

Mauritania



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Introduction:

Officially known as the Islamic Republic of Mauritania, Mauritania is a country in northwest Africa, bordered by the Atlantic Ocean on the west, by Senegal on the southwest, by Mali on the east and southeast, by Algeria on the northeast, and by the Morocco-controlled Western Sahara on the northwest. It is named after the ancient Berber kingdom of Mauretania. The capital and largest city is Nouakchott, located on the Atlantic coast.

Brief Recent History¹:

Starting in the late 1800s, French colonization gradually absorbed the territories of present-day Mauritania from the Senegal River area and upwards. These areas were officially incorporated into the territory of Mauritania in 1904. French rule brought legal prohibitions against slavery and an end to interclan warfare. During the colonial period, the population remained nomadic, but many sedentary peoples, whose ancestors had been expelled centuries earlier, began to trickle back into Mauritania. As the country gained independence in 1960, the capital city Nouakchott was founded at the site of a small colonial village, the Ksar, while 90% of the population was still nomadic. With independence, larger numbers of indigenous Sub-Saharan African peoples entered Mauritania, moving into the area north of the Senegal River.

Educated in French language and customs, many of these recent arrivals became clerks, soldiers, and administrators in the new state. Moors reacted to the change and to Arab nationalist calls from abroad, by increasing pressure to Arabize many aspects of Mauritanian life, such as law and language. A schism developed between those Moors who consider Mauritania to be an Arab country and those who seek a dominant role for the non-Moorish peoples. The ethnic tension and the sensitive issue of slavery is still a powerful theme in the country's political debate.

Brief Political History²:

Politics in Mauritania has always been determined by personalities and tribes more than ideologies, with any leader's ability to exercise political power dependent upon control over resources; perceived ability and integrity; and tribal, ethnic, family, and personal considerations. Conflict between light Moors, dark Moors (Haratine), and non-Moor ethnic groups (Haal Pulaars, Soninkes, Wolofs and Bambaras), centering on language, land tenure, and other issues, continues to be the dominant challenge to national unity.

The government bureaucracy is composed of traditional ministries, special agencies, and parastatal companies. The Ministry of Interior spearheads a system of regional governors and prefects modeled on the French system of local administration. Under this system, Mauritania is divided into thirteen regions, including the capital district, Nouakchott. Control is tightly concentrated in the executive branch of the central government; but, a series of national and municipal elections since 1992 have produced limited decentralization.

Demographic Data³:

Population: 3,129,486

Age Structure:

0-14 years: 41% (male 643,436/female 638,793)

15-64 years: 55.7% (male 818,778/female 923,046)

65 years and over: 3.4% (male 44,836/female 60,597)

Population Growth Rate: 2.399%

Birth Rate : 34.11 Births/1,000 Population

Death Rate : 11.61 Deaths/1,000 Population

Infant mortality rate:

total: 63.42 deaths/1,000 live births

Life expectancy at birth:

total population: 60.37 years

male: 58.22 years

female: 62.59 years

HIV/AIDS - adult prevalence rate:

0.8% (2007 est.)

HIV/AIDS - people living with HIV/AIDS:

14,000 (2007 est.)

Ethnic Groups:

mixed Moor/black 40%, Moor 30%, black 30%

Religion:

Muslim 100%

Language: Arabic (official and national), Pulaar, Soninke, Wolof (all national languages), French, Hassaniya

Literacy (defined as % of age 15 and over can read and write):

total population: 51.2%

male: 59.5%

female: 43.4%

Brief Economic Overview^{4 and 12}:

Half the population still depends on agriculture and livestock for a livelihood, even though many of the nomads and subsistence farmers were forced into the cities by recurrent droughts in the 1970s and 1980s. Mauritania has extensive deposits of iron ore, which account for nearly 40% of total exports. The nation's coastal waters are among the richest fishing areas in the world, but overexploitation by foreigners threatens this key source of revenue. Before 2000, drought and economic mismanagement resulted in a buildup of foreign debt. In February 2000, Mauritania qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative and nearly all of its foreign debt has since been forgiven. In December 2007 donors pledged \$2.1 billion at a triennial Consultative Group review. A new investment code approved in December 2001 improved the opportunities for direct foreign investment. Mauritania and the IMF agreed to a three-year Poverty Reduction and Growth Facility (PRGF) arrangement in 2006 and Mauritania made satisfactory progress, but IMF and World Bank have suspended their programs in Mauritania since the August 2008 coup.

Mauritania's overall economic development is hampered by serious weaknesses in business freedom, labor freedom, freedom from corruption, investment freedom, and property rights. Opening a business and related licensing and operational procedures are grueling, with long waiting periods and costly fees. Bureaucratic inefficiency and corruption burden the entire economy. Court enforcement of property rights and labor regulations is subject to pervasive political interference. An underdeveloped financial sector impedes the development of dynamic entrepreneurial activity in the private sector.¹²

Current Plans⁵: The government's principal economic orientations are defined in a three-year development plan for the 2008-2010 period stemming from the Poverty Reduction Strategy Paper (2006-2010 PRSP). This plan is based on the following five key pillars:

- improved governance
- human resource development
- consolidation of economic growth
- facilitation of access by the population to basic services
- regional planning.

Mauritania is a member of the Arab Maghreb Union (AMU), the Senegal River Basin Development Authority (OMVS) and the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), and has signed numerous bilateral trade agreements. Mauritania is also a signatory to the Cotonou Agreement governing trade relations between the EU and the ACP countries. The country has also undertaken to implement the Paris Declaration on Aid Effectiveness and has initiated the budgetary support eligibility process.

Economic Statistics⁶:

GDP (PPP): \$6.31 Billion (2008 est)
GDP Real Growth Rate: 3.5% (2008 est)
GDP Per Capita: \$2,100 (2008 est)
GDP Composition by sector (2008 est):
agriculture: 12.5%
industry: 46.7%
services: 40.7%

Unemployment Rate: 30% (2008 Est)

Budget:

revenues: \$770 million
expenditures: \$770 million (2007 est.)

Inflation Rate: 7.3% (2007 est.)

Agricultural Products: dates, millet, sorghum, rice, corn; cattle, sheep

Industries: fish processing, oil production, mining of iron ore, gold, and copper

Current Account Balance: -\$293 Million (2007 est.)

Export Commodities: iron ore, fish and fish products, gold, copper, petroleum

Export Partners:

China 30.5%, France 9.5%, Italy 8.5%, Spain 8.5%, Japan 5.5%, Netherlands 5.3%, Belgium 5%,
Cote d'Ivoire 4.7% (2007 est.)

Import Commodities: machinery and equipment, petroleum products, capital goods, foodstuffs,
consumer goods

Import Partners: France 16.5%, China 8.1%, Spain 6.7%, US 6.1%, Belgium 5.8%, Brazil 5.7%
(2007)

Exchange Rate: 1 USD = 263 Mauritanian ouguiya

Government Expense Report⁷

Table of the Financial Operations of the State (2001 until 2005) in Millions of Ouguiya

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|---------------|----------------|----------------|----------------|----------------|
| Total of Revenues with donations | 70,739 | 108,571 | 119,675 | 130,414 | 131,300 |
| Total of Revenues without donations | 59,255 | 95,035 | 103,92 | 117,92 | 121,00 |

| | | | 7 | 5 | 0 |
|--|----------------|----------------|----------------|----------------|----------------|
| Tax Revenues | 35,830 | 41,549 | 44,887 | 59,178 | 76,000 |
| Non Tax Revenues | 19,883 | 51,505 | 51,308 | 54,929 | 45,000 |
| Special Count of the Treasury | 1,112 | 681 | 7,221 | 3,818 | 0 |
| Others (not ventilated recipes) | 2,430 | 1,300 | 511 | 0 | 0 |
| Dons | 11,484 | 13,536 | 15,748 | 12,489 | 10,300 |
| dont PPTe | 6,630 | 8,339 | 9,264 | 8,201 | 7,600 |
| Total of Expenses | 100,343 | 117,581 | 159,480 | 149,569 | 166,100 |
| Operational Expenses | 64,750 | 72,405 | 109,578 | 101,889 | 126,600 |
| Treatments and Wages | 12,810 | 16,070 | 16,042 | 17,150 | 22,400 |
| Expenses on Property and Services | 22,258 | 28,920 | 37,250 | 39,148 | 60,600 |
| Subventions | 8,633 | 9,285 | 28,928 | 12,566 | 8,700 |
| Military | 13,255 | 9,859 | 16,426 | 18,648 | 17,700 |
| Interest on National Debt | 7,661 | 7,675 | 9,271 | 11,928 | 16,100 |
| Exterior | 5,460 | 5,950 | 6,630 | 7,270 | 8,300 |
| Interior | 2,201 | 1,725 | 2,641 | 4,658 | 7,800 |
| Special Count | 132 | 596 | 1,662 | 2,448 | 1,100 |
| Expenses of invest. and net loans | 34,114 | 43,629 | 48,923 | 47,278 | 39,500 |
| Expenses of investment | 33,581 | 43,232 | 47,572 | 47,097 | 36,600 |
| Self-financing | 22,037 | 26,411 | 28,950 | 28,621 | 21,400 |
| Hors budget | 11,544 | 16,821 | 18,622 | 18,476 | 15,200 |
| Restructuring and net loans | 99 | 162 | 1,351 | 182 | 2,900 |
| Expenses of restructuring | 434 | 235 | 0 | 0 | 0 |
| Other Expenses | 1,479 | 1,547 | 980 | 402 | 0 |
| Balance except Donations | -41,088 | -22,546 | -55,553 | -31,645 | -45,100 |
| Balance with Donations | -29,604 | -9,009 | -39,806 | -19,156 | -34,800 |
| Financing | 29,603 | 9,009 | 39,806 | 19,155 | 34,800 |
| Exterior (net) | -879 | 2,434 | 748 | -52 | -3,800 |
| Borrowing (net) | -879 | 2,434 | 748 | -52 | -3,800 |
| Printing Plans | 8,301 | 12,924 | 13,838 | 14,188 | 12,500 |
| Printing Program | 4,690 | 4,830 | 1,830 | 0 | 0 |
| Amortizement | -13,870 | -15,320 | -14,920 | -14,240 | -16,300 |
| Interior | 37,900 | -8,500 | 20,600 | -3,800 | 20,600 |
| Banking System | 38,400 | -8,400 | 20,500 | -4,000 | 33,100 |
| Others | -500 | -100 | 100 | 200 | -12,500 |
| Organized Expenses | 2,774 | -13,951 | -2,026 | -5,662 | 0 |
| Authorities of Payment | 1,100 | 8,469 | 6,433 | 4,193 | 0 |
| Errors and Omissions | -21,721 | 6,577 | 765 | 10,857 | 3,100 |
| Special Outsides | 10,430 | 13,981 | 13,286 | 13,619 | 14,900 |

*The Central Bank only has data until 2005

Basic overview of Mauritanian Financial System^{8 and 13}:

The financial sector in Mauritania comprises the Central Bank of Mauritania (Banque Centrale de Mauritanie-BCM), ten commercial banks, eight insurance firms, two financial institutions specialized in agriculture and fisheries, 67 micro-finance institutions authorized at the present time, as well as a leasing company. Mauritania's banking sector dominates the financial system, with 88% of the sector's assets held by commercial banks. At the same time, bank loans and deposits represent less than 20% of GDP.

Mauritania's underdeveloped financial sector remains concentrated in urban areas. Limited access to credit and the high costs of financing keep more dynamic entrepreneurial activity from taking place. Lending to the private sector has been limited. The banking sector dominates the financial system, accounting for more than 80 percent of total assets. There are 10 commercial banks, one of which is 50 percent government-owned. Foreign banks are new to the system; two French bank subsidiaries opened in 2006 and 2007. In 2007, a new banking law was enacted to enhance competition, improve access to credit, and ensure bank liquidity. The law mandates separation of bank management and ownership and limits the percentage of loans that a bank can make to related parties. Capital markets are virtually nonexistent, and there is no stock market

Banking System⁹:

As mentioned before, there are 10 commercial banks along with the Central Bank of Mauritania. The majority of it is privately owned except for the Chinguitty Bank which is 49% Government owned.

| | Foreign | Domestic | Privitized |
|---|---------|----------|------------|
| Banque Mauritanienne pour le Commerce International | 0% | 100% | 100% |
| Banque Nationale de Mauritanie | 0% | 100% | 100% |
| Chinguitty-Bank | 51% | 49% | 51% |
| Banque El Wafa Mauritanienne Islamique | 15% | 85% | 100% |
| Générale de Banque de mauritanie | 35% | 65% | 100% |
| Banque El Amana pour le Développement et l'Habitat | 0% | 100% | 100% |
| Banque pour le Commerce et l'Industrie | 15% | 85% | 100% |
| Banque pour le Commerce et l'Investissement en Mauritanie | 0% | 100% | 100% |

| | | | |
|--------------------------------|------|-----|------|
| Société Générale de Mauritanie | 49% | 51% | 100% |
| BNP Paribas - Mauritanie | 100% | 0% | 100% |

In terms of size, the Générale de Banque de Mauritanie (GBM) is the largest bank, considering the total balance sheet, and controls nearly 25% of bank assets and 25% of deposits. GBM is followed by Banque Mauritanienne pour le Commerce International (BMCI) which has nearly 20% of deposits and credits. The third bank, Banque Nationale de Mauritanie (BNM) represents 19% of deposits and 14% of credits, with the rest being shared among the other banks.

There also two special financial institutions:

Mauritanie Leasign and Finance Conseils Investissements (FCI). They are both privately owned but Mauritanie Leasign is 20% Foreign owned and FCI is 15% foreign owned.

Deposit Insurance¹⁵⁻:

Mauritania has an implicit deposit insurance form. This means that the central bank has no formal law regarding deposit insurance and does not mandate a set insurance policy.

Central Bank and its role¹⁰:

According to the Central Bank of Mauritania's website, besides its main mission which is the stability of prices, BCM has as mission of :

- Elaboration and Implementation of new general economic policies
 - Define and implement the monetary policy of the Islamic Republic of Mauritania
 - Participate in the definition of the policy of exchange rate and assure its implementation
 - Organize, watch and regulate the foreign exchange market;
- Distribution of currency
 - Issue and manage, for the State, the fiduciary currency
 - Detain and manage the official reservations of exchange rate;
- Set up systems and means of payment
 - Promote stability, security and effectiveness of the system of Mauritanian payment
- Stability of the financial system
 - Watch and regulate banks and other financial establishments in accordance with laws adopted in the field
 - Contribute to the stability of the Mauritanian financial system
- Assure the function of Cashier of the State and financial agent for the Government

*(The Above was translated from French from the Central Bank Website)

Interest Rate Spread¹⁴:

2005: 15.08333333

2004: 13

2003: 13

2002: 13

2001: 14.5

2000: 16.16666667

Exchange Rate Data¹¹ (For more data on Exchange Rates, go to <https://globalfinancialdata.com>)

The exchange rate of the Mauritanian Ouguiya operates under a managed floating exchange rate regime.

| Date | Percentage | |
|------------|------------|----------|
| | Change | Average |
| 12/31/2001 | 5.17% | 253.9587 |
| 12/31/2002 | -0.85% | 268.8242 |
| 12/31/2003 | -1.81% | 260.7996 |
| 12/31/2004 | 0.42% | 256.3753 |
| 12/30/2005 | 6.17% | 264.1395 |
| 12/29/2006 | -1.97% | 267.5582 |
| 12/31/2007 | -7.67% | 256.8889 |
| 12/31/2008 | 5.44% | 241.9387 |
| 6/3/2009 | 1.30% | 262.4541 |

Insurance

The insurance sector was reformed in the 1990s, when the government liberalized the sector. It plays a limited role within the Mauritanian financial sector. As of December 2006, seven insurance companies operate in the sector and they are in competition with Nationale d'Assurance et de Réassurance (NASR), the state-owned insurance firm.

Insurance in Mauritania includes both general category insurance and life insurance. Insurance policies relating to business matters are covered under general insurance policies. Business insurance in Mauritania covers both economic risk and political risk. Economic risk insurance in Mauritania involves insuring against accidental loss, large loss and catastrophic economic loss. All economic insurance policies are executed keeping in mind the economic condition of the African country. Political insurance in Mauritania involves hedging against foreign currency transfer blockage. The political insurance also covers the event of civil war being started in the country.

Life insurance in Mauritania is offered by a number of insurance companies having operations in the country. The life insurance policies offer a monetary benefit to the insured person's family or preferred nominee. This may take the form of a lump sum one time cash payment or an annuity. The health insurance in Mauritania would cover all the costs of medical treatment that is incurred by the covered individual.¹⁶

Gross Premium By Class and Country - 2002 to 2006 in US\$ millions

| Country | Year | Exchange Rate | Total GPI | Motor | Non-Life | | | | Life | |
|------------|------|---------------|-----------|-------|---------------------------|-------------------|----------------|----------|-------|----------|
| | | | | | Property & Misc. Accident | Marine & Aviation | Total Non-Life | % of GPI | Total | % of GPI |
| Algeria | 2002 | 79.6850 | 412.6 | 128.6 | 219.9 | 49.8 | 398.1 | 96.5% | 14.5 | 3.5% |
| | 2003 | 77.3600 | 445.3 | 159.3 | 222.1 | 48.8 | 430.2 | 96.6% | 15.1 | 3.4% |
| | 2004 | 72.8500 | 534.0 | 206.0 | 248.0 | 54.1 | 510.1 | 95.5% | 23.8 | 4.5% |
| | 2005 | 72.8950 | 571.0 | 221.0 | 283.5 | 57.5 | 542.0 | 94.9% | 29.0 | 5.1% |
| | 2006 | 70.9400 | 625.0 | 253.6 | 296.5 | 65.9 | 586.0 | 93.8% | 39.0 | 6.2% |
| Bahrain | 2002 | 0.3760 | 180.9 | 68.3 | 82.5 | 12.0 | 142.8 | 78.0% | 38.1 | 21.1% |
| | 2003 | 0.3769 | 209.6 | 80.8 | 73.6 | 13.2 | 167.6 | 79.9% | 42.0 | 20.1% |
| | 2004 | 0.3769 | 239.0 | 90.3 | 83.7 | 15.6 | 189.6 | 79.3% | 49.4 | 20.7% |
| | 2005 | 0.3769 | 248.8 | 97.8 | 91.8 | 15.5 | 205.2 | 82.5% | 43.6 | 17.5% |
| | 2006 | 0.3769 | 313.5 | 108.0 | 121.7 | 18.8 | 248.5 | 79% | 65.0 | 20.7% |
| Egypt | 2002 | 4.5000 | 499.5 | 103.2 | 165.6 | 78.5 | 347.4 | 69.5% | 152.1 | 30.5% |
| | 2003 | 6.0900 | 473.6 | 81.4 | 185.1 | 76.1 | 322.6 | 68.1% | 151.8 | 31.8% |
| | 2004 | 6.2250 | 606.1 | 84.7 | 201.5 | 109.7 | 396.9 | 65.3% | 210.3 | 34.7% |
| | 2005 | 5.7462 | 794.8 | 100.3 | 244.1 | 137.2 | 481.8 | 60.6% | 313.2 | 39.4% |
| | 2006 | 5.7150 | 848.5 | 113.5 | 283.9 | 93.2 | 480.8 | 57.8% | 357.8 | 42.2% |
| Jordan | 2002 | 0.7096 | 207.0 | 91.0 | 75.2 | 14.8 | 181.0 | 87.4% | 26.8 | 12.8% |
| | 2003 | 0.7090 | 241.3 | 108.8 | 86.0 | 17.3 | 214.1 | 88.7% | 27.2 | 11.3% |
| | 2004 | 0.7090 | 269.8 | 124.2 | 90.6 | 24.7 | 239.6 | 88.8% | 30.1 | 11.2% |
| | 2005 | 0.7084 | 310.0 | 142.2 | 105.7 | 29.8 | 277.7 | 89.6% | 32.3 | 10.4% |
| | 2006 | 0.7085 | 365.0 | 170.5 | 127.4 | 31.7 | 329.6 | 90.3% | 35.4 | 9.7% |
| Kuwait | 2002 | 0.3000 | 315.3 | 69.0 | 109.0 | 42.0 | 240.0 | 76.1% | 75.3 | 23.9% |
| | 2003 | 0.2948 | 372.1 | 112.3 | 118.4 | 49.9 | 280.5 | 75.4% | 91.8 | 24.6% |
| | 2004 | 0.2900 | 441.1 | 139.8 | 131.0 | 53.6 | 324.4 | 73.5% | 116.7 | 26.5% |
| | 2005 | 0.2919 | 526.7 | 166.1 | 155.8 | 63.7 | 385.6 | 73.2% | 141.1 | 28.8% |
| | 2006 | 0.2891 | 638.4 | 201.3 | 188.9 | 77.2 | 467.4 | 73.2% | 171.8 | 28.8% |
| Lebanon | 2002 | 1,507.5000 | 467.1 | 69.9 | 240.8 | 13.5 | 344.3 | 73.7% | 122.8 | 26.3% |
| | 2003 | 1,507.5000 | 518.3 | 114.4 | 252.5 | 13.5 | 360.4 | 73.7% | 135.9 | 26.3% |
| | 2004 | 1,507.5000 | 582.8 | 124.8 | 264.1 | 19.5 | 408.5 | 70.1% | 174.3 | 29.9% |
| | 2005 | 1,507.5000 | 629.8 | 135.1 | 285.1 | 21.8 | 441.9 | 70.2% | 187.8 | 29.8% |
| | 2006 | 1,507.5000 | 661.8 | 137.7 | 320.1 | 22.0 | 479.8 | 72.5% | 182.1 | 27.5% |
| Libya | 2002 | 1.2295 | 116.3 | 21.1 | 62.3 | 28.8 | 112.2 | 96.5% | 4.1 | 3.5% |
| | 2003 | 1.2054 | 122.5 | 21.8 | 164.5 | 24.8 | 151.0 | 97.1% | 4.3 | 2.9% |
| | 2004 | 1.2900 | 128.8 | 23.8 | 68.4 | 32.6 | 134.8 | 97.0% | 3.9 | 3.0% |
| | 2005 | 1.3569 | 141.4 | 29.3 | 78.2 | 30.1 | 137.5 | 97.3% | 3.9 | 2.7% |
| | 2006 | 1.2705 | 150.1 | 40.7 | 77.1 | 29.9 | 144.7 | 96% | 5.4 | 3.6% |
| Mauritania | 2002 | 269.0000 | 7.7 | 3.2 | 3.0 | 1.5 | 7.7 | 99.9% | 0.8 | 0.1% |
| | 2003 | 263.1960 | 8.9 | 3.7 | 3.5 | 1.7 | 8.9 | 99.9% | 0.8 | 0.1% |
| | 2004 | 264.8100 | 10.1 | 3.7 | 4.0 | 3.4 | 10.1 | 99.9% | 0.9 | 0.1% |
| | 2005 | 271.3000 | 9.7 | 3.5 | 3.6 | 2.3 | 9.6 | 99.9% | 0.9 | 0.1% |
| | 2006 | 271.3000 | 10.5 | 3.8 | 4.2 | 2.5 | 10.47 | 99.9% | 0.9 | 0.1% |

²⁰*For a clearer view and more detail see <http://www.scribd.com/doc/5153685/ARAB-INSURANCE-MARKET-REVIEW-20022006?autodown=pdf>

Microfinance¹⁷

The Microfinance Industry has undergone tremendous change over the past few decades. The Government of Mauritania has realized the importance of this industry and has concentrated

much of its efforts in the development of this sector. With aid from many organizations including the ADB, Mauritania continues to try and improve this sector in order to increase credit towards the poor.

Estimation of potential demand and possibilities of collection (Translated from French)

| | 2002 | 2007 |
|--|---------------|---------------|
| Total Population | 2,775,600 | 3,186,563 |
| Number of Households | 427,015 | 290,240 |
| Poverty Rate | 46.30% | 46.30% |
| Number of Poor Households | 226981 | 197708 |
| Percentage of Poor that can benefit from Microfinance Industry | 60% | 60% |
| Number of Households adhering to IMF | 118625 | 136189 |
| Rate of Potential Borrowers | 40% | 50% |
| Number of Households that are Potential Borrowers | 47450 | 68094 |
| Percentage of MpE | 15% | 20% |
| Percentage of other clients | 85 | 80 |
| Total of Financial Needs in UM | 4,246,770,484 | 6,537,061,552 |
| 200000UM/MPE | 1 423 498 486 | 2 723 775 647 |
| 70000 UM/ Other Clients | 2 823 271 998 | 3 813 285 905 |
| Savings (30 000 UM / follower on average) | 3 558 746 215 | 4 085 663 470 |

The sector consists of three types of institutions: 1) 56 mutual institutions of savings and credit agreed by the BCM(Central Bank) 2) Plans or Programs of development including a shutter micro-credit 3)ONG or intervening associations in the Microfinance industry

The credit offers have the following characteristics: *IMF stands for Microfinance industries and not International Monetary Fund*

Size and object of credits: The credits of a variable sum of 20 000 UM to 300 000 UM serve, in the majority, for financing generative activities of incomes, principally in the areas of trade and jobs productive. Certain credits are however granted for social or consumer needs

Types of guarantees: Guarantees demanded by IMF are principally: blocked or provided savings, pledging (commitment of seizure) and united deposit. Sometimes, for comparatively important financings, IMF demands certain material safety

Length of credits: Granted credits are in general of a length less than 24 months, with a strong proportion of credits being less than 12 months. The preponderance of short-term credits is partly explained by the insufficiency of stable resources

Rate of interest on credit: The shown nominal rates of interest vary between 10 and 25 % a year for most IMF. In reality, the real rate (which takes into account of additional expenses applied to credit and mode of refund) is often well superior to the shown rate

Rate of refund: The rates of refund shown by IMF is comparatively good (95 % on average, according to the relationship on the state to the Microfinance company.)

Products of savings: IMF offers products of savings on sight and in term. The savings on sight which is not remunerated constitute the biggest party of mobilized savings; urgent stores as for them, are remunerated between 3 % and 6 % a year by certain IMF.

Government Bond Market¹⁸:

The Government bond market is comprised of very short term treasury bills sold through an auctioning system. The Central Bank issues treasury bills on behalf of the government in maturities ranging from 8 to 24 weeks

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|----------------------------------|--------|--------|--------|-------|-------|-------|-------|--------|--------|--------|
| Treasury Bill Rate ¹⁹ | 16.160 | 14.160 | 10.930 | 3.138 | 6.013 | 7.648 | 7.220 | 11.840 | 11.500 | 10.430 |

Conclusion

Even though it has undergone tremendous change, Mauritania still remains a developing country. Its reliance on agriculture will prove to be a challenge, as these prices, supply, and demand are all sometimes uncontrolled. However, with the governments new Microfinance initiatives, Mauritania has the potential to become a more self sufficient and reliant country. There needs to be drastic changes in order to improve business freedom and diversify Mauritania's industries as well as lower the higher borrowing rate set by the Central Bank. Finally, in order to further improve the country, Mauritania will need to establish some basic type of stock market and create more opportunities in the bonds market. There are many entrepreneurs and those with a business acumen so creating a stock market will only draw not only domestic but foreign investors as well.

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