

Sub-Saharan Report

Sub-Saharan Africa is one of the focal regions of Global Challenge 2015.

These reports are by Mr. Kenshi Tsunemine, an expatriate employee working in Johannesburg with a view across the region.

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Did you know there is country in Africa where a person who retired from Marubeni served as the Japanese ambassador? In 2009 Japan opened an embassy in Burkina Faso and appointed as its first ambassador there Mr. Tsutomu Sugiura, who had just recently retired from Marubeni (ambassador from 2009 to March of 2013, and is currently Director of the Japan Cultural Institute in Paris). In addition, Mr. Mamoru Sekiyama, who is currently a Marubeni Corporate Advisor (formerly vice-chairman) and also chairman of Marubeni Power Systems, served as a member of the president of Burkina Faso's Investment Advisory Committee (from 2011 to 2014), where he helped contribute to the country's economic development.



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In order for the Marubeni Research Institute to acquire live information from the field and contribute to the Company's strategy, young Marubeni staff well-versed in economic and industry analysis have been posted to the region.

It is this country of Burkina Faso, where the name means the land of "noble (honest) people" in the native language, and where Marubeni has some deep "personal connections", that I want to introduce to you this time.

Table 1: Burkina Faso Information

Basic Data (2015)	
Population	17.9 million
Land Area	274 thousand km ²
Nominal GDP	\$ 11.0 billion
Per Capital GDP	\$614
Official Languages	French, Mossi, Dyula, Gourmanché
Cell Phone Penetration	14% (2008)
Electric Power Production	611 million kwh (2007)

Source: IMF, World Bank, CIA

Burkina Faso is a landlocked country located in West Africa surrounded by Mali in the north and west, Niger in the east and Benin, Togo and Ghana to the south. In terms of climate, the southern part of the country has a tropical savannah-type climate while the north is of the tropical steppe variety. The extensive Sahel region makes up most of the north with the capital city of Ouagadougou, which is actually located near the center of the country, having peak temperatures that average about 35 degrees centigrade annually. The country, as a whole, is rather hot and dry as it rarely rains following the July to September rainy season.

When I visited Burkina Faso in November the trade winds, called Harmattan, were blowing, bringing sand from the Saharan Desert into West Africa, so the air was somewhat hazy and dusty in the city I was staying with a bit of a reddish tint or glow

to it.



Picture 1: View of the new development zone in the capital of Ouagadougou



Picture 2: Haze can be seen in the distance from sand from the Sahara Desert

French is used as the official language in Burkina Faso and like in other West African countries English is not spoken much. The country consists of many different ethnic groups, including the Gourmantche, Yarse and Mossi, with the Mossi tribe making up about 40% of Burkina Faso's population. Concerning religion, 60% of the country is Muslim. Racial and religious harmony has greatly progressed in Burkina Faso with few conflicts being caused either by ethnicity or religion. In addition, the people of Burkina Faso are said to be serious-minded and diligent in terms of character and many have gone to neighboring countries as migrant workers which helps support the Burkina Faso economy.

Staple foods in Burkina Faso are similar to those found in other West African countries, like the maize-based dough, made by mixing the maize with hot water, called "to", or cassava-based starchy "attieke", rice and so on, all of which are widely consumed. These are often eaten with beef, lamb, chicken and other meats as side dishes as the raising of livestock in Burkina Faso is widespread (picture 3).



Picture 3: This soup dish uses the condiment "sambara", a paste made from fermented seed nuts, which tastes like Japanese "natto"

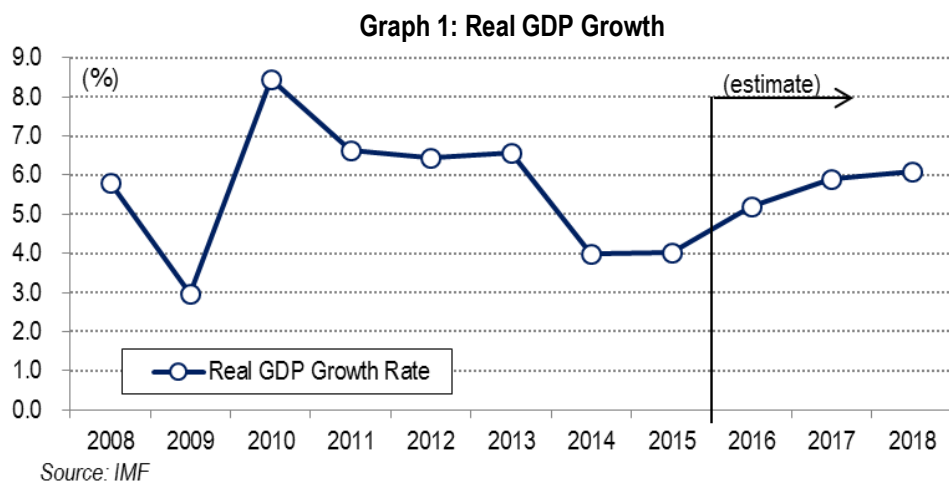
Burkina Faso gained full independence from France in 1960 as the Voltaic Democratic Union under Mr. Maurice Yameogo. In 1966, the Yameogo government was deposed in a military coup led by Lt. Colonel Sangoule Lamizana who would go on to serve as president until 1980 when he in turn was overthrown by Colonel Saye Zerbo. This was followed by further military coups in 1982 (Major Dr. Jean-Baptiste Ouedraogo) and 1983 marking a period of political instability. The 1983 coup brought Captain Thomas Sankara to power as president and in 1984 he had the name of the country changed to Burkina Faso and

set it on a deep socialistic path. However, President Sankara did not last very long either, being assassinated in a coup himself in 1987 organized by Mr. Blaise Compaore, who took over as president. After becoming president, Mr. Compaore did away with the Marxist policies of the Sankara administration and enacted a new constitution in 1991. Mr. Compaore was elected president in the presidential election the same year (1991) and re-elected again in the 1998 presidential election. Mr. Compaore would prevail as well in the presidential election of 2005, although controversial as it theoretically went against the constitution. (In 2000, the constitution was amended shortening the president's term from 7 years to 5 and limiting the number of terms in office to 3. However, Compaore's supporters said it couldn't be applied retroactively.) He would go on to win again in the elections of 2010. The 2015 election was expected to be carried out in line with the constitutional amendment with the 3-term rule being applied. However, in 2014 President Compaore, searching for a way to continue, proposed an amendment that would allow him to seek the presidency again. This time though, opposition and democracy demonstrations against the proposed amendment were so great that the security situation widely deteriorated in the country by October of that year. Finally, the country's military took control of the situation with President Compaore seeking refuge outside Burkina Faso bringing his 27 year rule to an end.

Following the collapse of the Compaore regime, Mr. Isaac Zida and Mr. Michel Kafando would take over as interim heads of state until the 2015 presidential election. In the meantime, in September of 2015, a coup d'etat was attempted by the Compaore supporting Regiment of Presidential Security (RSP), but it failed to gain traction publicly and they ultimately gave up. Presidential elections took place in November with Mr. Roch Marc Christian Kabore, who had previously served as prime minister in 1994 and 1995, elected president and he remains so today. Even since taking office coups have been planned by the members of the dismantled RSP against President Kabore, however, they have been able to be discovered and put down before being carried out, so the security situation in Burkina Faso seems to be improving (note 1).

On the other hand, the government has recently been putting into effect countermeasures against terrorism due to the January 2016 Islamic extremists' deadly attack on a hotel and café in Burkina Faso. In December of 2015, similar attacks had occurred in the neighboring country of Mali (note 2), so terrorism penetration measures are one the main issues and priorities of the new administration. About one year has passed since the establishment of the Kabore government, so it is about at the stage where the results of his government begin to become visible and start to come under scrutiny.

Due to the political turmoil in 2014 and 2015 Burkina Faso's economy declined slightly, though it has now emerged from this confusion with the economic growth rate expected to exceed 5% for 2016.



Burkina Faso's main industry is agriculture. More than 80% of the country's labor force is engaged in agriculture. Other than crops grown for self-sufficiency and food security, cotton, sesame seed, cowpea and shea nut (3rd in the world) production, among others, is thriving. In particular, Burkina Faso is the 7th largest producer of sesame seeds in the world and is the 3rd largest source of Japan's sesame seed imports, so you may be consuming products made from sesame seeds from Burkina Faso without knowing it (tables 2 and 3).

Table 2: World Sesame Seed Production

Country	Tons
India	811,000
Sudan	721,000
China	610,000
Myanmar	519,400
Tanzania	460,000
Nigeria	434,990
Burkina Faso	321,837
Ethiopia	288,770
South Sudan	175,000
Uganda	124,300
Somalia	90,550
Mexico	64,911
Central African Republic	63,000
Nigeria	55,186
Mozambique	54,010
World Total	5,469,024

Source: FAO

Table 3: Japan's Sesame Seed Imports

Country	Tons	Million Yen
Nigeria	55,753	11,746
Tanzania	36,034	6,917
Burkina Faso	26,429	4,939
Paraguay	14,201	3,604
Guatemala	13,413	2,984
Mozambique	7,365	1,592
Myanmar	5,973	1,894
Pakistan	3,683	791
Ethiopia	3,534	750
Nicaragua	3,249	671
Turkey	2,297	1,054
Uganda	2,162	415
Bolivia	2,016	512
Mexico	1,622	523
Egypt	1,193	423
Total	184,706	40,261

Source: Japan Ministry of Finance Trade Statistics

Other than that, JICA (Japan International Cooperation Agency) sees a lot of potential in Burkina Faso's non-GM (genetically modified) soybeans, and is looking to support the country's non-GM soybean production with a blueprint to export them to Europe and help revitalize Burkina Faso's economy in the process.

Burkina Faso also has such metal and mineral resource reserves as gold and phosphorous. Gold production is one of its major industries with companies from Australia and Canada having entered the industry (note 3). Currently, there are no Japanese expatriates from Japanese companies working in Burkina Faso. There are Japanese companies though, that supply machinery to the gold mining companies in Burkina Faso with Japanese companies starting to gradually develop business plans related to the country (picture 4).

On the other hand, industries other than agriculture and mining have yet to be developed as industrialization in the country hasn't progressed much yet. Per capita GDP is \$600, which, according to the IMF ranks 32nd among sub-Saharan African countries. Although, this is higher than that of Mozambique and Uganda, having visited all these countries' capital cities my impression is that Burkina Faso seems poorer. As there is very little domestic industry and therefore few employment opportunities, many people migrate to neighboring countries to work especially to the Ivory Coast (around 3 million), and as such remittances from these migrant workers make up a significant portion of Burkina Faso's income.



Picture 4: Off the main highway is an industrial area, but all the roads are unpaved

In addition, there is a steel processor originating from Burkina Faso with operations spread over West Africa, however, it has been moving operations to such coastal countries as Togo and Benin due to the difficulties of doing its business in landlocked countries. To be honest, while it's hard to picture a development path for Burkina Faso, it is currently part of the West Africa Growth Ring Master Plan aimed at constructing development corridors connecting 6 West African countries, including Burkina Faso, under the auspices of JICA (note 4).

Although it seems this corridor infrastructure plan make take considerable time to implement, if the infrastructure is developed a distribution network will likely be in place to allow for heretofore non-existent domestic processing and opening the road for higher value-added livestock and other product exports. While it will certainly take time, given Burkina Faso's diligent national character and with competitive agricultural product exports, future development of the country's economy can be expected.

Frankly-speaking though, accessing Burkina Faso is not easy. From Japan you have to transit (change) flights at least once either in Istanbul or Paris and takes at least one full day. Also, there are now direct flights from South Africa either.

Although there are high hurdles, how about visiting Burkina Faso, a country which Marubeni has had direct person-to-person relations with (note 5).

And for those visiting Ghana and the Ivory Coast, if you really like train trips you can the train from Abidjan in the Ivory Coast to Ouagadougou which is about a 35 hour journey and might prove quite interesting.



Picture 5: A boutique along a main road

Note 1: In the overseas safety information advisory from the Japan Ministry of Foreign Affairs the safety level of travel in most of Burkina Faso, including the capital Ouagadougou, was lowered from level 2 (cancel all non-urgent travel) to level 1 (adequate caution).

- Note 2:** *The incident occurred at the Radisson Blu Hotel, which even in Africa's inadequate hotel environment is considered a very reliable hotel chain. The incident came as quite a shock to expatriates in Africa as its hotels are widely used by them in Africa.*
- Note 3:** *In terms of phosphorous, while there are plans to utilize it in domestic fertilizer production they are still in the very early stage of development, so currently most phosphorous is exported in the form of crude ore.*
- Note 4:** *A total of 4 corridors, 3 corridors connecting 4 countries, Burkina Faso, the Ivory Coast, Ghana and Togo and 1 corridor connecting coastal countries including Nigeria and Benin are to be constructed with the Master Plan expected to be announced in early 2017.*
- Note 5:** *Please take sufficient measures when visiting countries in West Africa, including Burkina Faso, which have malaria risks (insect repellent, long-sleeve shirts, long pants, etc.). In particular, tropical malaria can be life-threatening if not properly treated promptly. If you suspect you have contracted malaria after visiting one of these countries go to a specialized medical institution or facility to be examined without delay.*

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