



Keynote Address Delivered by His Excellency, Julius Maada Bio, President of Sierra Leone at the UK-Sierra Leone Trade & Investment Forum. London, 6th June 2019.

Friends, partners, and distinguished guests, good morning.

I bring you warm greetings from the people of Sierra Leone. We are most pleased to be here with you, our international partners, representatives of potential investors and financial institutions, new friends, and our oldest friends, the representatives of the British government.

With British teams as the sole contestants for and winners of The Champions League and the Europa Cup, who says the UK is not a safe bet?

As a government, we are committed to doing more trade and investment. Development assistance is fine but what we need to do in Sierra Leone is to urgently create thousands of jobs for our young population while expanding

and diversifying our economy in order to make it more resilient. We believe it takes private capital to do that and lots of it too.

We recognise and welcome that the UK government has taken a forward-looking view on this and the UK government has committed to scaling up private capital investments in new areas of economic opportunity. **I am here this morning to share with you why Sierra Leone is one such place of great opportunity and what we have done and are doing to make it a destination of choice. I am here to invite UK investors to access the great opportunity our country offers.**

So I want to start off with what we all know.

We are a very peaceful democracy. We have had five peaceful elections and three peaceful transfers of power. Our friend, the British High Commissioner will attest that there are no civil wars, no Ebola, no journalists being thrown in jails, and no human rights abuses. The rule of law is supreme.

We have an advantage of location. We are only a six-hour flight away from the UK and Europe, four hours away from Brazil, and eight hours away from the US.

We have very rich soils, good rainfall volumes, lush landscapes, and one of the richest seas in the sub-region. We have over 5.4

million hectares of arable land. We have spectacular seascapes, unexplored islands, breath-taking eco-tourism potential, and a lot clean beaches and sea for sport fishing and more. We have some of the richest mineral deposits of rutile, bauxite, iron ore, diamonds, gold and more.

We have a youthful population that is eager to work and we have invested heavily in their education and skills training.

We have the deepest natural harbour in the sub-region. We are hard at work developing our network of roads in the country.

As a country, we are signatories to trade agreements with Europe, the UK, the US, and across the entire African continent that grant us duty-free access to both those developed and emerging markets.

We have developed a medium term national development plan that is pro-growth and encourages private capital investment in key priority areas in agribusiness and fisheries, tourism, infrastructure, and renewable energy. The objective is to grow the economy with a diversified portfolio that creates jobs.

That is what you already know.

Let me now tell you what we have been doing over the last one year since my government won democratic multiparty elections.

We inherited an economy burdened with debt in which corruption was rife. The IMF and the World Bank, among others, had abandoned the country. The pace of new investments stalled and the iron ore mines especially ceased production as murky deals unravelled.

So before and when we acceded to power, we asked ourselves questions about what business and investors would like us to get right.

To our minds, long term stability and predictability in the economy is important to investors. I am sure, as investors, you put your money where there is minimum risk in the long-term. We therefore set about getting the macroeconomics right. We clamped down on out-of-control spending; closed off leakages for fraud, waste, and abuse of public funds; and we have clamped down on corruption. In the ratings on corruption by the Millennium Corporation Challenge, we moved from 47 points to 71 points on the scorecard for the control of corruption. We believe that clamping down on corruption is good for governance, good for the economy, and especially good for business. It cuts out unnecessary red tape,

corruption, and unpredictability about registering and doing business and there is less likelihood of predatory businesses thriving in the same economic space.

The IMF and World Bank have re-established working relationships with Sierra Leone and their assessment indicates that we continue getting the macroeconomic fundamentals right. To us, fiscal discipline, controlling corruption, and a responsible management of our economy is good for business.

But we have also anticipated a number of other questions business men and investors would ask and we have either addressed them or we are proactively working on them. **We recognise that new investors want to know about the process for registering their businesses, permits, licences, real estate laws, and other regulations that may impact their businesses.**

For those already established businesses, there may well be questions about ongoing memoranda of agreements, tax incentives, and general after-care. We recognise that nothing frightens off an investor as much as uncertainty around these issues.

So we have addressed those issues in two ways.

We are formalising the establishment of a national Investment Board that will be co-chaired by me and the Vice President. It will also comprise the Sierra Leone Investment & Export Promotion Agency and representation from various agencies and government ministries.

But most importantly, it will comprise representation from the private sector to facilitate dialogue between the Investment Board and the private sector. We believe that aftercare for businesses is extremely important to maintaining existing investors whose good-experience narratives will attract new investors.

So when finalised, the investment forum will not only be a one-stop shop for everything business and investment but it will be a forum for continuous interaction and discussion between government and business about what we must continue getting right for the sake of business.

But while we wait for the formalisation of the Investment Board, we have done necessary reforms of the existing Corporate Affairs Commission to simplify the business registration process. **No more endless forms, bribes to dodgy middle men and facilitators, and tortuous process that often in in frustration. No more.** The Single

Window system in operation now at the Corporate Affairs Commission offers businesses the opportunity to register within twenty-four hours and receive both a National Social Security and Insurance Trust (NASSIT) and Tax Identification Numbers (TIN) Numbers as part of the process of incorporation. In the coming year, if not months – my government, through the Support of the World Bank, will establish a fully automated online business registration and services portal.

We have doubled the number of businesses registered within the last year and we have seen an upward tick in Sierra Leone's Starting a Business Indicator and that of Protecting Minority Investors under the under the World Bank Ease of Doing Business Report 2019. The Starting a Business Indicator improved 28 places in rank in just one year – rating the indicator 55 out of 190 Economies with a scoring of 91%.

But beyond indicators, we introduced Sierra Leone's first ever National Corporate Governance code that seeks to improve transparency and accountability in the corporate governance landscape as an additional tool to used alongside exiting laws and regulations. It creates a platform for the adoption of global best practices and trends known to improve the Investments Climates in any country. But the code is also sensitive to and speaks to SDG 5 which caters

for effective participation of women in leadership. A minimum of 30% female representation is now required on all boards.

This code has also enabled Sierra Leone meet some of its obligations under the Global Extractive Industry Transparency Initiative by making it a requirement for Beneficial Ownership of companies to be reported

But we keep listening to business. The private sector had recently indicated that Environmental impact assessment (EIA) and monitoring fees are a bit on the high side. EIA fees are paid relative to the size of the environmental footprint of a particular company.

So we have introduced necessary reform in that area. In monthly reports, the EIA uses a matrix to inform companies of key assessment parameters and what they can do to mitigate observed environmental risks. **By staying engaged with the private sector, the EIA has reduced fees by between 30% and 70% and those fees are payable in Leones and in instalments.**

But we continue listening to business on what other investment incentives we can put on the table. We have an attractive regime of incentives including waivers, tax breaks, and tax

credits - details of which the Finance Minister and Head of SLIEPA will discuss in the coming sessions.

But I see potential investors asking questions about infrastructure. Yes, we share your concerns and we believe that we should scale up government infrastructure spending to target specific investment/growth areas.

So we have done two things.

First, I have established an Office of Presidential Infrastructural Initiatives in the presidency headed by an engineer of great pedigree. This guarantees that I get first hand advice on the purposeful and timely planning and implementation of growth-oriented infrastructural initiatives. We see infrastructural developments (energy, transport, roads and bridge, water, energy, communications,) as critical enablers for investment.

So while we cannot afford a nationwide infrastructural overhaul at this point, we are committed to working with investors and private capital to plan and develop infrastructure. We are guided by the key principles of competitive bidding, sound debt-management policy, and transparent and independent feasibility studies when pursuing infrastructure investments.

Our key priority areas for infrastructure support are in tourism and agribusiness.

In talking to business, we have heard concerns from investors around power generation capacity. While we have started large-scale investments in rural mini-grid, but there is still a heavy demand from the urban areas. Mini-grids won't likely serve business well. With mining and agro-business especially, there is a tendency for investors to vertically integrate power into their production processes.

So we have a number of pending options.

First, we have made room for private investments in the generation and distribution sub-sectors.

Secondly, the West Africa Power Pool (WAPP) market will also play a major role in delivering Sierra Leone's energy security. The WAPP network traverses the country from the north-west to the south east with 5 substations and it straddles potential hydro-electric capacity. The CLSG transmission line will facilitate regional trade in surplus generation capacity from Cote d'Ivoire Guinea, Ghana and Liberia.

Business has also highlighted the issue of access to the country and the difficulty of the visa process. **We want tourists; we want investors and business people; and we want experts, innovators, doctors, and other highly-skilled professionals.** We are finalising a complete review of the visa-process to make it even easier for these categories of people to enter the country.

We are listening to business and we will continue acting to make business easy for business. We are eager to cultivate a culture of trust and confidence around investing in Sierra Leone.

We want our potential investors to know that we are looking for credible partners who are interested in a sustainable, long-term, win-win relationship where they know that their investments are protected by a government that truly cares about business and they are able to make good returns on their investments.

As I mentioned earlier, we are looking to diversify our economy with private capital investments. So we are offering a number of opportunities.

In tourism, we are offering our friends a new destination to discover – one that is known for its long stretches of pristine beaches and with particularly unique eco-tourism potential including sport fishing, diving, and hiking on undiscovered majestic mountain ranges in the north, the calm Lake Sonfon, and the wildlife, birds, and fauna on Tiwai Islands to the south.

We are developing a longer-term vision and the Minister of Tourism will speak to the details of how we are building capacity in the sector, reviewing the visa process, and reducing the cost of travel to Sierra Leone.

For agriculture, we have 5.4 million hectares of arable land of which only 15% is currently under cultivation. We want to do more with the country's and the region's staple food, rice.

There is a potential \$3 billion ECOWAS market open to investors. So we are looking at other possibilities in livestock farming (poultry and cattle), cash crops (cocoa, coffee, cashew), fruits, horticulture, and vegetables. The soil and rainfall volumes are right and we have a young population that is eager to work.

We want to create value chains around these products. There is also a market for agro-input (improved seeds, fertiliser

among others). We offer favourable investment incentives in this sector and there are already established companies working in Sierra Leone. Dole International is a juice company growing pineapples for canning; Miro Forestry is a CDC funded sustainable timber company. SOCFIN is a sustainable palm oil company. Sunbird Bionergy is growing sugar cane for bio-ethanol and biomass power.

We are working with the Commercial Agricultural Producers and Processors Association to update our investment incentives framework to make it even more attractive to invest in agriculture and agro-processing. This new framework is transparent (so that companies know what they are entitled to) and it will be implemented through improved systems that are user-friendly, quick and secure. The new framework will be presented to Cabinet soon and it will ensure that Sierra Leone is very competitive within the sub-region.

In the area of energy, Sierra Leone offers great potential for renewables with a huge hydro-generation potential and high solar irradiation capacity. There is also good wind potential. There is also a huge market in Sierra Leone for off-grid energy and we are positioning Sierra Leone to be the regional hub for off-grid energy. The country has developed clear and transparent procedures for private sector

participation in energy investments through PPPs. The institutional capacity, institutional arrangements for issuance of IPP licenses, execution of PPP Agreements, and general regulation of the energy sector are enhanced and streamlined.

In the area of mining, we have recently commissioned a very comprehensive nationwide high-resolution airborne geophysical which will be augmented with detailed geological and geochemical surveys. This will help us ascertain the full extent of the country's mineral potentials and thus improve the geological knowledge of Sierra Leone to assist investors in selecting prospective areas for licence applications.

The geophysical survey has been accompanied by the launch of three new policy documents (i.e.; Sierra Leone Mineral Policy, Geo-data Management Policy and Artisanal Mining Policy), based on the Africa Mining Vision (AMV) in early May 2019.

The aims are to attract private investments in exploration and mining; emphasize integration of the mineral sector with the rest of the economy; establish a fiscal regime which balances benefits with investments competitiveness; support mineral beneficiation and marketing; guide investors towards sustainable exploitation of mineral resources of Sierra Leone in a

win-win manner; and enable Sierra Leone to obtain maximum benefits from its mineral deposits. The National Minerals Agency is developing an improved Integrated Geo-Information Management System and a Block-based Mining Cadastre Administration System (MCAS) that is fully aligned with international best practices and the requirements of the Extractive Industries Transparency Initiatives (EITI).

So just to say, we are embarking on a large project of reforming our business environment to attract foreign and local investment into Sierra Leone. We will simplify the bureaucracy around requirements and regulations for businesses and invest in infrastructure for exports. We will provide incentives for companies investing in priority sectors and complying with requirements.

When you come to Sierra Leone, you will find a receptive and listening government; one that is responsive to the needs of business; one that is learning and growing every day to respond to the needs and requests of investors.