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# Doing Business in Mauritania

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## Introduction

Mauritania, set against the backdrop of sweeping Saharan landscapes and a rugged Atlantic coastline, offers a unique terrain not just for explorers, but for ambitious entrepreneurs seeking new opportunities. Located at the crossroads of North and Sub-Saharan Africa, the country possesses a wealth of natural resources, strategic access to regional markets, and a culture both hospitable and nuanced. For those contemplating entry into Mauritania's business sphere, understanding its distinct environment—both the possibilities and pitfalls—is essential.

This book, **“Doing Business in Mauritania: A Comprehensive Guide For Prospective Entrepreneurs,”** seeks to provide exactly that understanding. Unlike more generic handbooks on starting a business, this guide is tailored to help readers navigate the specific realities of the Mauritanian market. From laws and registration procedures to investment incentives, taxation, and practical business culture, every chapter has been shaped with tangible, locally relevant insights in mind. The aim is not simply to encourage entrepreneurship in theory, but to illuminate the actual path one must tread in Mauritania's unique context.

The Mauritanian economy has long been defined by the exploitation of its mineral riches, particularly iron ore, gold, and copper, and by the productivity of its extensive fisheries. In recent years, however, the country has been working to diversify its economic portfolio, taking substantive steps to foster new investment across renewable energy, agriculture, services, and manufacturing. This transformation has accelerated the country's openness to foreign investors and local entrepreneurs alike, and has given rise to new opportunities and incentives—while also posing fresh regulatory and operational challenges.

At the same time, entrepreneurs must reckon with a series of structural and practical hurdles: regulatory complexities, vague or cumbersome legal frameworks, gaps in infrastructure and qualified labor, and a business environment where personal connections often count as much as credentials. Successfully dealing with these requires both persistence and deep cultural understanding. Beyond technical requirements, success in Mauritania also depends on an entrepreneur's ability to build trust, adapt to local etiquette, and show patience in the face of bureaucracy or shifting circumstances.

Throughout this book, you will find actionable guidance on identifying promising sectors, structuring your business, obtaining the necessary authorizations, mastering taxation and labor law, and integrating into the Mauritanian business network. You will also learn from real-world examples and from the voices of those who have

established a foothold in this dynamic, evolving market.

Ultimately, **Doing Business in Mauritania** is not just a catalogue of facts and formalities—it is a roadmap for making informed decisions, minimizing risks, and maximizing returns in a challenging yet potentially rewarding environment. Whether you are a seasoned investor, an international company manager, or a local entrepreneur looking to formalize your enterprise, this guide will equip you with the clarity and confidence you need to start your journey in Mauritania.

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## **CHAPTER ONE: The Mauritanian Business Landscape: Key Facts and Figures**

Welcome to Mauritania, a land where the vast Sahara desert meets the rich currents of the Atlantic Ocean. Officially the Islamic Republic of Mauritania, this nation serves as a geographic and cultural bridge, connecting the Arab Maghreb of North Africa with the diverse societies of Sub-Saharan Africa. Understanding this unique position, along with the fundamental facts and figures that define the country, is the essential first step for any prospective entrepreneur eyeing opportunities here. Mauritania is not just sand and sea; it's a complex, evolving nation with a distinct economic pulse and a specific societal rhythm. Getting acquainted with the basic landscape – its people, politics, economy, and infrastructure – provides the critical context needed before diving into the intricacies of specific sectors or business procedures.

Spanning over one million square kilometers, Mauritania is a sizeable country, roughly twice the size of France or slightly larger than the US state of Texas. However, much of this territory is arid desert, part of the formidable Sahara. This geographical reality concentrates the population and economic activity primarily along the more temperate Atlantic coast and the Senegal River valley in the south. The coastline stretches for over 750 kilometers, offering access to some of the world's most productive fishing grounds, a resource that plays a pivotal role in the national economy, as we will explore later. The country shares borders with Senegal to the southwest, Mali to the east and southeast, Algeria to the northeast, and the disputed territory of Western Sahara to the northwest. This location positions Mauritania as a potential gateway, although realizing this potential fully depends on regional stability and infrastructure development.

The capital city, Nouakchott, is located on the coast and serves as the administrative, political, and economic hub. What was a modest village just decades ago has rapidly grown into a sprawling city facing the typical challenges of unplanned urbanization, including infrastructure strain. Further north along the coast lies Nouadhibou, the country's primary commercial port and fishing center, strategically located on a peninsula shared with Western Sahara. Nouadhibou is also home to a designated Free Zone, designed to attract investment with special incentives, a topic we will dedicate specific attention to later in this guide. Beyond these two major urban centers, settlements are often smaller and more dispersed, particularly in the vast interior. Understanding this geographic distribution is crucial for logistics, market access, and workforce considerations.

Mauritania's population is estimated to be around 4.8 million people, exhibiting a

relatively high growth rate. A significant feature of its demographic profile is its youthfulness; a large proportion of the population is under the age of 25. This presents both an opportunity, in terms of a potentially dynamic future workforce and consumer market, and a challenge, related to job creation, education, and skills development. The population density is among the lowest in the world due to the vast desert areas, with significant internal migration towards urban centers, especially Nouakchott, exacerbating pressures on urban services and housing.

The country is ethnically diverse, broadly comprising Bidhan (or White Moors, of Arab-Berber descent), Haratin (or Black Moors, descendants of former slaves who share the Bidhan culture and language), and various Sub-Saharan African ethnic groups, including Halpulaar, Soninke, Wolof, and Bambara, concentrated mainly in the south along the Senegal River. This diversity is reflected in the languages spoken. While Modern Standard Arabic is the official language, Hassaniya Arabic, a local dialect heavily influenced by Berber, is the lingua franca for the majority. French remains widely used in government, administration, and business, a legacy of the colonial era. Various African languages are also spoken, particularly in the southern regions. Navigating these linguistic and cultural layers is a practical aspect of doing business in Mauritania.

Politically, Mauritania is an Islamic Republic with a semi-presidential system. The President, elected by popular vote for a five-year term, serves as the Head of State. The President appoints the Prime Minister, who acts as the Head of Government and leads the Council of Ministers. Legislative power resides in a unicameral National Assembly (Al Jamiya Al Wataniya). The country is divided into administrative regions called Wilayas. While Mauritania has experienced periods of political instability, including several coups d'état since independence from France in 1960, recent years have seen a more stable political environment with peaceful transitions of power. However, like many nations in the region, it faces ongoing challenges related to strengthening democratic institutions, ensuring transparency, and managing social cohesion.

The judicial system is based on a blend of Islamic law (Sharia) and French civil law traditions. While the constitution provides for an independent judiciary, concerns about its effectiveness, transparency, and susceptibility to influence persist, impacting areas like contract enforcement and dispute resolution – crucial considerations for any business venture. These aspects of the legal and regulatory environment will be examined more closely in dedicated chapters. For now, it's important to recognize the formal structure while remaining aware of the practical challenges investors might encounter.

Turning to the economy, Mauritania is classified as a lower-middle-income country by the World Bank. Its Gross Domestic Product (GDP) has experienced fluctuations, influenced heavily by global commodity prices (especially iron ore and gold) and

climatic conditions affecting agriculture and fisheries. Recent years have seen moderate growth, driven primarily by the extractive industries and, increasingly, efforts towards diversification. GDP per capita provides a measure of average income, though significant disparities exist within the population. Inflation has generally been managed but can be sensitive to food and energy price shocks, given the country's reliance on imports for many essential goods.

The national currency is the Mauritanian Ouguiya, designated as MRU. It's worth noting that in 2018, the currency was redenominated, with 1 new Ouguiya (MRU) equaling 10 old Ouguiya (MRO). While the transition is largely complete in the formal sector, entrepreneurs might occasionally encounter residual references to the old currency, particularly in informal transactions, so clarification is sometimes wise. The Central Bank of Mauritania (Banque Centrale de Mauritanie, BCM) is responsible for monetary policy and regulating the financial sector. Access to finance, however, remains a significant constraint for many local businesses, particularly small and medium-sized enterprises (SMEs).

Mauritania's economy remains heavily reliant on primary sectors. Mining, particularly iron ore extracted by the state-controlled giant SNIM (Société Nationale Industrielle et Minière), alongside gold and copper, constitutes the largest share of exports and a significant portion of GDP. Fisheries represent the second pillar, exploiting the rich potential of the Atlantic coast, although sustainable management and maximizing onshore processing remain key challenges. Agriculture and livestock rearing are vital for rural livelihoods but face constraints from arid conditions and limited infrastructure, resulting in substantial reliance on food imports. The government's strategic vision explicitly targets diversifying away from this dependency, fostering growth in areas like renewable energy, manufacturing, and services.

Infrastructure presents a mixed picture and is a critical factor for business operations. The road network has improved, with paved highways connecting major centers like Nouakchott, Nouadhibou, and key regional towns. However, travel outside these main arteries, particularly into the interior, can be challenging, often requiring off-road vehicles. This impacts logistics, transportation costs, and access to markets or resources in remote areas. The condition of roads, even paved ones, can vary, requiring diligence in transport planning.

Port infrastructure is centered around the Autonomous Port of Nouakchott (also known as the Port of Friendship, built with Chinese cooperation) and the Port of Nouadhibou, which handles the bulk of mineral exports and fishing activities. While capacity has grown, efficiency and handling costs can still be factors for importers and exporters. Air transport connects Mauritania internationally primarily through Nouakchott-Oumtounsy International Airport, with smaller airports serving domestic routes. Direct flight connections, particularly outside of Africa and Europe, may be limited, often requiring transit through regional hubs.

Energy infrastructure is developing but faces challenges. Electricity access is not universal, particularly in rural areas, and the national grid relies significantly on imported fossil fuels, leading to relatively high energy costs. However, Mauritania has made impressive strides in integrating renewable energy sources, particularly solar and wind, capitalizing on its abundant natural potential. This shift offers opportunities but also requires navigating the evolving energy landscape. Telecommunications have seen significant growth, especially in mobile phone penetration. Internet access is available, particularly in urban centers, though bandwidth and reliability can be variable and relatively expensive compared to global averages. The digital infrastructure is gradually improving, supporting online business activities, but gaps remain.

Mauritania is a member of several regional and international organizations that influence its trade and investment landscape. It is part of the Arab Maghreb Union (UMA), though the organization's effectiveness has been historically limited by regional political tensions. Perhaps more significantly for economic integration, it rejoined the Economic Community of West African States (ECOWAS) in 2017, aiming to benefit from the large regional market, although full implementation of ECOWAS protocols, such as free movement and trade agreements, is an ongoing process. Membership in the African Union (AU), the World Trade Organization (WTO), and the Organisation of Islamic Cooperation (OIC) also shapes its international relations and trade policies. Understanding the implications of these memberships, particularly regarding tariffs, trade agreements, and standards, is important for businesses engaged in international trade.

When assessing the overall business environment, global indices like the former World Bank "Doing Business" reports or the Heritage Foundation's Index of Economic Freedom have historically placed Mauritania in the lower rankings. While such rankings provide a snapshot, they should be interpreted with caution. They often reflect challenges in areas such as starting a business (complex procedures), dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. These indicators often point towards bureaucratic hurdles, regulatory ambiguity, and weaknesses in the judicial system – factors consistently cited by investors on the ground. It's less a reflection of outright hostility to business and more indicative of systemic inefficiencies and complexities that require patience and local knowledge to navigate.

The Mauritanian government is aware of these challenges and has established institutions aimed at facilitating investment and streamlining processes. The Agency for the Promotion of Investment in Mauritania (APIM) serves as the designated "Guichet Unique" or One-Stop Shop for investors, intended to simplify business registration and provide information on incentives. Other key governmental players

include the Ministry of Economy and Sustainable Development, the Ministry of Finance, the Ministry of Commerce, Industry, Handicrafts, and Tourism, and various sector-specific ministries (e.g., Ministry of Petroleum, Mines and Energy; Ministry of Fisheries and Maritime Economy). Engaging effectively with these bodies is often a necessity, and understanding their respective roles is part of the learning curve for any new entrant.

The presence of State-Owned Enterprises (SOEs) is another feature of the landscape. The most prominent is SNIM in the iron ore sector, but SOEs also exist or have significant influence in areas like electricity (SOMELEC), water (SNDE), and potentially other strategic sectors. These entities can be major players in the economy, sometimes acting as partners, suppliers, or dominant competitors, influencing market dynamics and access. Understanding their role and navigating relationships with them can be crucial, particularly for businesses operating in or servicing sectors where SOEs are active.

Foreign Direct Investment (FDI) flows into Mauritania have traditionally been concentrated in the extractive industries – mining and, more recently, offshore gas development. Major international players in these fields have established significant operations. Source countries for investment often include European nations (especially France), Arab countries, and increasingly, China. While the government seeks to attract FDI into a broader range of sectors like renewable energy, fisheries processing, agriculture, and services, translating this ambition into diversified investment flows remains a work in progress. The government's efforts include investment promotion campaigns and the establishment of special economic zones, like the Nouadhibou Free Zone, offering tailored incentives.

Finally, a key statistic often highlighted is the unemployment rate, which remains persistently high, particularly among the youth. While official figures hover around 10-11%, underemployment and informal employment are widespread. This points to a readily available pool of labor, but also highlights a significant challenge in terms of skills mismatch. Finding adequately trained and experienced personnel, especially for specialized technical or managerial roles, can be difficult. Many businesses report needing to invest significantly in training or relying on expatriate staff for certain positions. This labor market dynamic is a critical factor to incorporate into business planning and operational strategy.

This overview paints a picture of Mauritania as a country of contrasts: vast resource potential tempered by developmental challenges, a youthful population seeking opportunities within a complex economic structure, and a government signaling openness to investment while grappling with bureaucratic and infrastructural hurdles. These key facts and figures serve as the foundation upon which the following chapters will build, delving deeper into specific sectors, regulatory requirements, cultural nuances, and strategic considerations essential for navigating the Mauritanian

business environment successfully. The landscape is undoubtedly challenging, but for the well-informed and persistent entrepreneur, it also holds distinct opportunities not found elsewhere.

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