other: 94.25% (2012 est.) |
| Natural Hazards: | Hot, dust-laden harmattan haze common during dry seasons; recurring droughts; occasional Niger River flooding |
| Environmental Issues: | Deforestation; soil erosion; desertification; inadequate supplies of potable water; poaching |

LABOR^{II}

| | |
|-------------------------------------|----------------------------|
| Labor Force: (age 15+): | 7.2million (2018) |
| Labor Force (by Occupation): | Agriculture: 80% |
| | Industry and Services: 20% |
| Unemployment Rate: | 7.1% (2018) |
| Minimum Monthly Wages: | \$55.43 USD |
| Legal Working Hours: | 40 hours/week |

MALI'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

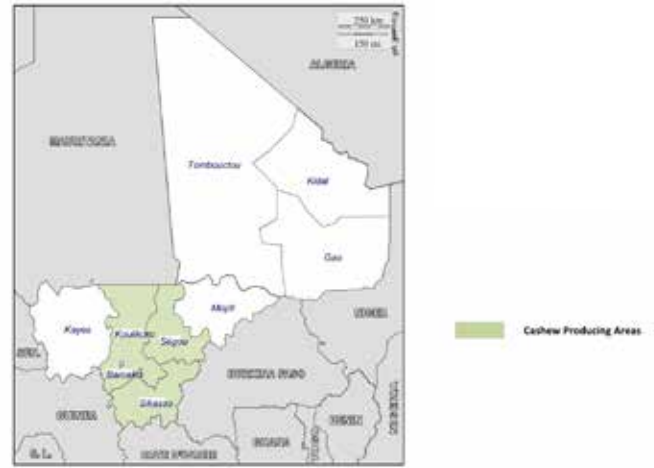
| | |
|------------------|---------------------------|
| 42,000 MT | RCN Production |
| 2,027 MT | RCN Exports |
| 10.5 % | RCN Production Growth |
| 0.48 % | % of Production Processed |



The domestic cashew production was estimated at 35,000 to 40,000 MT in 2014 cashew harvest season with good quality (outturn 46 - 48 lbs. /80 kg bag). On the assumption of a normal rainfall pattern in 2015, in line with local sources, the raw cashew output should exceed last season's level, as a result of an increase of production in Sikasso and Bougouni areas neighboring Côte d'Ivoire and Guinea Conakry. The marketing season starts by end-February and ends by May each year. The National Agriculture Directorate coordinates with the Rural Economy Institute in developing new, high yielding cashew varieties adapted to local growing conditions. Meanwhile, several members of the Malian Cashew Exporters Association envisage acquired their own plantations in 2015. As a result, in 2016 Mali produced 80,000 MT of raw cashew nuts with continuous growth, majority of which are mostly exported to Asia via West African neighboring countries.

SECTOR REGULATIONS & POLICY UPDATE

The Government of Mali is supporting the organization of the cashew sector through the Committee of Initiative consisting of the cashew producers, processors and exporters. The Committee of Initiative is the only authority entitled to decide on sectorial policies to be adopted. The Malian Association of Cashew Exporters is acting to obtain governmental support for cashew export financing by local banks. Without the financial assistance of the banks, Malian cashew exporters can hardly face the international market competition and promote the “Mali” origin label. Trucking charges in Mali average 60 FCFA/ton/kilometer. In addition, truckers’ clients are responsible for paying road use tolls, which average 200 CFA per 100 km. Rail charges between Dakar and Bamako vary according to the type of cargo and packaging (container, bulk, or loose). The cost for goods in bulk pack is 30,000 FCFA/ton from Dakar to Bamako (up to 30 tons, then the rate drops slightly). Following are new policy and regulatory updates:



- Quality issues affects cashew price in Mali; slight increase this year compare to other countries in Africa.
- However, Mali produces as much as Ghana and Burkina Faso.
- Government is yet to recognize Cashew nut as strategic export crop.
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce & Industry – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy, Finance and Budget – To register the company for tax control.
- Ministry for the promotion of the Investment and private Sector
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice, Human Rights and keeper of the Seals – for legal registration of company.

Non-Governmental Agencies:

- The CTARS project
- International Trade Centre (ITC)
- FAO
- The Turning Foundation
- CARE International
- Cross Road International



Mozambique

COUNTRY OVERVIEW^I



Political Context: Mozambique achieved independence from Portugal in 1975. The country was ruled by the Marxist Front for the Liberation of Mozambique (FRELIMO), and in 1989 the party adopted a new constitution and held multi-party elections. In 1992, FRELIMO and rebel Mozambique National Resistance (RENAMO) forces signed a peace agreement to end fighting. Armando Guebuza, President from 2005-2015, continued to focus on economic policies that promote foreign direct investment. Economic growth has been very strong in the country since the end of the civil war.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Local Currency: B
Foreign Currency: SD



Fitch

Local Currency: CC
Foreign Currency: RD



ECONOMIC TRENDS^I

Current Account Balance: -\$4.36 billion USD (2018)
Reserves: \$3.361 billion USD (2017 est.)
GDP: \$14.46 billion USD (2018)
Currency: Meticais (MZN)
Inflation: 15.3% (2017 est.)
Growth Rate: 3.3% (2018)
Export Commodities: Aluminum, prawns, cashews, cotton, sugar, citrus, timber; bulk electricity



ENVIRONMENT^I

Total Area: 799,380 sq km; land: 786,380 sq km; water: 13,000 sq km
Climate: Tropical to subtropical
Terrain: Mostly coastal lowlands, uplands in center, high plateaus in northwest, mountains in west
Land Use: Arable land: 7.18%; permanent crops: 0.38%; other: 92.43% (2012 est.)
Natural Hazards: Severe droughts; devastating cyclones and floods in central and southern provinces
Environmental Issues: A long civil war and recurrent drought in the hinterlands have resulted in increased migration of the population to urban and coastal areas with adverse environmental consequences; desertification; pollution of surface and coastal waters; elephant poaching for ivory is a problem

LABOR^{II}

Labor Force (age 15+): 12.82 million (2019)
Labor Force (by Occupation): Agriculture: 81%
Industry: 6%
Services: 13%
Unemployment Rate: 25.04% (2017 est.)
Minimum Monthly Wages: \$88.51 USD
Legal Working Hours: 50 hours/week

MOZAMBIQUE'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

122,000 MT RCN Production
17,980 MT RCN Exports
6.1 % RCN Production Growth
49.18 % % of Production Processed



In 1970s, Mozambique produced over 200,000 MT as annual cashew crop and processed over 90% of the production. Later the civil war caused big damage to the industry resulting in a drastic decline in production and processing. By early 2004, Techno Serve an North American NGO, supported the revamping of the sector along with INCAJU by supporting production and processing enhancement. Over 9 years of developed work with high dedication of private

sector, both the industry and production has revived. Today the country produces around 130,000 MT of raw cashew nuts and processes most of it. Production is concentrated in the northern part of the country.

SECTOR REGULATIONS & POLICY UPDATE

Investment legislation offers customs and fiscal benefits to eligible projects according to the value, geographical area and sector of activity, including exemptions on import duties on equipment of class “K” of the customs tariff schedule (the exemption is extensive to value added tax), as well as the reduction of 50% on the real property transfer tax (SISA) on acquisition of capital goods for industry, agro-industry, and hotels, provided they are acquired within three years of the investment authorization date. Trucking charges in Mozambique range from 25 to 35 MZ/kg while sea exports freight to European and Asian destinations range from US\$2,500 to US\$3,000 for a 20 feet container load. Following are new policy and regulatory updates:



- Customs and fiscal benefits to eligible projects, namely Generic Benefits with its:
 - Exemptions on Import Duties on equipment of class “K” of the Customs Tariff Schedule (the exemption is extensive to Value Added Tax).
 - Reduction of 50% on the real property transfer tax (SISA) on acquisition of capital goods for Industry.
- Fiscal Credit per Investment (CFI) during 5 fiscal exercises:
- Tax Credits per provinces: Nampula, Manica, Maputo City and Maputo Province : 5%,
- Gaza, Sofala, Tete and Zambézia: 10%, Niassa, Cabo Delgado and Inhambane: 10%
- The minimal FOB price of 1,600 per MT.
- Authorization to RCN export is given around December.
- Export tax of 18% FOB price for companies supplying local processing or \$US 75 per ton extra applies.
- Bilateral cooperation reached with Vietnam to increase processing and production in Mozambique and expands trade relation with Vietnam.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry and Commerce – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- Export Promotion Council.
- INCAJU – National Cashew Regulatory Body

Non-Governmental Agencies:

- AICAJU – National Cashew Processors Association
- ComCashew
- Technoserve – NGO
- CARE International
- World Vision
- ADPP



Nigeria

COUNTRY OVERVIEW^I

Political Context: Nigeria gained independence from Britain in 1960. The country adopted a new constitution in 1999 and transitioned to civilian government after almost two decades of military rule. Although both the 2003 and 2007 presidential elections were not without irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. The general elections of April 2007 marked the first civilian-to-civilian transfer of power in the country's history. The most recent elections, which were held in March 2015, were considered quite successful due to the peaceful handover of power from the incumbent party to the opposition, led by Mr. Buhari who eventually was elected president.

CREDIT RATING (LONG TERM RATING)

| | | |
|---|---|--|
| Standard & Poor's Local Currency: B Foreign Currency: B/Stable | Moody's Local Currency: Caa2/Stable Foreign Currency: Caa2 | Fitch Local Currency: B+ Foreign Currency: B+ |
|---|---|--|

ECONOMIC TRENDS^I

| | |
|---------------------------------|---|
| Current Account Balance: | \$10.4 billion USD (2017 est.) |
| Reserves: | \$42.6 billion USD (2017 est.) |
| GDP: | \$397.27 billion USD (2018) |
| Currency: | Naira (NGN) |
| Inflation: | 12.1% (2018) |
| Growth Rate: | 1.9% (2018) |
| Export Commodities: | Petroleum and petroleum products (95%), cocoa, rubber |

ENVIRONMENT^I

| | |
|------------------------------|---|
| Total Area: | 923,768 sq km; land: 910,768 sq km; water: 13,000 sq km |
| Climate: | Varies; equatorial in south, tropical in center, arid in north |
| Terrain: | Southern lowlands merge into central hills and plateaus; mountains in southeast, plains in north |
| Land Use: | Arable land: 38.43%; permanent crops: 7.36%; other: 54.21% (2012 est.) |
| Natural Hazards: | Periodic droughts; flooding |
| Environmental Issues: | Current issues: soil degradation; rapid deforestation; urban air and water pollution; desertification; oil pollution - water, air, and soil; has suffered serious damage from oil spills; loss of arable land; rapid urbanization |

LABOR^{II}

| | |
|-------------------------------------|---------------------|
| Labor Force (age 15+): | 60.7 million (2018) |
| Labor Force (by Occupation): | Agriculture: 70% |
| | Industry: 10% |
| | Services: 20% |
| Unemployment Rate: | 8.4% (2017 est.) |
| Minimum Monthly Wages: | \$123 USD legal |
| Legal Working Hours: | 40 hours/week |

NIGERIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

| | |
|-------------------|---------------------------|
| 240,000 MT | RCN Production |
| 188,344 MT | RCN Exports |
| 6.7 % | RCN Production Growth |
| 3.13 % | % of Production Processed |



Producing on average 170,000MT of raw cashew nuts per year, Nigeria is Africa's fifth-largest cashew producer after Côte d'Ivoire, Guinea-Bissau, Benin, and Tanzania.

SECTOR REGULATIONS & POLICY UPDATE

Nigeria offers Free Zones, which provide tax and duty reductions and exemptions to businesses that invest in the country. The Nigerian Investment Promotion Council has been set up by the government to help investors. It offers a number of incentives, including tax relief for projects that involve significant job creation. Such incentives include five years tax holiday if granted pioneer status, import tax exemptions for agro-industrial equipment, export tax exemption on cashew kernel, and 30% repatriation of export proceeds of processed products ((www.nipc.gov.ng). Trucking charges in Nigeria range from 170-200 Naira/kg while sea exports freight to European and Asian destinations range from US\$ 2,200-3,500 for a 20 feet container load. Following are new policy and regulatory updates:

- Nigeria targets 840,000 MT of the RCN production by 2024.
- Price reduces from 1350 Naira to 1400 Naira last year to 1200 Naira
- High yielding seeds are given to farmers for free.
- The Federal Ministry of Food and Rural Development launched the Cashew Expansion Program.
- Nigeria lifts Ban on Export Expansion Grant to boost non-oil exports
- Cashew nut already been recognized as strategic nontraditional export commodity in 2016.
- Five years tax holiday if granted pioneer status, i.e. located in a rural area.
- Import tax exemption facilities for agro-industrial equipment.
- 0% export tax on cashew kernel export.
- Easy Land facilitation – long term leasing for abandoned locations.



IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry, Trade and Investment – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance – To register the company for tax control.
- Ministry of Agriculture and Rural development– To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice Attorney General– for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- NIPC – Nigerian Investment promotion council – To obtain Investment code, information about requirements, facilities & benefits of investment in Nigeria, and to submit your project of your investment.
- CAC– Cooperate Affairs Commission – To insure the follow up with Nigerian cooperate sector laws.
- IITA – For Agricultural research information.
- NEPC-Nigeria Export Promotion council

Non-Governmental Agencies:

- NCAN – National Cashew Association of Nigeria
- NCPAN – National Cashew Processors Association of Nigeria
- TechnoServe
- Ford Foundation
- Russ International



Senegal

COUNTRY OVERVIEW^I

Political Context: The French colonies of Senegal and French Sudan were merged in 1959 and granted independence in 1960 as the Mali Federation. Senegal joined with The Gambia to form the nominal confederation of Senegambia in 1982. The envisaged integration of the two countries was never implemented, and the union was dissolved in 1989. Several peace deals have failed to resolve the conflict of Casamance region, but an unofficial cease-fire has remained largely in effect since 2012. Senegal remains one of the most stable democracies in Africa. Senegal was ruled by a Socialist Party for 40 years until Abdoulaye WADE was elected president in 2000. He was reelected in 2007 and, during his two terms, amended Senegal's constitution over a dozen times to increase executive power and weaken the opposition. His decision to run for a third presidential term sparked a large public backlash that led to his defeat in a March 2012 runoff by Macky SALL, whose term runs until 2019.

CREDIT RATING (LONG TERM RATING)

Standard & Poor's

Rating: B⁺



Moody's

Local Currency: Ba3

Foreign Currency: Ba3/Stable



ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$1.547 billion USD (2017 est.) |
| Reserves: | \$1.827 billion USD (2017 est.) |
| GDP: | \$24.13 billion USD (2017 est.) |
| Currency: | Franc CFA |
| Inflation: | 0.5% (2017 est.) |
| Growth Rate: | 6.8% (2018) |
| Export Commodities: | Fish, groundnuts (peanuts), petroleum products, phosphates, cotton |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 196,722 sq km; land: 192,530 sq km; water: 4,192 sq km |
| Climate: | Tropical; hot, humid; rainy season (May to Nov.) has strong southeast winds; dry season (Dec. to Apr.) dominated by hot, dry, harmattan wind |
| Terrain: | Generally low, rolling, plains rising to foothills in southeast |
| Land Use: | Arable land: 17.4%; permanent crops: 0.34%; other: 82.26% (2012 est.) |
| Natural Hazards: | L owlands seasonally flooded; periodic droughts |
| Environmental Issues: | Wildlife populations threatened by poaching; deforestation; overgrazing; soil erosion; desertification; overfishing |

LABOR^{II}

| | |
|-------------------------------------|------------------------------|
| Labor Force (age 15+): | 4.2 million (2018) |
| Labor Force (by Occupation): | Agriculture: 77.5% |
| | Industry and Services: 22.5% |
| Unemployment Rate: | 4.8% (2017 est.) |
| Minimum Monthly Wages: | \$57.29 USD |
| Legal Working Hours: | 40 hours/week |

SENEGAL'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

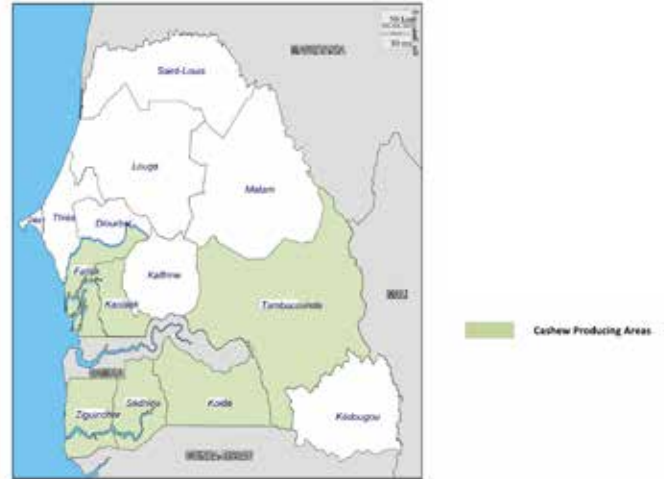
| | |
|------------------|---------------------------|
| 30,000 MT | RCN Production |
| 23,534 MT | RCN Exports |
| 11.1 % | RCN Production Growth |
| 1.67 % | % of Production Processed |



Senegal produced 45,000 MT of raw cashew nut. Production is concentrated in the zones indicated on the map below. Senegal's economy remains dominated by service industries, which account for 60% to the GDP. The primary and secondary activities each contribute to 20%.

SECTOR REGULATIONS & POLICY UPDATE

Senegal is the first country to have been rated B+ / Stable / B in West Africa by the prestigious international rating agency Standard & Poor's International, for three consecutive years. The CFA franc is pegged to the Euro at a rate of 1 € = 655,957 FCFA (100 FCFA = 1 FF). Senegal shares a common currency with the eight UEMOA countries. A Central Bank (BCEAO), is responsible for monetary policy formulation and reforms. Senegal has Free Zones which provide many tax and duty reductions and exemptions to export-oriented businesses that invest in Senegal (www.investinsenegal.com). Trucking charges in Senegal average 300-350 CFA/kg while sea exports freight to European and Asian destinations is in the range of US\$ 2,500 for a 20 feet container load. Following are new policy and regulatory updates:



- Establishing a system of tax credits for investments in an amount equal to 40% of capital investments over a period of five years and capped for each fiscal year, 50% of taxable income for new businesses and 25% for extensions.
- Demarcation between the investment phase and the operational, allowing the investor to enjoy fully the benefits of holding for the duration of (05) years and the administration to collect any information regarding the achievement of the agreed program and start-up activities.
- Compliance with the Code of the Environment.
- The abolition of minimum capital payable. In fact, tax cuts have been initiated through the reform of the patent, reducing the rate of corporation tax (from 35% to 33%) and extending the system of accelerated depreciation.
- Senegal registered the second highest price at farm gate this season.
- Farmers in the SEGABI region are producing the high quality nuts (min KOR 52 at the beginning of the year).
- Private and public sector are setting up the Value Chain National Association to develop the cashew development framework in consultation with Technical partners.
- Senegal advocates against Indian regulation to reject RCN without Methil Bromid chemical.
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Commerce the Informal Sector, Consumption, promotion of Local products and SMEs – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy, Finance and Planning, Budget office – To register the company for tax control.
- Ministry of Agriculture and Rural Equipment – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- APIX – To obtain Investment code, information about requirements, facilities and benefits of investment in Senegal, and to submit your project of your investment

Non-Governmental Agencies:

- Oxfam International
- International Relief & Development
- Arcus Foundation
- PADEC – Canadian Government joint project with Senegalese Government
- COFAC – National Cashew Stakeholders Association



Tanzania

COUNTRY OVERVIEW^I

Political Context: Shortly after achieving independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the United Republic of Tanzania in 1964. One-party rule ended in 1995, with the first democratic elections held in the country since the 1970s. The formation of a government of national unity between Zanzibar's two leading parties succeeded in minimizing electoral tension in 2010. John Magufuli was voted into power in 2015, and has been undertaking initiatives to propel the Tanzanian economy.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$1.464 billion USD (31 December 2017 est.) |
| Reserves: | \$5.301 billion USD (31 December 2017 est.) |
| GDP: | \$57.44 billion USD (2018 est.) |
| Currency: | Tanzanian Shilling (TSH) |
| Inflation: | 3.5% (2018) |
| Growth Rate: | 5.2% (2018) |
| Export Commodities: | Gold, coffee, cashew nuts, cotton |



ENVIRONMENT^I

| | |
|------------------------------|---|
| Total Area: | 947,300 sq km; land: 885,800 sq km; water: 61,500 sq km |
| Climate: | Varies from tropical along coast to temperate in highlands |
| Terrain: | Plains along coast; central plateau; highlands in north, south |
| Land Use: | Arable land: 16.37%; permanent crops: 2.43%; other: 81.2% (2012 est.) |
| Natural Hazards: | Flooding on the central plateau during the rainy season; drought |
| Environmental issues: | Soil degradation; deforestation; desertification; destruction of coral reefs threatens marine habitats; recent droughts affected marginal agriculture; wildlife threatened by illegal hunting and trade, especially for ivory |

LABOR^{II}

| | |
|-------------------------------------|--|
| Labor Force (age 15+): | 26.3 million (2017 est.) |
| Labor Force (by Occupation): | Agriculture: 66.9% |
| | Industry and Services: 30.1% (2004 est.) |
| Unemployment Rate: | 2.4% (2017 est.) |
| Minimum Monthly Wages: | \$25.25 USD |
| Legal Working Hours: | 45 hours/week |

TANZANIA'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

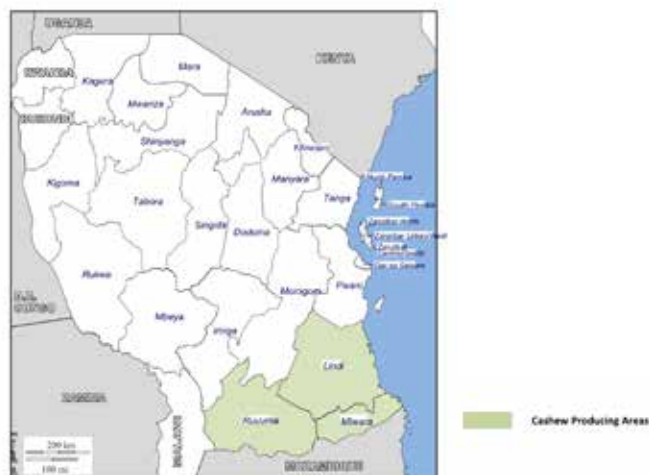
| | |
|-------------------|---------------------------|
| 300,000 MT | RCN Production |
| 220,749 MT | RCN Exports |
| -4.4 % | RCN Production Growth |
| 2 % | % of Production Processed |



Tanzania produces around 250,000 MT of raw cashew nuts per year. The Cashew Board of Tanzania (CBT) has recently committed to revive the Tanzanian cashew processing industry in order to bolster the domestic sector, making the time ripe for investment. Cashew procurement is heavily regulated by government with practice of Warehouse Receipt System) where raw nuts are collected from farmers and sold via international auction system. Tanzania has significantly active domestic cashew processing industry.

SECTOR REGULATIONS & POLICY UPDATE

Tanzania offers a well-balanced package of incentives for investors, including favorable investment allowances and 100% tax deductions on industrial buildings, plant & machinery, and agricultural expenditures; deferment of VAT payment on project capital assets; import duty drawback on raw materials; zero-rated VAT on manufactured exports; straight-line accelerated depreciation allowance on capital goods; five-year carry-over on all business losses against future profits; a reasonable corporate tax rate (30%) and low withholding tax rates on dividends (10%) and on loan interest (0%); the right to transfer outside the country of foreign exchange earned, profits, and capital; automatic permit to employ five foreign nationals on a project holding a certificate of incentives; reduced import tariffs on project capital terms; and investment guarantees and settlement of disputes. Trucking charges in Tanzania average 100 US\$/MT while sea exports freight to European and Asian destinations is in the range of US\$ 2,000-2,800 for a 20 feet container load. Following are new policy and regulatory updates:



- The recognition of private property and protection against any non-commercial risks. Tanzania is an active member of MIGA (Multilateral Investment Guarantees Agency), and also a member of The International Centre for Settlement of Investment Disputes (ICSID) so investors have unrestricted rights to International arbitration in case of dispute with government.
- Reduced import tariff on project capital items (5% import duty for investments in priority sectors and 0% for investment in Lead Sectors).
- Favorable investment allowances and deductions i.e. capital allowance (100%) on industrial buildings, plant and machinery and on agricultural expenditure.
- Deferment of VAT payment on project capital goods as defined in the tariff book and its relevant annexes deferred VAT to be shown on monthly return after which it will be extinguished unless it is discovered otherwise after audit.
- Imports Duty drawback on raw materials.
- Zero-rated VAT on Mining inputs, Agriculture inputs, goods manufactured for exports, foodstuff and tourism.
- Straight line accelerated depreciation allowance on capital goods.
- Up to five years carryover of all business losses against future profits.
- A reasonable corporate tax rate of 30% and low withholding tax on loan interest payments.
- The unrestricted right to transfer outside the country 100% of foreign exchange earned profits and capital.
- The ease of obtaining other permits such as Residence/Work Permits, industrial license, trading license etc. through one-stop-shop operation of TIC.
- Automatic permits for employing an initial quota of 5 foreign nationals on the project holding Certificates of Incentives.
- CBT played a key role to increase production through GAP and HPH technics to reach 72% growth.
- Government plan to reach up to 600,000 MT of domestic cashew production in the next 5 years.
- RCN export tax: 160 USD/MT - 15% of FOB price in addition for no proof of delivery to processors.

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Industry, trade and Investment – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Finance and Planning – To register the company for tax control.
- Ministry of Agriculture, Livestock and Fisheries – To obtain the phytosanitary certificate for export purpose.
- Ministry of Constitutional Affairs and Justice – for legal registration of company.
- Municipal committee - For publication of company registration in National bulletin.
- The Cashew nut Board of Tanzania (CBT) – For export licensing.
- Tanzania Chamber of Commerce Industry and Agriculture
- Tanzania Investment Centre (TIC) – One stop solution for new investor for licensing and authorizations.
- Tanzania Agriculture Research Institute (TARI) – For planting research information.
- Cooperatives Union: TANECU and MAMCU/ILULU/ CORECU/DARECU/ and TAMCU.
- AMCOS– Agricultural Marketing Co–Operative Societies.

Non-Governmental Agencies:

- CAPT–Cashew Processors Association of Tanzania
- Concern
- UNIDO
- Oxfam International



Togo

COUNTRY OVERVIEW^I

Political Context: Togo gained independence in 1960 and was ruled by General Gnassingbe Eyadema for most of its existence. Gen. Eyadema came to power in 1967 as a military ruler and remained in power, even though elections which were instituted in the 1990s. Eyadema's son, Faure Gnassingbe, was given power first through military installation and then through elections after Eyadema's death in 2005. In 2007, Togo held its first round of free and fair legislative elections after years of difficulties, and another round of elections were held in April 2015.

CREDIT RATING (LONG TERM RATING)

Not available

ECONOMIC TRENDS^I

| | |
|---------------------------------|--|
| Current Account Balance: | -\$383 million USD (2017 est.) |
| Reserves: | \$77.8 million USD (31 December 2017 est.) |
| GDP: | \$5.3 billion USD (2019) |
| Currency: | Franc CFA |
| Inflation: | 0.8% (2018) |
| Growth Rate: | 4.7% |
| Export Commodities: | Reexports, cotton, phosphates, coffee, cocoa |

ENVIRONMENT^I

| | |
|------------------------------|--|
| Total Area: | 56,785 sq km; land: 54,385 sq km; water: 2,400 sq km |
| Climate: | Tropical; hot, humid in south; semiarid in north |
| Terrain: | Gently rolling savanna in north; central hills; southern plateau; low coastal plain with extensive lagoons and marshes |
| Land Use: | Arable land: 48.72%; permanent crops: 3.68%; other: 47.6% (2012 est.) |
| Natural Hazards: | Hot, dry harmattan wind can reduce visibility in north during winter; periodic droughts |
| Environmental issues: | Deforestation attributable to slash-and-burn agriculture and the use of wood for fuel; water pollution presents health hazards and hinders the fishing industry; air pollution increasing in urban areas |

LABOR^{II}

| | |
|-------------------------------------|--------------------|
| Labor Force (age 15+): | 3.6 million (2018) |
| Labor Force (by Occupation): | Agriculture: 65% |
| | Industry: 5% |
| | Services: 30% |
| Unemployment Rate: | 6.9% (2016 est.) |
| Minimum Monthly Wages: | \$63 USD |
| Legal Working Hours: | 40 hours/week |

TOGO'S CASHEW SECTOR OVERVIEW

Cashew Sector Growth - 2018

| | |
|------------------|---------------------------|
| 15,000 MT | RCN Production |
| 23,415 MT | RCN Exports |
| 0 % | RCN Production Growth |
| 13.33 % | % of Production Processed |



Togo produces approximately 24,000 MT of raw cashew nut and the cashew sector is now evolving with the existence of only a national association of cashew growers (ANCPA). The Interprofession is now set up and made up of five associations (COPAT, Nursery Operators, FNCPA (Producers, AAAT (Buyers), ATTA (Processors), CEFA (exporters)). The main objectives of the interprofession is to coordinate activities of members and industries relations with government. The interprofession is supported by technical and financial partners and international actors such as ACA.

- The area cashew is growing are the following:
 1. Plateau
 2. Central
 3. Kara
 4. Savane
- The price set by government is 15 CFA/Kg with a good quality of KOR 52



SECTOR REGULATIONS & POLICY UPDATE

Togo has Free Zones, providing tax and duty reductions and exemptions to businesses that invest in the country. Incentives include import tax exemption on facilities for agro-industrial equipment and tax exemption on cashew kernel export. For more information on this and other programs, see www.zonefranchetogo.tg. Trucking charges in Togo average 180-200 CFA/kg while sea exports freight to European and Asian destinations are in the range of US\$ 2,000-4,500 for a 20 feet container load. Following are new policy and regulatory updates:

- Import tax exemption facilities for agro-industrial equipment.
- 0% Export tax on cashew kernel export.
- Signed on to the Consultative International Cashew Council (CICC)

IMPORTANT CONTACT POINTS

Governmental Agencies:

- Ministry of Trade, Industry, Private Sector Development and Tourism – To get the Import & export commercial license for the company commercial activities and also to secure the industry license.
- Ministry of Economy and Finance – To register the company for tax control.
- Ministry of Agriculture Livestock and Water – To obtain the phytosanitary certificate for export purpose.
- Ministry of Justice and Relations with Institutions of the Republic – for legal registration of company.
- Investment promotion council Lome – To obtain Investment code, information about requirements, facilities & benefits of investment in Lome, and to submit the project of new investment by investor.

Non-Governmental Agencies:

- EBID – Regional Investment Bank
- GiZ
- GAFSP – NGO assisting small scale food producers



REFERENCES

¹ CIA World Factbook

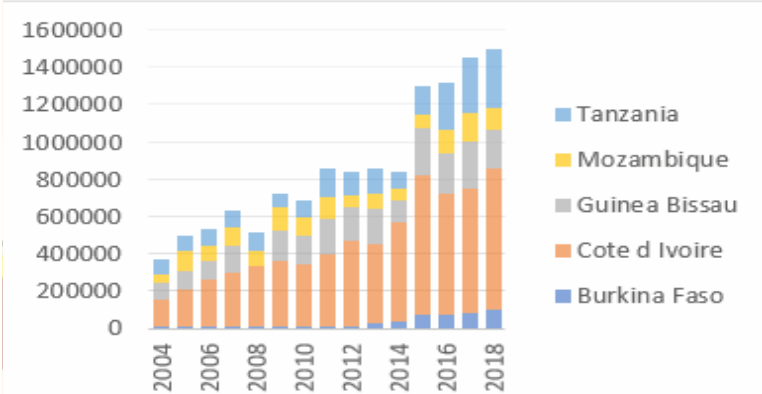
¹¹ International Labour Organization

¹¹¹ World Bank Development Indicators

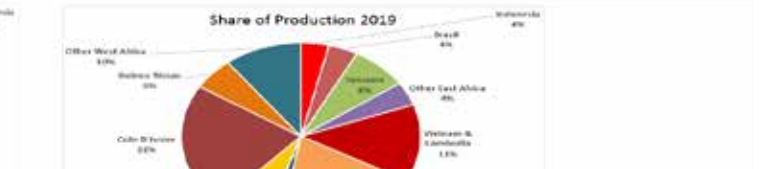
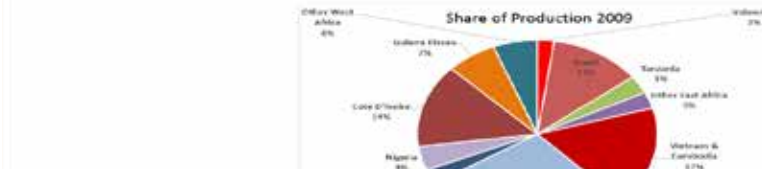
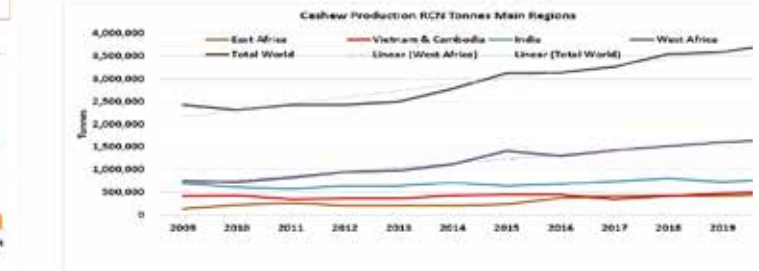
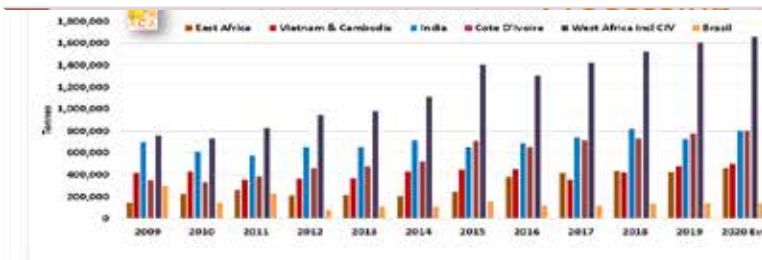
Introducing in 2020.....



| Latest Estimate | |
|-----------------|---------|
| Production | |
| Kenya | 5,000 |
| Madagascar | 7,000 |
| Mozambique | 150,000 |
| Tanzania | 300,000 |
| Gambia | 700 |
| Cameroon | 700 |
| Nigeria | 260,000 |
| Benin | 120,000 |
| Togo | 30,000 |
| Ghana | 300,000 |
| Cote d'Ivoire | 800,000 |
| Burkina Faso | 60,000 |
| Mali | 40,000 |
| Guinea-Bissau | 200,000 |
| Senegal | 30,000 |
| Gambia | 7,000 |
| Guinea | 25,000 |
| Angola | 400 |



| Year | Production (RCN) | Exports (RCN) | Imports (RCN) | Balance (RCN) | Share of Production (%) | Share of Exports (%) | Share of Imports (%) |
|------|------------------|---------------|---------------|---------------|-------------------------|----------------------|----------------------|
| 2009 | 17,100 | 122,000 | 690,000 | 13,070 | 2% | 27% | 100% |
| 2010 | 19,800 | 14,900 | 74,900 | 8,000 | 1% | 2% | 100% |
| 2011 | 221,000 | 170,000 | 290,000 | 10,000 | 1% | 14% | 14% |
| 2012 | 293,000 | 280,000 | 800,000 | 2,000 | 1% | 8% | 100% |
| 2013 | 181,000 | 290,000 | 690,000 | 8,000 | 4% | 2% | 100% |
| 2014 | 300,000 | 200,000 | 590,000 | 10,000 | 3% | 3% | 100% |
| 2015 | 420,000 | 400,000 | 900,000 | 10,000 | 24% | 8% | 100% |
| 2016 | 280,000 | 280,000 | 800,000 | 5,000 | 3% | 8% | 100% |
| 2017 | 1,000,000 | 1,000,000 | 3,000,000 | 1,000,000 | 3% | 3% | 100% |
| 2018 | 1,000,000 | 1,000,000 | 3,000,000 | 1,000,000 | 3% | 3% | 100% |



Register as ACA Member or Subscribe
 For more than 10 years Global & Country-level Cashew Data and Analysis, covering:

- Production Area, Volumes and Quality
- Processing Volumes, Utilized Capacities
- Price Data (RCN, Kernel)
- Export Trade Volumes
- Import Trade Volumes
- Sector Organization and Regulation Information