

Mauritania  
2012



## Mauritania

- The economy has grown significantly since 2010 and this is set to continue until 2013, mainly due to investments in mining, government capital spending and a buoyant manufacturing sector.
- Serious food shortages are expected in 2012 due to lack of rainfall.
- Urban youth unemployment -- 50.8 % of young men and 69 % of women – is a major problem.

### Overview

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The economy (not counting oil) grew 4.3% in 2011 and was predicted to expand faster (4.7%) in 2012, to record a significant advance for the third running. This was driven by major investment in mining especially gold, sizeable government investment and the robust performance of manufacturing.

Continuing budget discipline kept the base budget deficit (excluding oil) to 1% of GDP in 2011, with 0.8% predicted for 2012, thanks to good revenue collection and strict control of government spending. Higher world prices for staples led to government spending to soften the effects on the poor and to better allocation of resources. The overall deficit continued to widen, however, from 1.8% of GDP in 2010 to 2.1% in 2011 and an expected 3.1% in 2012 due to insufficient external funding, especially for projects. Monetary policy focused on controlling inflation, which was an average 5.5% (6.3% in 2010), and reviving the financial system by recapitalising banks.

The presidential majority and the opposition conducted a broad dialogue in 2011 which relaxed the political tension caused by postponing legislative and local elections. Political peace was restored with creation of an independent national elections commission and opening up broadcasting.

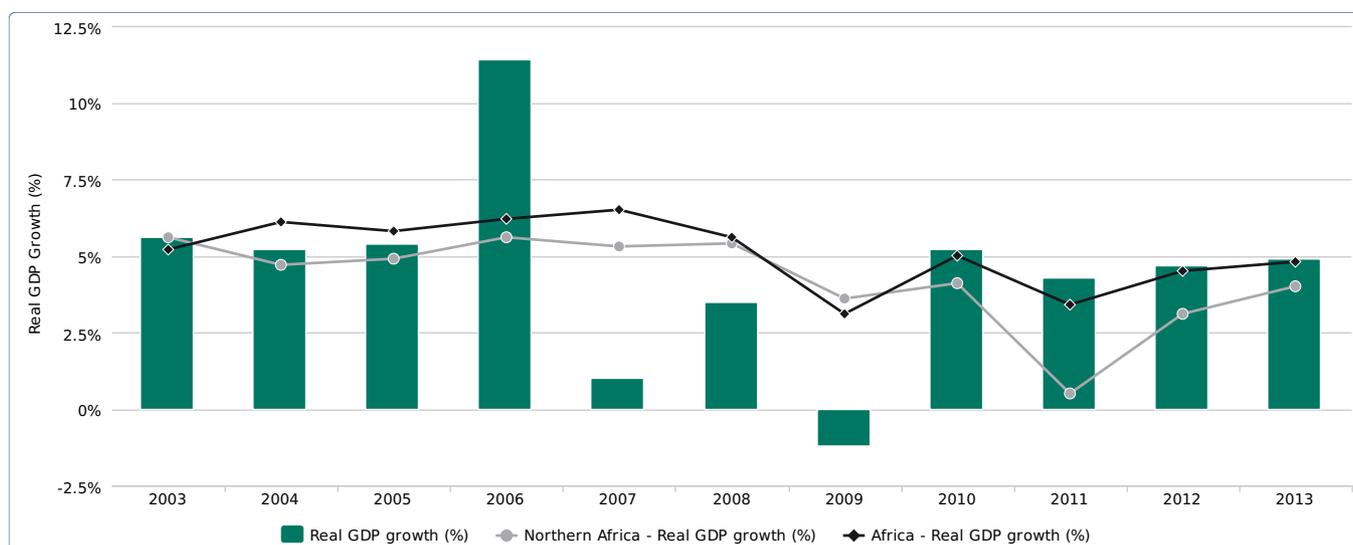
The country was badly hit by dearer food staples and the government introduced a national solidarity programme (PNS) to reduce its effects. Lack of rainfall was expected to trigger a severe food crisis in 2012, a serious threat to livestock and thus deepening rural poverty. Mauritania is 159<sup>th</sup> out of 187 countries on the UN Development Programme's 2011 Human Development Index.

Youth employment is a major problem, affecting 50.8 % of men and 69 % of women between 15 and 24 in towns. Overall urban unemployment tops 35%.

The workforce participation rate for those between 15 and 65 is 52.2% (down from 59.2% in 2004). This statistic hides great gender disparity, with the figure for men being 74.6% and only 34.4% for women.

The government is aware that joblessness could stir social unrest and in January 2005 set up a national youth employment promotion agency (ANAPEJ). In November 2011, with European Union (EU) help, it launched an ambitious three-year project to bring vocational training more in tune with the needs of the labour market, and to focus above all on school dropouts. However, unemployment among higher education graduates is a concern as well.

Figure 1: Real GDP growth (Northern)



Figures for 2010 are estimates; for 2011 and later are projections.

StatLink <http://dx.doi.org/10.1787/888932619089>

Table 1: Macroeconomic Indicators

	2010	2011	2012	2013
<b>Real GDP growth</b>	5.2	4.3	4.7	4.9
<b>Real GDP per capita growth</b>	2.8	2	2.4	2.7
<b>CPI inflation</b>	6.3	5.5	6	6.4
<b>Budget balance % GDP</b>	-1.8	-2.1	-3.1	-2.6
<b>Current account % GDP</b>	-8.7	-5.3	-6.6	-6.3

Figures for 2010 are estimates; for 2011 and later are projections.

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## Recent Developments & Prospects

Table 2: GDP by Sector (percentage of GDP)

	2006	2011
<b>Agriculture, forestry, fishing &amp; hunting</b>	16.6	16.2
<b>Agriculture, livestock, forestry and fisheries</b>	-	-
<b>of which agriculture</b>	-	-
<b>Mining and quarrying</b>	37.1	37.1
<b>of which oil</b>	-	-
<b>Manufacturing</b>	3.6	3.7
<b>Electricity, gas and water</b>	-	-
<b>Electricity, water and sewerage</b>	-	-
<b>Construction</b>	6.0	5.5
<b>Wholesale and retail trade, hotels and restaurants</b>	10.3	10.3
<b>of which hotels and restaurants</b>	-	-
<b>Transport, storage and communication</b>	4.1	3.7
<b>Transport and storage, information and communication</b>	-	-
<b>Finance, real estate and business services</b>	-	-
<b>Financial intermediation, real estate services, business and other service activities</b>	-	-
<b>General government services</b>	9.9	10.6
<b>Public administration &amp; defence; social security, education, health &amp; social work</b>	-	-
<b>Public administration, education, health</b>	-	-
<b>Public administration, education, health &amp; other social &amp; personal services</b>	-	-
<b>Other community, social &amp; personal service activities</b>	-	-
<b>Other services</b>	12.6	12.8
<b>Gross domestic product at basic prices / factor cost</b>	100	100
<b>Wholesale and retail trade, hotels and restaurants</b>	-	-

Figures for 2010 are estimates; for 2011 and later are projections.

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The prosperous mining sector, associated with political stability, now ensures the country's regular and sustained growth. After the economy (not counting oil) expanded 5.2% in 2010, it slowed to 4.3% in 2011 and was expected to pick up to 4.7% in 2012 despite the world economic crisis and, above all, the looming food crisis caused by a lack of rain with a two-thirds drop in agricultural output in 2011.

Mining saw a big increase in production by volume, with iron up 8%, copper 8.2% and gold 16.5%, due to major foreign private investment of nearly 1.7 billion US dollars (USD) between 2004 and 2008. But the national industrial and mining firm SNIM, the main extractor of iron, produced less than expected because of lower output at the Guelb I mine. But medium-term prospects are good, with production starting soon at the Guelb II mine (in which SNIM is investing more than USD 1 billion), eventually boosting SNIM's annual production by

4 million tonnes. Copper production should rise by a third in 2012.

Several new mining projects should start up in 2012, including extraction of quartz in the Dhaklet and Inchiri regions by the Spanish firm Mauritanian Minerals Company (MMC, in which the government has a 10% stake) and phosphate in Gorgol/Brakna by the Indian firm Bofal. The Canadian company Kinross-Tasiast is expected to invest USD 3.7 billion in gold mining between 2012 and 2014.

New regulations in the mining sector include payment of a deposit to the government to guard against firms backing out of projects (equivalent to a third of the value of the minimum work to be carried out) and a 90-day deadline for starting prospection and two years for starting extraction. These rules are aimed at discouraging speculation on mining concessions.

Exports of fish, of which Mauritania has huge resources, were up 29.7% by volume and 12% by value in 2011, to more than USD 309 million. The trend should continue in 2012 with renewal of the fishing agreement with the EU and new ones with China and Algeria. The Chinese firm Poly-Hondone Pelagic Fishery is investing USD 100 million to speed up industrialisation of the sector and also using local manpower. Algeria has just been granted five fishing licences.

The countryside was badly hit in 2011 when, along with other Sahel countries, Mauritania had had one of the worst droughts of the past decade, similar to the one in 2002, known as “the year of the great drought.” Livestock was affected and agricultural production fell sharply, with a forecast drop of at least 75% in 2012, to 29 000 tonnes from 120 000 in 2011.

In a normal year, cereal output covers 30% of domestic needs and 60% of production comes from a rainfall system that is the main, if not the only activity of the majority of the most vulnerable inhabitants. In some areas, this output provides more than 80% of food for households. The situation is worrying because two-thirds of the workforce is in the countryside, even though it contributes only 16.2% of GDP. Another effect of the drought is the lack of clean water for tens of thousands of rural people, with all the health problems this implies.

Livestock occupies totally or partially about 60% of the workforce and provides 7.9% of GDP. Income from the sector’s products (such as milk, meat and hides) are the main resources of pastoral households. These are seriously threatened by the low and unpredictable rainfall which harms the growth of pastures. The government is introducing a USD 156 million “intervention and hope” programme (PIE) to deal with the crisis, with USD 79.7 million in the 2012 budget, but lack of a world cattle feed market and the drying-up of waterholes are serious threats to herds and rural incomes.

Construction benefited from investment by foreign mining firms and also by the government. Public investment in 2011 was USD 321 million, an over 48% increase on 2010. This will continue in 2012, with USD 404.2 million (20% more) budgeted, mainly for infrastructure, energy, transport and fisheries.

Manufacturing also grew strongly, with industrial output (excluding extractive industries) up 16% year-on-year. Volume growth was 8% in 2011 and the trend should continue in 2012.

The tertiary sector expanded 5.4% by volume (up from 4.6% in 2010), thanks mainly to the commerce, restaurants and hotels sub-sector, which benefited from the greater mining activity. Expansion of transport and telecommunications slowed because of problems of the narrow local telecommunications market and the presence of more mobile phone companies.

Domestic demand was largely boosted by private investment, which rose by volume 14.4%, and government investment, which was up 11.4% (+5.9% in 2010) and helped by budgetary discipline that curbed final consumption by government bodies, which grew only 7.8% in 2011 (down from 16.6% in 2010).

## Macroeconomic Policy

### Fiscal Policy

Tax revenue (excluding oil) was USD 988 million in 2011, exceeding a 946.4 million target set under a programme agreed with the International Monetary Fund (IMF), mainly due to revenue from the mining sector, especially SNIM, which paid USD 245 million (including 99.5 million in dividends). The expiry of the tax holiday for the firm Kinross-Tasiast also greatly boosted revenue, along with a collection drive based on a census of taxpayers, under which new fiscal identification numbers were issued to more than 20 000 suppliers of the government and its offshoots.

Tighter discipline in customs collection and revised oil taxation raised USD 304.2 million, more than the budgeted 253 million. Tax revenue (excluding grants and oil) was up 19.4% in 2011, mainly due to a good performance by mining firms. The tax burden rose slightly to 15.8% (15.3% in 2010).

These trends should continue in 2012, when the mining firm MCM's tax holiday expires. Modernisation of the tax administration will continue, with first results of the registration of taxpayers in the capital, Nouakchott, available in early 2012, which will eventually help to enlarge the tax-base and guarantee the government regular and more predictable revenue.

Streamlining of government spending continues and total spending and loans only increased to 30.1% of GDP in 2011 (from 29.7% in 2010). Current spending was almost unchanged at 21.7% of GDP, mostly due to the wage bill falling to 7.9% of GDP (from 8.8%).

This discipline allowed for more investment spending -- which rose to 8.2% of GDP in 2011 (from 6.8%) -- especially on the government's PNS solidarity programme to soften the effects of dearer food staples. This extra spending nearly doubled subsidies and transfers to 5% of GDP (from 2.8%).

The government pledged in 2012 to continue overhauling public finances by bringing subsidies and transfers down to 4.6% and under the PNS to make cash payments based on a census of poor and vulnerable inhabitants of the capital soon to be completed by the World Food Programme (WFP). Restructuring of state firms remains a priority.

Discipline shrank the base budget deficit from 2.4% of GDP in 2010 to 1% in 2011, with 0.8% expected in 2012. The total deficit widened slightly to 2.3% (from 1.8% in 2010). This good performance was helped by state disengagement from the central bank, with a USD 35.4 million reduction in treasury bonds by at the end of 2011.

Table 3: Public Finances (percentage of GDP)

	2003	2006	2007	2008	2009	2010	2011	2012	2013
<b>Total revenue and grants</b>	35.4	56.0	28	24.1	25.5	26.5	25.5	25.3	24.9
<b>Tax revenue</b>	30.6	13.4	17.3	15.4	15.2	16	15.1	15.4	14.9
<b>Oil revenue</b>	-	-	-	-	-	-	-	-	-
<b>Grants</b>	4.7	34.8	2.2	0.8	0.8	1.2	1.2	0.7	0.9
<b>Total expenditure and net lending (a)</b>	47.2	28.4	29.6	30.6	30.6	28.2	27.6	28.3	27.5
<b>Current expenditure</b>	32.7	21.8	21.6	24.1	23.5	20.4	19.9	20.8	20.4
<b>Excluding interest</b>	30	19.9	19.8	22.2	21.5	18.4	17.9	18.7	18.5
<b>Wages and salaries</b>	4.7	7.3	8.8	8.3	9.7	8.4	7.9	7.9	7.6
<b>Interest</b>	2.7	1.9	1.8	1.9	2	1.9	2	2.1	1.9
<b>Primary balance</b>	-9	29.4	0.2	-4.6	-3.1	0.2	-0.1	-1	-0.7
<b>Overall balance</b>	-11.8	27.6	-1.7	-6.5	-5.1	-1.8	-2.1	-3.1	-2.6

Figures for 2010 are estimates; for 2011 and later are projections.

## Monetary Policy

The government's monetary policy was cautious in 2011 so as to control inflation and ensure the economy's liquidity, with the money supply increasing 19.4%, mainly due to a large inflow of foreign exchange linked to the mining sector.

This increase is expected to fall to 13.3% in 2012, in line with the nominal growth rate (real rate plus inflation). The good 2011 public finance results enabled more loans to be made to the private sector, which rose 11.9% to USD1.045 billion (from 934.3 million). The government pledged to maintain a flexible exchange rate to reduce the gap between the official and street rates.

Despite dearer imported staples, inflation fell slightly to 5.9% (from 6.3% in 2010). Foreign reserves were a record equivalent of 3.6 months of imports (up from 2.5 in 2010) and were predicted to be 4.2 months in 2012.

## Economic Cooperation, Regional Integration & Trade

A record USD 540.4 million trade surplus (12.8% of GDP) was achieved in 2011, up from 3.8% in 2010 due to a revival in the volume of all exports, especially gold (+16.5%), and higher prices. Iron exports rose 49.1% by value, gold 51.6% and copper 76.3%. Total exports increased 37.5% and imports 27.3%, boosting the trade balance almost 300%.

The current account remained in deficit at 5.3% of GDP, but improved significantly from 8.7% in 2010 and more than 10% in previous years. However, it should widen again slightly in 2012 and 2013 because of a major outflow of dividends and transfers by mining firms and a small drop in the trade surplus due to substantial food imports to deal with the serious food crisis.

The services and revenue account deficit increased to 21.3% of GDP (from 17.1% in 2010) as external services spending rose, mainly because of a bigger deficit in net services (mining dividends and survey costs), which increased to 6.0% of GDP (from 1.9% in 2010).

Table 4: Current Account (percentage of GDP)

	2003	2006	2007	2008	2009	2010	2011	2012	2013
<b>Trade balance</b>	-17.4	7.4	0.8	-4.3	-4.4	4.1	11.8	5.2	5.1
<b>Exports of goods (f.o.b.)</b>	24.8	50.6	51.5	49.7	45	57.7	61.5	58.1	56
<b>Imports of goods (f.o.b.)</b>	42.2	43.2	50.7	54	49.4	53.6	49.7	52.8	50.9
<b>Services</b>	-11.3	-11.8	-16.1	-17.5	-12.3	-15.4	-16.5	-14.2	-14
<b>Factor income</b>	4.5	-2.8	-0.3	1.1	1.7	-1.9	-2.5	-0.8	-0.3
<b>Current transfers</b>	10.7	5.9	5.1	5.7	4.3	4.5	1.9	3.2	2.9
<b>Current account balance</b>	-13.5	-1.3	-10.5	-14.9	-10.6	-8.7	-5.3	-6.6	-6.3

Figures for 2010 are estimates; for 2011 and later are projections.

## Debt Policy

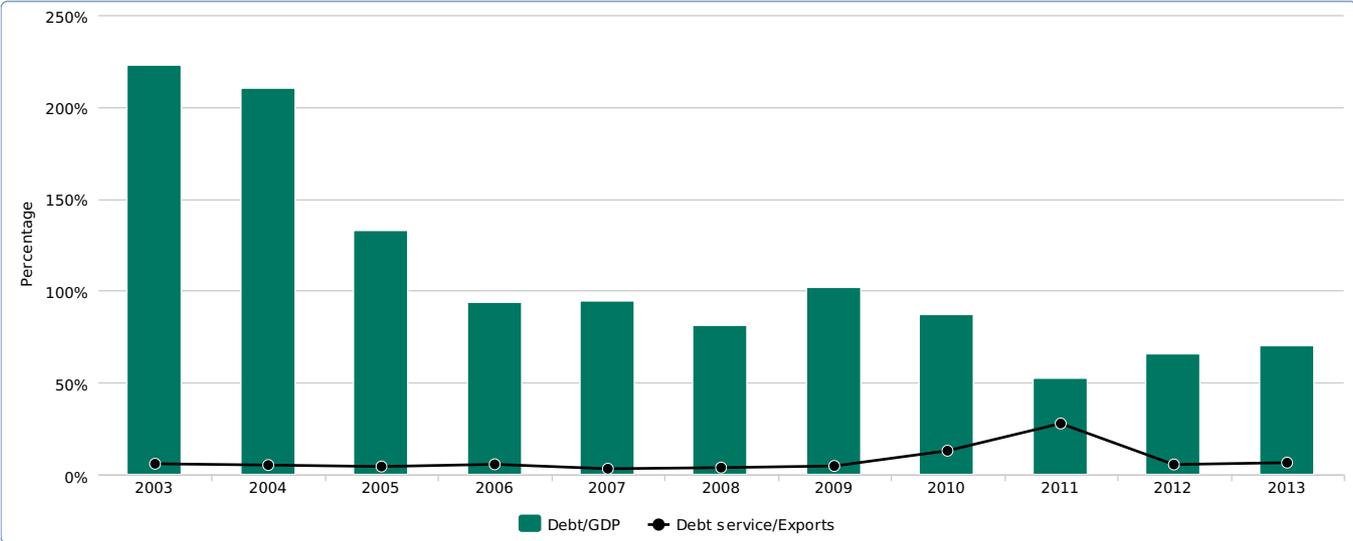
The external debt was 50.7% of GDP at the end of December 2011, down from 76.8% in 2010 and about 100% in 2009, thanks to debt cancellation by Arab aid donors and a policy of obtaining soft loans. A standard line of credit was obtained in 2011 for the energy sector.

Failure to reach agreement on cancelling debts to Kuwait cast a shadow. The government accepted a joint World Bank / IMF debt viability analysis that the country's risk of over-indebtedness remained "moderate." The government also wants to adopt a suitable strategy for debt and boost capacity to manage it and maintain its

viability. Help will be sought from the World Bank under technical assistance programmes to assess debt management and medium-term debt strategy.

Domestic debt, mostly treasury bonds, was put at USD 183.1 million in 2011 (186.8 million in 2010). Good budget revenue results allowed the state to disengage from the banking system, which increased loans to the private sector. The criterion of non-accumulation of new domestic arrears was met under the IMF's Extended Credit Facility. Due to political instability, major domestic debts by earlier regimes have not been recognised. Domestic debt arrears still include VAT reimbursements to mining firms and some state companies, including the electricity firm Somelec. An audit of domestic debt with IMF help was due to have been completed by the end of March 2012.

**Figure 2: Stock of total external debt (percentage of GDP) and debt service (percentage of exports of goods and services)**



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StatLink <http://dx.doi.org/10.1787/888932619089>

## **Economic & Political Governance**

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### **Private Sector**

Mauritania moved up to 159th place (from 162<sup>nd</sup>) in the World Bank's 2012 Doing Business report, but fell sharply in the "getting credit" indicator, reflecting a worsening of legal and regulatory aspects of the process. However, it improved significantly in the ranking for "dealing with construction permits," where the government has made reforms, mainly by creating a one-stop shop to speed things up.

A new public procurement law came into force on 1 January 2012, aimed at increasing transparency and streamlining the process so as to encourage businesses. Efforts to overhaul public finances will also include reducing government payment arrears to suppliers.

Mauritania was in last place in the Heritage Foundation's economic freedom index (lower than neighbouring Algeria, Senegal, Mali and Morocco) in 1996-2002 and 2007-11 but scored better than all its neighbours between 2003 and 2006. This was because of political instability and weak economic governance that depressed the business climate. Business freedom declined compared with other countries in the region and the cost of setting up a business increased. Despite efforts to boost production capacity, Mauritania has serious institutional weaknesses and precarious growth.

Many key domestic markets are monopolies, which is another barrier to efficient allocation of resources, helping to limit growth of productivity and jobs.

### **Financial Sector**

Mauritania has 10 banks, two financial establishments and a guarantee fund and has very few links with the international financial system. Banks are used by only about 4% of the population and have many non-performing loans. It is not very competitive, despite the presence of foreign banks (Société générale, Qatar National Bank and Morocco's Attijari Bank). Absence of refinancing markets forces banks to offer only short-term loans backed by overnight deposits. To get round this and meet customer needs for medium and long-term loans, banks use credit lines from international institutions.

Many banks have increased their capital in recent months to comply with the central bank's new requirement of a minimum USD 18 million. A new bank, the Banque islamique de Mauritanie, with capital of USD 22 million, opened in November 2011, 60% owned by the Islamic Corporation for the Development of the Private Sector (part of the Islamic Development Bank) and 40% by the Turkish bank Asya.

### **Public Sector Management, Institutions & Reform**

The government is making modernisation of the state bureaucracy a key priority through the third (2011-15) action plan of the strategic poverty-reduction framework (SPRF). A census of civil servants is nearly complete and the government wants to cut wage costs by reducing staff (especially non-permanent) and saving on bonuses and benefits. The government is reviewing civil service rules, boosting staff levels in education, healthcare and the customs service and examining the structure of all departments and central services so as to improve public service attitudes.

Several public sector capacity-building and modernisation programmes are continuing with the help of development partners and the World Bank.

The ministry in charge of upgrading the state bureaucracy and information and communication technology, set up in 2008, will continue with computerisation in 2012, buying equipment, expanding Internet and intranet facilities and training staff to use them.

Top officials, including President Mohamed Ould Abdel Aziz since his election in 2009, constantly stress their wish to fight corruption and achieve transparency and several of his closest aides have been dismissed in financial scandals. The general finance inspectorate stepped up its monitoring in 2011 but government officials used state property very little for their own ends. Parliament, backed by development partners, is very involved in fighting corruption and frequently grills ministers unwilling to provide information. One parliamentary group focusing on good governance and fighting corruption held a parliamentary session in June 2011 involving the 3CM local anti-corruption coalition, MPs, ministers and officials of the World Bank and the German technical aid body GMZ. Top civil servants are legally obliged to declare their assets before taking up their jobs and when they left them.

### **Natural Resource Management & Environment**

The government is paying increasing attention to environmental matters because of the country's geographical position and the importance of its mining and fishing industries.

Environmental damage was estimated at USD 295 million in 2008 (17% of GDP). It has adversely affected the rural population and the loss of biodiversity has seriously undermined income-generating activities. The country has so far performed badly in environmental governance and was at 161<sup>st</sup> place among 163 countries on Yale University's 2010 Environmental Performance Index (EPI).

Clear targets spelled out in the 2011-15 SPRF include first meeting the basic needs of the poor using natural resources, then reducing the cost of environmental damage and finally devising long-term ways to fund environmental protection in line with the national strategy for sustainable development. The government requires all mining and fishing sector operators to protect the environment and biological species.

The mining firm SNIM received international ISO 14001 certification in 2011 for environmental protection. Annual species-protection pauses are routinely observed by the fishing industry.

Mauritania has also ratified most worldwide environmental conventions and actively participates in major international conferences on environment problems. It belongs to the Adaptation to Climate and Coastal Change in West Africa (ACCC) project.

### **Political Context**

A "political dialogue" was held between pro-government political parties and some elements of the Democratic Opposition Coalition (COD) in 2011 as an opposition condition for taking part in elections, forcing the government to postpone legislative and local voting. The opposition was divided over the terms and substance of the dialogue and some parties boycotted it. But the meeting was a chance to debate major national issues and define the general framework in which to solve political problems.

Four opposition parties turned up in the end - the Alliance populaire pour le progrès (led by Messaoud Ould Bulkheïr), El Wiam (Bodjeil Ould Houmeid), Wissal (Abdessalam Ould Horma) and Hamam (Mohamed Ould Lekhal). They faced the pro-government parties led by the ruling Union pour la République (UPR). Three major opposition parties - the Rassemblement des forces démocratiques (Ahmed Ould Daddah), the Union des forces du progrès (Mohamed Ould Maouloud) and Tawassoul (Jamil Mansour) boycotted the talks.

After a month of discussions (from 17 September to 19 October 2011), a road-map was agreed upon, including constitutional reform of the prime minister's powers, electoral law, women's access to political positions, independence of the judiciary and good governance. Among the first reforms introduced were making the prime minister answerable to parliament, guaranteeing all political parties access to the media and making slavery and coups d'état a crime. Specific proposals were made to boost gender equality by giving women access to political posts, with a quota of 20% of elected positions, notably in parliament and town councils. The cabinet also approved a draft law in December 2011 to make the dialogue with the opposition a permanent event.

A national census launched in 2011 about civil status (enrolment) and aimed at providing people with biometric documents caused social tension. Negro-Mauritanians said it was discriminatory and violence broke out in the capital and in majority Negro-Mauritanian areas.

## Social Context & Human Development

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### **Building Human Resources**

Healthcare remains very fragile despite some progress, with a severe lack of coverage, quality care and effective spending. Maternal mortality was 686 for 100 000 live births in 2006 and infant/child mortality 122 for 1 000.

Only 9% have full access to healthcare, compared with the 100% target by 2015 and urban-rural and rich-poor disparities are very large. Assisted births are 90% in towns but only 30% in the countryside. The rate is 95% for the richest 20% but only 21% for the poorest 20%.

Progress has been made in education, with enrolment at 73%. The country has exceeded the 2015 gender parity goal (1) in primary education, with a figure of 1.02 in favour of girls, but the primary-school retention rate is only 49.3%, meaning that more than half of children drop out before their final year.

Major diseases (AIDS, tuberculosis and malaria) are under control thanks to government action and help from development partners. Prevention and treatment of HIV/AIDS (incidence is only 0.6%) continue to be financed by the Global Fund to Fight AIDS through the national strategy to combat it. Pneumonia and diarrhoea are the main causes of death among children under five.

### **Poverty Reduction, Social Protection & Labour**

The government continued its support for the poor in 2011 with free cereals distribution and the food-for-work programme. These efforts since 2009 have focused on well-targeted subsidies that also aim to preserve the environment. The government wants to provide better and more effective social protection with the help of development partners and thus step up the fight against poverty and create jobs.

The labour law dates from 2004 and is quite strict about hiring, with temporary contracts limited to two years, working hours firmly set, dismissal of persons and groups made difficult by required notification and an obligation to rehire first those dismissed.

The guaranteed minimum wage rose 43% in August 2011, from USD 73 to USD 104 after four months of talks about improving working conditions between government, employers and trade unions. MPs passed a law extending insurance to local government workers, liberal professions, private-sector present and retired employees, and press workers.

Mauritania has ratified all eight international labour rights conventions, covering trade union freedom, the right to collective bargaining, abolition of forced or compulsory labour, job discrimination, equality of opportunity and pay and elimination of child labour. It has also ratified the International Labour Organisation's C182 Worst Forms of Child Labour Convention. But in practice, cumbersome, vague and contradictory national documents hamper application of the principles in these conventions.

### **Gender Equality**

The government continues to follow the 2009-12 action plan promoting women's rights adopted in 2008 and has conducted several national drives to combat discrimination and violence against women. Progress has been made in school enrolment of girls, female literacy and women's involvement in public life.

Gender parity (1) has been exceeded in basic education, with a figure of 1.02 in favour of girls.

Women are more and more becoming decision-makers and since 2009 have 21% of seats in the lower house of parliament and 16% in the senate, up from 3% and 5% in 2003. Some 30% of town councillors have been women since 2009 and in early 2012, four women were mayors and 20% of government members were female.

A 2008 household survey showed fewer urban women (19.6%) were affected by poverty than men (21%) and fewer (54.3% to 61.6% of men) in the countryside. But they are discriminated against in access to jobs and are little involved in the formal economy. Unemployment among women was 47.3% and 25.2% among men.

The government approved a law in October 2011 allowing payment of pensions to both widows and widowers and to their children, correcting previous discrimination against women and bringing the law into line with the national constitution and international conventions.

Mauritania was elected to the vice-presidency of the Meeting of African Ministers of Gender and Women's Affairs in Addis Ababa in November 2011, which called for more female participation at all levels, along with

renewed support for the African Women's Decade (2011-2020) and revitalising the Fund for African Women (including transparent management of it).

## Thematic analysis: Promoting Youth Employment

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Despite the highest unemployment in North Africa (31.2% in 2008), Mauritania was not touched by the popular uprisings that shook the region in 2011. This was perhaps because the regime was fairly new and a level of democracy existed that allowed criticism of the government. However, extremist groups are active and seeking to attract recruits among the poor.

Unemployment mostly affects youths (aged 15-24) in towns, where the more than 35% jobless rate includes 50.8% of young men and 69% of young women. The combination of unemployment, poverty (46.7% of the population) and the feeling of exclusion among certain groups is a potential for social instability or even conflict between different communities.

Unemployment has numerous complicated causes. Many young people have a religious education before a formal university one, mainly in literature (more than 80% of students), which creates a big gap between their qualifications and the needs of an economy centred on mining, fisheries and construction. This is worsened by the large informal sector, which undermines growth in the formal private sector.

The government is aware of the situation and has tried to boost youth employment, including creation of a jobs agency for the young (ANAPAEJ) in 2005 to develop people's skills through training, getting qualifications and retraining; providing loans and setting up service centres to generate independent jobs or self-employment; and helping job-seekers through raising awareness, intermediation and communication. Other measures, involving the ministries of labour and rural development, aim to encourage young farmers in the Senegal River valley. In the mining industry, the government wants to boost the number of local managers and get many more local youngsters hired.

It also wants to reform education to focus on technical and vocational training through special centres, technical schools, setting up a school of mining and new fast-track technical specialities in higher education.

The aim is to redirect students from literature to science and skilled trades, with the goal of having 22% studying these subjects by 2015 and 30% in 2020 (up from less than 10% in 2011).

The government also wants to provide refresher courses to help retrain people for new jobs.

It pledged to start a survey in January 2012 to get a better idea of the labour market by creating a reliable database. The employment monitoring centre is doing a region-by-region survey and thematic studies on youth unemployment to help the government respond to it.

Long-term economic growth involves mining, which is expanding fast and receiving much foreign direct investment (FDI), and fisheries and livestock, which has immense possibilities. The future of mining is bright, as shown by the energetic geological prospection around the country by more than 50 firms with 170 permits. Investment of USD 7 billion is expected in 2012/13.

Fishing is not very well integrated into the economy. The agreements with the EU and more recently with China and Algeria provide substantial royalties for the government but provide few local jobs. By contrast, neighbouring Morocco's fishing industry has generated 61 650 shore jobs and 488 500 indirect jobs, which is equal to some 20% of Mauritania's population.

Construction and hotels create many jobs in Mauritania but they mostly go to foreign workers.

Medium-term growth prospects are good, but the IMF cautions that growth is not always sufficiently anchored in job-generating activity to be able to significantly reduce high unemployment and poverty. To encourage this kind of expansion, the government has asked the AfDB to do a national survey in 2012 of job-creation and growth that will highlight new sources of jobs in key sectors (development of new sub-sectors) and propose efficient, effective and socially-inclusive sector strategies.