

REPORT ON THE ACTIVITIES OF THE MINISTRY OF TRADE AND INDUSTRY FOR THE YEAR 2002 – 2003

MR. CHAIRMAN
COLLEAGUE CABINET MINISTERS
MEMBERS OF THE DIPLOMATIC AND CONSULAR CORPS
HONOURABLE MEMBERS OF PARLIAMENT
DISTINGUISHED LADIES AND GENTLEMEN

Introduction

Let me begin by congratulating the Minister and staff of the Ministry of Information and Broadcasting, as well as my colleague Ministers and the public for the success of this programme.

The Hon. Vice President, in his opening remarks made on the occasion of the commencement of this symposium, underscored the point that every Minister of this Government has a sacred duty to account to the people of this country for his or her activities as part of the obligation to serve this nation. As a consequence, I have the greatest pleasure to give you a run down of the activities of my Ministry and its other bodies. No doubt, tremendous effort has been made to acquaint you about these activities from time to time.

As a Ministry, we believe we need to periodically account for our stewardship to the people of this Country. As a result of this belief, since my assumption of office, I have placed a lot of premium on keeping the populace informed about the activities of the Ministry and Government's trade and investment policies through a series of print and electronic media programmes.

MISSION STATEMENT OF THE MINISTRY OF TRADE AND INDUSTRY

Develop policies and programmes to stimulate local and export trade and enhance investment and economic growth through the following: -

- The facilitation and supervision of Private Sector Activities in the areas of Commerce and Industry.
- The Formulation and implementation of Trade Policies and Regulations
- The Promotion of Export and the securing of capital for investment
- Provision of Business Information and Publications
- Encouraging Activities that will facilitate the promotion of SMEs
- To embark on or encourage Business Development Research
- Promoting the Development of Science and Technology for business facilitation in Sierra Leone

- Interface between Government and Regional/International Business Organizations for the enhancement of the business sector.

The Structure

This Ministry is structured as follows:-

- a. The Administrative Division
- b. The Industrial Division
- c. The Trade Division
- d. The Co-operative Department

It also supervises, through Boards of Directors, the following:-

- i. The Bureau of Standards
- ii. Sierra Leone Export Development and Investment Corporation (SLEDIC)

In addition, the following specialised agency report to this Ministry.

- i. Petroleum Unit (PU)

At the start of the period under review, My Ministry supervised the following Parastatals:

- The National Workshop
- Forest Industries Corporation
- Sierra Leone Produce Marketing Board
- National Insurance Company
- Sierra Leone State Lottery
- Mining and General Services

Objective

The main objective of my Ministry is to promote initiatives that will contribute to the alleviation of poverty. The main focus, therefore, has been the promotion of industrial and trade promotional activities. No doubt, a vibrant industrial sector will create jobs, add value to our available raw materials, thus improving the economic status of producers and stimulate the promotion of exports, thereby reducing our reliance on foreign exchange to import basic/essential goods.

Capacity Problem

On assuming Office in June 2002, I inherited a system with inadequate and unqualified personnel in the two professional Divisions of the Ministry. The Division of Industry that has an approved complement of 27 personnel, 12 of

which should be graduates in Economics, had only one personnel the Deputy Director, a non-graduate, running the Division. For what limited work was done within the Division, he needed to seek assistance from the Administrative Division.

The Trade Division had similar capacity problems because, though it had current personnel strength of 23 instead of its complement of 30, only one of the present staff has an Economics Degree and he is not the Director. The substantive Director, who has no deputy, did not even attain university matriculation though he has served in the Division, going through the ranks, for over 25 years.

The Administrative Division has qualified personnel though about 50% of complement and their acquired expertise, gained over the short period of posting, is usually lost when they are transferred to other Ministries. This therefore creates a gap in service delivery.

Short Term Goals

Restructuring Proposal and Endorsement/Approval

Improve Capacity

Re-activation of Growth Centres

Establish Policy Unit

Moves to access AGOA Facility – Product Development

Introduce Promotion of Invest Act

Re-establish contacts with our Development Partners

Medium Term

Develop Programmes for Private Sector Enhancement – UNIDO, ODI, Commonwealth, Spanish, Indian etc.

Enhance Exports

Commence supervision of AGOA Process from the Secretariat

Establish Investment Friendly Environment

- One Stop Shop for Business Registration
- One Stop Centre for clearing of goods
- Review commercial investments

Decentralise the activities of the Ministry

Introduce new Trade Policy

Review Industrial Operations Guidance

Review Cooperative Act

Carry out a Trade and Industrial Survey

Establish new Growth Centres
Commence Implementation of Investment Promotion Act

Long Term

- Information Unit established and operating
- Benefits of AGOA window being realised
- Benefits of EBA/EU initial one being realised
- Implementation of all Regional/International Initiatives/Protocols
- Setting of International Financial Obligations

Activities

I will categorize the activities of the Ministry under the following headings

- i. Local programmes and actions
- ii. Engagement with development partners
- iii. Overseas trips
- iv. Workshops/Seminars
- v. Trade Fairs.

i. **LOCAL PROGRAMMES AND ACTIONS**

- a) Upon assumption of office, **I conducted a tour of a Cross Section of Industries in Freetown to get first-hand information on their operations, including their problems and suggestions from the operators on possible areas for Government intervention.** Some of the concerns of manufacturers, particularly with regard to duties and taxes, were submitted to Cabinet for information and necessary action. Since then, both the Ministry of Finance and the proposed Promotion of Investment Act are taking care of these concerns.

I also held meetings with market traders, City Council Representatives and Consumer Protection Officials on the concerns and requirements of the informal trading sector. The key recommendation of the Forum is that more markets should be provided for traders within the Freetown environs. This issue has been presented to Government and donors for assistance. The Ministry of Lands, Housing and the Environment has identified land for the construction of markets in the Western Area.

- b) SLEDIC was appointed to coordinate stakeholders to formulate recommendations for **an Investment Code for Sierra Leone.** Currently, the Law Officer's Department drafted the proposal into a bill, which has been presented, to the Ministry for final drafting. Officials of the Ministry

including SLEDIC and the World Bank Representative in the Ministry of Finance have now concluded the vetting of the Bill which will be forwarded to the Law Officers Department and thereafter presentation to Parliament for enactment.

- c) **SLEDIC is already offering the facility of a One-Stop Shop for Business Registration as part of its mandate to encourage both local and foreign investment. Though not fully established, it currently offers limited assistance to business investors on request.**
- d) **After the suspension of operations by SLPMB, the marketing of produce was liberalised. This move created problems for Sierra Leone as our reputation, as a premium produce exporter, was eroded. The persistent low quality export reduced our high rating. Another concern of Government was the increase in smuggling of produce to border countries due to low prices offered farmers at farm gate.**

To restore our past glory, My Ministry recommended the establishment of an Ad HOC Committee, which currently supervises all exports of produce. Though this Committee has been in existence for about eight months only, it has been applauded as one of the most successful Government supported private sector projects.

The Ad Hoc Committee is charged with the responsibility of exporting produce on behalf of other exporters for which they pay a 2.5% export levy to Government which totalled **US\$ 140,000** (One Hundred and Forty thousand Dollars) in the first 4 (four) months of its operation. You will, no doubt, agree with me that within few months of its operations, it has generated and made enormous contribution to Government's revenue generation drive.

On the marketing aspect, the Company has bought and exported 312 (Three Hundred and Twelve) Tons of produce valued at 591,750 (Five Hundred and Ninety Thousand, Seven Hundred and Fifty United States Dollars) from 9th December 2002 to 28th February 2003.

The Committee has instituted a pricing system, which has ensured that farmers receive 60% of the world market FOB price and is sensitising farmers on the need to export high quality produce. Since the appointment of the Committee, smuggling of produce, particularly to neighbouring countries like Guinea has been considerably curbed down.

In a recent Cabinet Meeting in Kenema, Cabinet agreed on putting modalities in place for the enlargement for the Ad Hoc Committee to include other stakeholders in the Private Sector.

e) **Decentralization**

My Ministry, in order to efficiently effect the implementation of all our policy objectives countrywide, has put in place modalities to embark on a programme of decentralization of its activities into the following zones: -

- i) South East – The entire Southern Province, Kailahun and Kenema District, with Headquarters in Bo Town;
- ii) North East – The entire Northern Province and Kono with Headquarters in Makeni;
- iii) The Western Region, Freetown and its environment with Headquarters in Freetown;

In the year under review, officials of my Ministry undertook provincial tours to map out strategies on the way forward for the decentralisation of the activities of the Ministry.

- f) **Privatisation Policy** – Government has established the National Privatisation Commission charged with the responsibility of implementing the Privatisation Programme nation wide. State enterprises/parastatals formerly under the Ministry's purview, which were slated for privatisation, have been turned over to the Commission for privatisation.
- g) **Collaborating with other Line Ministries For The Coordination of Private Sector activities** – My Ministry, in order to promote an investor friendly environment for investment has set up various Committees to ensure an efficient implementation of trade policies in a conducive environment. The AGOA Committee, the Home Coming Summit Committee are few examples of the aforementioned.
- h) In December 2002, my Ministry together with other line ministries and institutions **organized a Home Coming Summit for over 250 (Two Hundred and Fifty) Sierra Leoneans in the Diaspora** who spent their Christmas holidays in Sierra Leone. The aim of the Summit was to sensitise Sierra Leoneans in the Diaspora on the strides Sierra Leone was making after a decade of war, particularly the investment potentials of the Country, for them to see the need to return home and contribute positively to the Country's National Recovery Programme, by investing or rendering some other professional services. A workshop was organised as part of the programme, which brought together stakeholders from both the public and private sectors and presentations were made on the status of the various line ministries like Finance, Development, Health, Marine and Fisheries, etc by the respective ministers. H. E The President, Alhaji Dr.

Ahmad Tejan kabbah who gave the keynote address and formally declared the workshop opened, called upon the home comers to return home and contribute positively to the recovery programme of the Country.

- i) During the second half of last year, Sierra Leone was granted participation under the African Growth Opportunities Act (AGOA) by the Government of the United States of America. This initiative allows Sierra Leone to export designated products to the United States market duty and quota free. The approved list contains agricultural products and opportunity for the manufacturing of other products in Sierra Leone by foreign companies who can then export under this programme. For the export of textiles, clothing and folklore, there is need to obtain a special visa from the US Trade Department. My Ministry has commenced the process of application for this visa and the requirements will soon be forwarded to the US Trade Department.

All other listed items that don't require a visa can now be exported to the US market. To facilitate this process, my Ministry established an AGOA Committee comprising members from line Ministries like Agriculture and Marine Resources including specialised agencies like the Institute of Agricultural Research and our SLEDIC. One focus of the Committee is to encourage the development of product on the list for which we have export potential such as Cotton, Groundnut, Ginger, Potatoes, Yam, Maize, kola nuts, Chilies, Timber and Timber products, Fresh Fruits and Vegetables, Cashew, Fish and Fish products, handicrafts, Sesames Seeds and Cassava for the production of Industrial Starch. SLEDIC, before AGOA, had identified markets for some of the aforementioned products like Ginger, kola nuts, bees wax, general handicraft, timber products, Fish products, Sesames Seeds and Cassava for the production of Industrial Starch.

UNIDO has provided some office equipment and stationery for the establishment of an AGOA Secretariat. This will be establish once the renovation of Youyi Building is completed.

Cabinet has also approved part of the Chinese Government Technical and Economic Cooperation Grant of 20,000,000 Renmimbi Yuan, which I signed with the Chinese Government during my official visit to China in December 2002, to be used to fund the development of an improved variety of Ginger. This consignment of Ginger arrived in Freetown on 26th June, 2003 and was officially handed over by the Diplomatic representatives of the People's Republic of China through the Ministry of Trade and Industry and the Ministry Agriculture and Food Security on Monday 30th June, 2003. The handing over ceremony was at the Queen Elizabeth II Quay. My humble self, and Hon. F. K. Ngegbah, Deputy Minister of Agriculture and Food Security receives the Ginger seeds on

behalf of the Government of Sierra Leone. These seeds have been distributed to identified farmers in eleven chiefdoms in the Moyamba District and seven chiefdoms in the Kambia District. Prior to the arrival of the Ginger Seeds a nationwide sensitization of the farmers has already been done by officials of both SLEDIC and the Ministry of Agriculture and Food Security.

- j) Another initiative for export promotion is the EU 'Everything But Arms' (EBA) initiative of which Sierra Leone is a beneficiary. Experts are now being sought and extensive consultations with other Ministries and the private sector being planned so that activities for EBA can start in earnest. Consultations with the US Ambassador and the EU Head of Delegation are in progress as to the procedures for accessing this facility.

An application was made by me to get the CDI to fund a project for the development of Agro Industries.

Three experts from CDI were approved to look into the following:

- Fruit and vegetables diagnostic study
- Fish and fish products diagnostic study
- Meat and meat products diagnostic study

The first diagnostic mission on Fruit and vegetables started on 15th July 2003 and ended on 21st July 2003.

The second diagnostic mission on Fish and fish products started on the 28th July, 2003 and ended on the 25th July 2003.

The third diagnostic mission on meat and meat products started on the 28th July 2003 and is still on going.

The objective of the three diagnostic studies is to establish a comprehensive programme to develop the agro industrial sector.

In connection with the E.U's EBA, the Centre For the Development of Industry in 2002 expressed intention to fund a project to support the Sierra Leone Standards Bureau to address the sanitary and phytosanitary needs of the Sierra Leone Fisheries Sector, that will make it possible for the EU ban on Sierra Leone fish to be lifted and so allow our fish to be directly exported to the European market. This project will commence within the coming months in collaboration with the Ministry of Marine Resources.

- k) **Reactivation of the Growth Centres for job creation, skills, entrepreneurship and capacity building.**

Last year, my Ministry, through funds provided by the Government of Sierra Leone, sponsored the rehabilitation of 4 (Four) Growth Centres in Binkolo in Bombali District, Kpandebu in Kenema District, Pujehun and Bo in Bo District, which had earlier been affected by the war.

Recently, my Ministry in collaboration with the UNDP embarked on the establishment of four new growth centres in Rotifunk, Magburaka, Kayima, and Sittia to compliment the already existing four centres.

l) **The Cooperative Department**

It is the policy of Government to encourage the development of Co-operatives in view of its belief and recognition that they are a vehicle through which it can reach the rural population and the ordinary man everywhere with strategies for raising their living standards.

I.L.O. recommendation 127 of 1966 urges Governments of Developing Countries to regard Co-operatives "as one of the important instruments for economic, social and cultural development, as well as human advancement" and that "In particular co-operatives should be established and developed as a means of improving the economic, social and cultural situation of persons of limited resources and opportunities, as well as encouraging their spirit of initiative".

The recommendation covers all categories of co-operatives including agricultural product and processing co-operatives, rural supply, agricultural marketing, fisheries, workers co-operative, handicraft, savings and credit, banks, housing, transport etc.

Government is of the view that if this Division is properly organised and made more effective it could play a vital role in the rehabilitation of the war affected areas now that the war is over as Co-operatives will be one of the best ways of targeting the rural poor. The Poverty Alleviation Agencies have earmarked the Co-operative Division as a tool of operation through the Co-operative Societies and Co-operative Development Bank.

In the year under review, **the Co-operative Department initiated several measures to increase the financial base of cooperative societies to handle produce and provide credit to members**, including the establishment and registration of Chiefdom level Cooperative Societies. Nine chiefdom level cooperative societies were established and registered, 6 (six) in Kenema District and 3 (three) in Kailahun District. A district union cooperative society, Kono Farmers Cooperative Union (KOFACO) is operational providing agricultural input and credit to farmers in Kono District. The formation of a regional Union – the Eastern Union Cooperative society is in the pipeline

Modalities have been put in place to begin implementing an African Development Bank (ADB) funded fisheries projects. The project will cover the Freetown Peninsula, including Goderich, Tombo, Shenge and Bonthe District. The project will provide 115 (one hundred and fifteen) Ghana boats and 1,600 (One Thousand and Six Hundred) Altonal Ovens to targeted beneficiaries.

The Department has already assigned an Assistant Registrar to the project to assist in Cooperative group formation. The Cooperative Bank will handle US\$ 3,200,000 (Three Million, Two Hundred United States Dollars) out of a total of US\$ 13,000,000 (Thirteen Million United States Dollars) for the provision of micro credit, fishing gears and accessories to the targeted beneficiaries.

Supervision, monitoring and evaluation of Cooperative Societies is still in progress. Senior members of staff of the Cooperative Department, in collaboration with staff of the Ministry of Marine Resources and Fisheries paid visits to Goderich, Tombo and Shenge to sensitise beneficiaries about the conditions of credit of the ADB loan.

In the year under review, capacity building programmes, in the form of sensitisation workshops and seminars were conducted for Cooperative Societies in seven out of the nine African Development Bank Project operational areas.

In addition to the above, rehabilitation of Cooperative offices in Bo and Kenema, including a guesthouse in Bo was completed.

National Co-Operative Bank

This is the central financial body for co-operatives and was set up in 1971. It provides banking services of receiving savings, deposits etc and giving out credits to co-operatives. It has gone through a rough and difficult time.

The Cooperative Bank has also made tremendous strides in achieving the overall policy objectives of the Ministry. In the year under review, the Bank initiated action to transform its operations. Cabinet has however concluded that the Cooperative Bank should not be transformed into a commercial entity but should continue to operate as a Cooperative Bank.

My Ministry will continue to support the activities of the Bank to make it more vibrant and sustainable.

m) **Sierra Leone Export Development and Investment Corporation (SLEDIC)**

Following several years of declining economic performance, the Government of Sierra Leone adopted, in its development strategy, plans for export development promotion, diversification and investment as a means to enhance and achieve rapid economic recovery. The Sierra Leone Export Development and Investment Corporation (SLEDIC) was established to work in close collaboration with the Ministry of Trade and Industry and serve as a framework to facilitate the process of stimulating productive activities by initiating and implementing strategies geared towards the expansion, diversification and promotion of exports and investments, including the design and development of entrepreneurial development training.

In order to attain its objective, SLEDIC had put in place the following measures: -

1. the sensitization of producers on the export potential of non-traditional export crops like general handicrafts, Cashew ,Bee wax and Honey, Kola Nuts, Fresh fruits, Vegetable Maize and Millet, etc;
2. introduction of improved varieties - Ginger, Cashew Nuts, etc;
3. promotion of products through local and international trade fairs and exhibitions and marketing missions. In the year under review SLEDIC participated and played a key role in organizing a Home Coming Trade Exhibition, the Sierra Leone - Ghana Trade Week Exhibition and the Arian Trade Exhibition, organized by Iran. In addition it led the off-shore 3rd ECOWAS Trade Exhibition Delegation
4. SLEDIC's publications - Beginners Guide to encourage and promote investment opportunities in various sectors of the economy for both national and foreign investors.
5. Providing updated trade information service to stakeholders
6.
 - a. facilitating a speedy business registration service to investors;
 - b. a member of the Committee that is finalizing an Investment Code for the Country;
 - c. facilitating trade and investment forum between visiting missions and foreign private investors, with Sierra Leone's private sector, with a view to creating joint ventures/partnerships, as a way of attracting direct foreign investment to encourage and promote

investment opportunities in various sectors of the economy, for both national and foreign investors;

- d. to facilitate the investment operations of small to medium scale producers. SLEDIC is currently engaged in an Artisanal fishing Project at Goderich to encourage fishing cooperatives to produce high value Demersal fish (Couta, Snapper, Groupa, etc.) for export to the UK, the EU and the US.

SLEDIC, after identifying markets in Europe, commenced the construction of an improved smoking complex called Altonal Oven. This oven is cost effective and environmentally friendly as it uses about 60% less firewood, smokes fish faster and better and increases the shelf life of smoked fish. Today phase one of this project, which is the construction of the smoke house, has been completed and very soon it will be ready for handing over to the fishing community at Goderich Village. This project has been single handedly financed by SLEDIC from its meagre allocations from Government. The objective here is to replicate this project in other large fishing communities including Yeliboya, Tombo, Shenge, Konakry Dee, Bonthe, Sulima etc.

n) **The Sierra Leone Standards Bureau**

Public Notice No. 9 of 24th January 2000 of the Ministry of Trade and Industry, operationalised the Sierra Leone Standards Bureau, which is now provisionally located at the SLPMB Headquarters Building at Cline Town. It was established by a team of internationally accredited Standards professionals, who were engaged in a massive public sensitisation campaign on their role and the relevance of the Bureau.

After three years of existence, the Bureau has set up the required organs for designating Sierra Leone Standards (SLS) based on International and Regional Standards (by the establishment of the National Codex Committee and the Industrial Standards Board). These are pre-requisites for competitiveness and safeguarding the health of consumers from the dumping of substandard products and rejects.

The Sierra Leone Standards Bureau has set up all the relevant organs for assignment as required by WTO and ISO for the designation, promotion, enforcement and evaluation of standards, these include:

- i. The National Codex Committee and all the relevant technical committees including the AD HOC Technical Sub-committee on expired foods.
- ii. The National Industrial Standards Board that caters for all products other than foods. This Board has also set up all its relevant technical committees and some priority technical sub-committees
- iii. The Metrology Board is now formed to buckle the cycle of assessment systems supervision.

The Sierra Leone Standards Bureau is now a member of the:

- i. African Regional Organisation for Standardization (ARSO)
- ii. CODEX Alimentations Commission (CAC)
CODEX Secretariat and contact point
- iii. International Electro technical Commission (IEC). The country programme is now setting up itself for affiliation with International Organisation for Standardization (ISO) and the International Telecommunication Organisation (ITO) for whatever type of membership we will qualify for at our Mission

Landing inspection, aimed at protecting our economy and population from dumping and rejects, will start very soon.

An Industrial Survey being planned will be followed up by a registration exercise aimed at improving the efficiency and competitiveness of our industries culminating in the certification of those that qualify within the regulations of the Sierra Leone Standards Bureau with the assistance of African Management Services Company (AMSCO) an agency of the World Bank.

Presently the Bureau is inspecting all industrial and commercial premises and in the process correcting all lapses that affect adversely the public interest.

The Bureau has contacted a web master and is now diligently working towards the launching of a website in a very near future.

The Bureau has now obtained Cabinet's approval to levy charges for its services as contained in the Standards Act no.2 of 1996.

o) **The Petroleum Unit**

Under the Public Sector Support Programme funded by the World Bank, an autonomous unit, the Petroleum Unit, was established to be an independent coordinator between the Government of Sierra Leone, Donor Institutions and the Petroleum Industry in and outside Sierra Leone to ensure fair pricing of petroleum products. One of the major objectives of the Petroleum Unit is to ensure an uninterrupted supply of Petroleum Product in the country as well as maintaining pump prices so as to reflect international oil prices. A continuous supply of this product has been achieved since July 1992.

The P.U is working in close collaboration with my Ministry to put in place guidelines for the operations of the Petroleum Industry. Recently Cabinet approved the guidelines for Petroleum operations including Bunkering and this approval is at present with the Law Officers Department to transform it to a Bill for the attention of Parliament.

This Unit continues to monitor the petroleum products operators to ensure compliance of rules and ethics.

p) **OTHER GOALS OF THE MINISTRY**

Play a facilitating role for the rehabilitation of war damaged industries.

Promotion of the establishment of industries in the Provincial and Rural Areas.

Sensitive/Strategic Products

This Ministry monitors the status of strategic products i.e. rice and petroleum products. With the liberalization of trade and pricing in the Petroleum Industry, the Country is well stocked with adequate supplies of these sensitive products at moderate prices.

Market Space

My Ministry will continue to work closely with the City Council for the construction of appropriate modern markets as demanded by the Traders when I held a meeting with them on their constraints and concerns.

In pursuance of the above, during my visit to China last December I discussed with the Chinese Minister of Foreign Trade the possibility of accessing the China Export and Import (EXIM) Bank's Concessional Loan

for the construction of three modern multi purpose markets in the western area. This issue is currently being pursued by the City Council, in collaboration with the Henan Gouji group Co Ltd, which visited Sierra Leone in February.

ii. **ENGAGEMENT WITH DEVELOPMENT PARTNERS**

Commonwealth Secretariat

In a similar vein my Ministry is soon to be restructured and **a new Division responsible for Foreign Trade** will be established to promote international trade, which will recommend to Government, among others, **the re-establishment of Trade missions and/or Trade Attaches** in some of our key embassies especially in New York, London and Brussels.

I am glad to report that last November, the Common Wealth Secretariat sent a mission to Freetown to undertake a comprehensive review of the Ministry to ensure that it is organized and staffed to serve the trade and industrial development needs of the country; provide Technical assistance by locating a WTO Expert within the Ministry by 2003 and provide technical support for the establishment of a Stock Exchange. These were agreed upon at a Meeting I held with the Commonwealth Secretariat last July. Plans are now well underway for the restructuring of the Ministry, which among others should now have a Department for Foreign Trade, Commerce and Industry, Policy and Planning Unit and Co-operatives. Action on the restructuring process is well underway. The proposal from my Ministry regarding the restructuring process has been submitted to the Establishment Secretary's Office for consideration and Government's approval.

The Commonwealth Secretariat has agreed to fund the Planning Unit and it will be sending an expert to work as both the Director of the Planning Unit and the Director General for the period of two years. The E. U has also promised to send one expert (A Post Graduate Economist) on a short-term basis and pay for two local experts. All these experts will work in the Policy and Planning Unit

People's Republic of China

During the period under review, my Ministry in collaboration with the private sector worked very hard to put **in place strategies to strengthen the institutional framework for the development of Small and Medium Scale Enterprises (SMEs)**. To move this process forward, during my visit

to the People's Republic of China in December 2002. I signed a Memorandum of Understanding with the Henan Gouji Group co. Ltd for the establishment of an Export Processing Zone and 30 (Thirty) Small and Medium Scale Enterprises (SMEs) in Sierra Leone. A delegation from the aforementioned Company visited Sierra Leone last February to do feasibility studies for the aforementioned which resulted in the signing of another Memorandum of Understanding with Government, represented by me and my colleagues in the Ministries of Lands, Housing and the Environment and Tourism and Culture for the following projects: -

- The setting up of an Industrial and Economic Development Zone at the National Workshop Complex, Cline Town. The latter will be divided into 2 (two) areas to house manufacturing and processing industries and an exhibition area for items produced at the Complex. The aforementioned activities will be divided into 2 (two) phases. The first phase will include the visit of a team of building experts from China to Sierra Leone to assess damage at the National Workshop and prepare bill of quantities for complete refurbishment. This should be followed by the refurbishment of these structures and the establishment of 8 – 10 (eight to ten) Small and Medium Scale Industries. These will be mainly engaged in the production of Cement products (Bricks, Tiles and Roofing Sheets), Pressed and unfired Bricks, Mattresses, Paint, House Decoration materials. In addition to this, the establishment of a Garment factory, Modern Motor Vehicle Repair Shop and a Production centre for tools, agricultural implements and spares to provide engineering services in and outside the Industrial and Economic Development Zone, will also form part of the first phase. The training of Sierra Leoneans in managerial and other technical skills to man top positions is a priority of the Company. Efforts

will also be made during this phase to encourage other viable Chinese companies, as well as Sierra Leonean business entrepreneurs, to set up manufacturing and processing industries within the Zone, under joint management. When the complex is made operational it will employ up to 1,000 (one Thousand Sierra Leoneans). The second phase will include the setting up of other types of viable industries, on the advise of the Ministry of Trade and Industry and other investment agencies/ experts.

- The development of (3) three parcels of land at Lumley Beach/Aberdeen for tourism - the one used by the UN as helipad, when made available to the Company, will be used for the construction of a 250 (Two Hundred and Fifty) bedroom, Five Star Hotel and a big conference centre. The total estimated cost for this project is US\$25,000,000 (Twenty Five Million Dollars), which will be completed at an estimated period of 550 (Five Hundred and Fifty) days after the land is made available and the one adjacent to the Golf Club for the construction of Holiday Homes and Town Houses. The land adjacent to the Atlantic Restaurant is intended for the construction of a large Chinese Restaurant, bars and other entertainment facilities attractive to tourists.

- The landsite at Upper Allen Town/ Grafton for the construction of an Export Processing Zone (EPZ). According to the Delegation, this landsite is attractive because of its proximity to Freetown, its size and the

availability of water supply and electricity. When the Zone is set up, its activities will include, among others, the production of Hi Tech goods like household electrical appliances, drugs, pharmaceuticals and medical appliances.

In pursuance of the above, during my visit to China last December I discussed with the Chinese Minister of Foreign Trade the possibility of accessing the China Export and Import (EXIM) Bank's Concessional Loan for the construction of three modern multi purpose markets in the western area. This issue is currently being pursued by the City Council, in collaboration with the Henan Gouji group Co Ltd, which visited Sierra Leone last February.

Further, during my visit to China in 2002, I requested the Minister of Foreign Trade and International Cooperation to help my Ministry in the area of capacity building, which he agreed to do by giving officials of my Ministry the opportunity to participate in trade related courses organised by the Chinese Government. He also requested me to submit a list of equipments and other logistics, which the Ministry needs, for provision by his Government. We have submitted the list and now awaiting delivery of the equipments, including Computers, Satellite Dishes, Filing Cabinets and other office equipments.

During the aforementioned visit, I also signed, on behalf of Government, the Cooperation Agreement between General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and the Ministry of Trade and Industry of Sierra Leone. This Agreement seeks to promote the smooth development of bilateral trade and adhering to the principles of equality, mutual benefits and friendly cooperation. The Agreement makes provision for the recognition of the role of the two Departments, as competent Government authorities of the two Countries for the regulation of import and export commodity inspection. To this end, both parties intend to exchange experiences and make available, from time to time, updated information on the existing commercial inspection regimes in the two Countries. According to the Agreement both Countries will seek effective ways to maintain the exchange of high quality exports and imports between them.

During the signing ceremony, in China, I requested capacity building for staff of the Sierra Leone Standards Bureau, in the form of exchange programmes between its staff and the Chinese Quarantine Inspection Administration and also laboratory equipments for the Bureau to enable it function effectively.

It is my pleasure to inform you that the Henan Gouji Company on its part sent a proposal on the above project to my Ministry for the consideration of Cabinet. After a thorough review of this proposal, Cabinet:

- i. approved the investment proposals that were in conformity with the draft investment code for Sierra Leone;
- ii. agreed that all other proposals that were not in conformity with draft investment code should be further negotiated with the company and other stake holders;
- iii. agreed that representatives of the company should visit Sierra Leone for formal negotiation with the Government.

European Union

The EU's EBA provides LDCs duty/quota-free treatment for essentially all products.

In September 2000, the European Commission announced the adoption of the plan to grant unrestricted duty free access to all LDC products excluding arms. The EBA came into effect on 5 March 2001. These initiatives provide opportunities for Sierra Leone to enter the global economy.

Meanwhile, I have received information on the provision of capacity building support to my Ministry from the Project Management Unit of the EU to provide four (4) consultants, two foreign and two local, to deal with the promotion of both domestic and international trade. This support is expected to start soon.

New development

In addition to the above, the EU is working on Technical Assistance to the Ministry in the area of capacity building. To pursue this, officials of my Ministry, in collaboration with the EU last December, finalised a document on capacity building to the Ministry, which has been submitted to the Project Management Unit of the EU.

A delegation from Enterprise Africa recently visited Sierra Leone to help in the area of capacity building, in the form of establishing an information technology network for access to international trade information. A workshop was organised through the coordination of Sierra Leone Chamber of Commerce, Industry and Agriculture followed by the

establishment of information accessing facilities for interested private sector operators.

Since the EBA and AGOA initiatives became operational, Sierra Leone has not yet meaningfully benefited from them. My appeal is to the private sector operators to take full advantage of windows of opportunity open to them.

United Nations Industrial Development Organisation (UNIDO)

In the year under review, my Ministry resumed contacts with **the United Nations Industrial Development Organisation (UNIDO) to engage in the area of industrial development. Following discussions it was agreed that a project formulation team will visit Sierra Leone to put together an Integrated Programme for SME assistance to Sierra Leone.** After the business Forum in Paris, I proceeded to Vienna to attend a UNIDO Industrial Development Board Meeting and a Conference of African Ministers of Industry Meeting. I also held meetings with the UNIDO Director General and staff during which **the Director General approved my request for the development of an integrated programme for Sierra Leone.**

To initiate action on the above, an advanced UNIDO Team of experts visited the Country in February 2003 to finalise, in consultation with various stakeholders, the most appropriate components of the programme as follows:-

1. Regional production centres for the production of machinery tools for industry.
2. Agro based and allied processing industries
3. Energy and environment projects
4. Small and Medium Enterprises linked to micro finance.

To further concretise this programme, the Director General of UNIDO visited Sierra Leone in the second week in March. This visit allowed him to meet and hold discussions with top government functionaries, including H.E, the President as well as a cross section of the private sector. He committed his Organisation to sending a Technical Mission to Sierra Leone to develop an integrated programme for SMEs support. This Mission is expected in September 2003.

United Nations Development Programme (UNDP)

My Ministry is grateful to the UNDP for its technical and logistical support. The UNDP has funded Seminars/Workshops on the AGOA Initiative and

the identification of areas for SME development support. It has provided office equipment and limited supplies to establish an AGOA Secretariat.

UNDP also commissioned a study and workshop on private sector development under the supervision of the Ministry of Finance, the findings which will now be incorporated into a programme of action for private sector enhancement.

The UNDP, through its New Governance Programme, will support activities relating to the development of a regulatory framework for investment in Sierra Leone.

British Chamber of Commerce

A mission from the British Chamber of Commerce visited Sierra Leone towards the close of 2002 to explore the possibility of developing business contacts in Sierra Leone, directly or in collaboration with the Sierra Leone Chamber of Commerce.

This Mission was encouraged by progress made so far, since the end of hostilities, and observed possible areas of engagement. It was however stressed that Government needs to address the provision of adequate infrastructure, healthy legal environment and incentives within an Investment Code, to make Sierra Leone attractive and competitive for the attraction of investment. The Team urged Government to finalise the Code and forward copies to it.

World Bank

My Ministry has received encouraging signals from the World Bank for the provision of capacity support through technical assistance. Recently an agency of the World Bank, International Finance Corporation (IFC) sent a team of experts comprising representatives from African Management Services Company (AMSCO) and Africa Project Development Facility (APDF) and IFC on a fact finding mission to Sierra Leone for micro, small/medium enterprises development. A Stakeholders Forum on the Theme "Challenges in Small and Medium Enterprises Development – Stakeholders' perspective of the post-conflict environment". As part of the programme, the experts held one to one consultations with business interests in Sierra Leone. We await the immediate outcome of this visit to be evidenced by some form of support, either part financing, technical, training etc., from these agencies. The report of this meeting will soon be available.

Barcelona, Spain

I was part of a Government delegation that visited Spain in April 2003. The outcome was the signing of a Memorandum of Understanding between Government and ELSA Construction Company relating to housing construction plans in Sierra Leone. The Ministry of Housing will report further.

Included in the Memorandum were the following:

- To follow up discussions held with the Ministers of Trade and Industry, Labour and Tourism in Catalonia, Spain, communicating specific areas of activities that would need the support of the Government particularly in the area of promoting Investment and Tourism in Sierra Leone and encourage the physical presence of Catalonia investors;
- To establish business links particularly with respect to the availability of export commodities and the need for adding value;
- To invite ELSA Manufacturing and Construction Company to visit Sierra Leone to further conduct an appraisal of the housing plans of SALHOC, NASSIT of any other interested parties in Sierra Leone and hold discussions with the Ministers of Works, Housing and Technical Maintenance and Minister of Trade and Industry and other relevant Ministries on investment possibilities in Sierra Leone.

Representatives of ELSA visited Sierra Leone from 7 – 10 July 2003 and discussed possible business cooperation with private sector representatives. This team also met with officials of relevant line Ministries and Housing facility providers.

Libyan Fuel Oil Offer

The Government of Libya has extended an offer to Government of Sierra Leone for the sale of Fuel Oil at concessionary rate. The Libyan Government is to grant a three percent discount over a sixty days credit period. We intend to use this facility to create a strategic reserve for the country. Following contacts between our two countries Libya has invited a Government delegation to finalise details of the contract of sale.

Caritas

A Farmers Association for Rural Development (FARD), with sponsorship from Caritas has been formed with the aim of creating a regional forum in

the North to bring together rural communities through cooperative societies, skill trained groups and other organised social groups who will integrate their human material and financial resources for their respective communities for self reliance and self sustained economic growth by means of collaborative networking.

FARD entered into a partnership with the Department of Cooperatives and Caritas Makeni for formation and sponsorship of cooperatives in Kambia, Port Loko and Tonkolili District. As of now a total of 117 (one hundred and seventeen) cooperatives societies, with a membership of 8,775 (Eight Thousand Seven Hundred and Seventy Five) people have been formed. 43 (Forty-three) of the aforementioned cooperative societies have benefited, through FARD, from micro credit programs, sponsored by Caritas Makeni.

iii. OVERSEAS TRIPS

My Ministry, in November 2002, actively participated in and also facilitated the participation of representatives of 5 (five) prominent private sector business entities in the Business Round Table For Sierra Leone, which was held in Paris. This meeting was well attended by people from various works of life, the international community and donor/aid agencies. At that meeting I, together with other ministers of Government, made presentations on a case for investment in Sierra Leone. My presentation, which was titled "Sierra Leone Is Open For Business and Investment" outlined all the vast potentials for investment in Sierra Leone ranging from the strategic location, climatic conditions, natural resources, human resources and relatively cheap labour force, proactive and investor friendly legislation and Government/ people. The private sector representatives also narrated their success story of doing business in Sierra Leone and encouraged investors to invest in this Country.

At the end of the meeting, several recommendations were made relating to the improvement of the business climate in Sierra Leone, prominent amongst which was the finalisation of the Investment Code.

In the year under review, officials of my Ministry and its agencies participated in various programmes organized and/sponsored by the WTO, the ACP- EU, the Sub Saharan AGOA Summit in Mauritius, etc

iv. **WORKSHOPS/SEMINARS**

Ghana – Sierra Leone Week

An Investment Forum on Trade Cooperation between our two countries was organized.

Homecoming Programme

To mark the Homecoming of Sierra Leoneans living in the Diaspora, a two days Summit was held to identify and make recommendations on possible areas of intervention in support of Sierra Leone's post-war recovery effort. The outcome of this Summit has earlier been read as recommendations.

African Growth Opportunities Act (AGOA)

A Workshop was held to sensitize the private sector on the rules and procedures to access this facility.

In preparing the visa application for textiles, clothing and folklore and in preparing the private sector and Customs Officials on the requirements for export to the US, a training programme was organized by my Ministry with UNDP funding.

IFC SMEs Support Programme

The International Finance Corporation led a team of experts from APDF and AMSCO to facilitate a two-day Forum on the Challenges in Small and Medium Enterprise Development.

v. **TRADE FAIRS**

To make the Sierra Leone economy attractive to investors by facilitating and supervising private sector activities in the areas of commerce and industry through the following: -

- My Ministry, in collaboration with the Sierra Leone High commission in Ghana, Ghana High Commission in Sierra Leone, SLEDIC and other stakeholders **organised a Sierra Leone – Ghana Week to pursue the spirit of ECOWAS cooperation and integration and as a strategy to promoting South - South trade in the ECOWAS sub region.** This occasion which included, among others a trade fair, football matches, etc and attended by ministers and top government functionaries from Ghana was a success story which re -strengthened the socio political, cultural and economic

ties between the two countries. This occasion will now be held bi annually, on a rotational basis between Sierra Leone and Ghana. It is now a common practise for Ghanaians to travel to Sierra Leone and participate in trade promotion activities, undertaken by either the Sierra Leone Government and / the Private sector.

Added to the above, a more direct and close link has been established between the private sector in Sierra Leone and that of Ghana.

The ECOWAS Council of Heads of State at the last WAMZ Summit in Conakry, Guinea applauded and endorsed this initiative as worthy of emulation by other ECOWAS states.

- In December 2002 a Trade Fair and Exhibition was held under the Homecoming Programme. This Fair attracted exhibits from several areas of the country.
- Sierra Leone participated in the ECOWAS Trade Fair in Lome Togo.
- Sierra Leone hosted the Arian delegation under the coordination of SLEDIC in organising this year's Trade Fair, the fourth such fairs held annually. This Fair was well attended and lots of exhibits sold.

RECOMMENDATIONS ON THE WAY FORWARD

Government should encourage a strong public private sector partnership in the management of the economy.

General

1. The current staffing of the Ministry falls short of the established compliment and the technical nature of the activities of the Ministry justify the presence of high calibre personnel with the relevant professional background, which we currently lack. There is need to impress upon the recruitment machinery within the service to provide us with our relevant compliment of qualified personnel. Meanwhile we have appealed to donors for technical assistance for capacity building.
2. Simultaneously the restructuring proposal carried out by the Commonwealth Secretariat for the Ministry should be given urgent attention.
3. The efficient performance of the Ministry is dependent on the quality of equipment within and mobility, this is seriously lacking at present. Efforts

should be made through donors and with the utilisation of our Development Vote within the budget to address this situation.

4. The availability of reliable supply is a pre-requisite to attracting investment

TRADE MATTERS

1. Study the role of SLEDIC and assess its impact to date. This outfit needs a review of its present structure.
2. Examine the relevance of BIVAC and the stakeholders' views for continuity.
3. Re-introduce the status of Trade Missions and Trade Attaches in key Embassies/High Commissions like New York, London, Brussels, etc.
4. Liaise with other relevant Ministries on the provision/implementation of the following:-
 - a. High Ports charges and long and risky clearing processes
 - b. Handling facilities at the quay and security concerns for cargo.
 - c. Availability of sustained/affordable electricity
 - d. Hotel and Guest House charges to be reduced to levels in sub-Region
 - e. Discourage street monetary trading to control inflation
 - f. Improved code of conduct for Insurance companies
 - g. Improve communication facilities, especially the Postal Services
 - h. Telephone system unreliable and expensive. Local facility prone to corruption
 - i. No reliable telephone directory
 - j. Poor Internet facilities
 - k. Poor fax facilities
5. Review all commercial laws and instructions and introduce relevant ones not available
6. Explore the justification to establish commercial/industrial court through a technical and capacity building programme
7. Establish specialist Banks to mobilise funds for SME support
8. Establish a formal mechanism for promoting an efficient and impacting micro-credit programme to improve access to capital for small businesses.

11. Put in place a suitable regulatory framework to facilitate private sector participation or ownership of utilities like water, electricity, telephone etc.
12. Sensitise the public on the need and advantages of multiple ownership in setting up businesses and the justification and advantage of proper record keeping.
13. With the co-operation of the Ministry of Transport and Communications, effort should be made to give the traders the necessary transportation support.
 - a. Coastal Boat Service
 - b. Special arrangements for vehicular transport support to traders
14. Provision of trading support services at affordable price.
 - a. Abattoir for meat processing
 - b. Storage facilities adjacent to markets
 - c. Food processing facilities
 - d. All for a fee
15. Conduct a national trade and industrial survey for Sierra Leone to aid planning and other stakeholders needs.
16. Re-establishing a reliable and up to date information centres

CO-OPERATIVE MATTERS

1. Review the Co-operative Act
2. Re-structure Co-operative Department

INDUSTRIAL MATTERS

1. The operations of the Industrial Development Division is "Ad Hoc" because the instruments and codes that justify or legitimise its operations have all been repealed. The attitude of the Ministry, especially in adhering to the Structural Adjustment Conditionalities, is to make the Industrial Sector less regulative and to create the enabling environment for the private sector to operate free of Government interference. It is therefore necessary to review the need for an Industrial Development guide to replace the previous Act.
2. Some years before the restoration of Democracy this Ministry, through Donor funding, had carried out some feasibility studies on areas that would make positive impact to our economic recovery process focused at poverty reduction.

- a. Promotion of "Labour Intensive Small Scale Industries" - courtesy of Islamic Development Bank of Jeddah;
- b. UNIDO conducted study - "Industrial Sector Review and Programming" Mr. Felix Ugbor
- c. UNIDO sponsored study for pioneer project to fund pilot programmes for small industries development especially in rural areas.
- d. UNDP sponsored study on "Strategic Management for Industrial Development".
- e. UNDP sponsored study on the establishment of a Technological Center at the National Workshop Building.

It may be relevant to take a look at these reports to re-assess the contents and to open contacts with donors for possible implementation

3. Conduct an Industrial Survey in corporation with the office of the Registrar General and the Income Tax Department to compile and accurate register of trading entities. From this effort the Ministry will compile an Industrial combine directory and a register of indigenous products. It will be necessary to develop standard categories of industrial entities.

BUREAU OF STANDARDS

To empower the Bureau to create the desired impact on society as follows: -

- a) the provision of a permanent structure to accommodate the Bureau's headquarters and laboratories;
- b) logistics to make possible, adequate administrative/geographical coverage of the territory of Sierra Leone, so as to be able to carry out the mandate of serving and protecting our population and economy, while ensuring competitiveness;
- c) honouring of financial obligations, especially the payment of arrears to international and regional Standards Organisation to enhance our chances of benefiting from capacity building programmes, which are mostly provided to only paid up members.
- d) Above all, the strong support of Government is a prerequisite to the development of the Bureau in the formative years.

Our agenda for the promotion of trade and industry is huge and important one that Government fervently believes in. This cannot however be achieved without your support and without the usual generosity of our development partners to complement Government's effort.