



Transcript of podcast with Mame Khary Diène: “Difficulties Present Opportunities for the African Entrepreneur”

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Hello, I'm Bruce Edwards, and welcome to this podcast produced by the International Monetary Fund. In this program: how difficulties can present opportunities for the African entrepreneur.

MS. DIÈNE [soundbite]: *My name is Mame Khary Diène. I am a serial entrepreneur. I am the CEO of Bio essence that I created in 2005. Recently, I created a company named Bio condiments.*

MR. EDWARDS: Pretty much every country in sub-Saharan African has its own set of challenges and opportunities. While the international community has put a lot of resources over the years toward trying to figure out how to best keep the region's economies growing, most Africans would say that Africa's development lies in the hands of its own entrepreneurs.

Mame Khary Diène is one such entrepreneur from Senegal where she found her first business opportunity in the form of seeds from the enormous Baobab tree, the nation's symbol. Diène's Baobab oil is now sought after around the world. She was invited to join a [panel discussion about private investment in Africa](#) during the 2018 IMF/World Bank Spring Meetings, and that's where we sat down to chat.

So, you're here in Washington to talk about investment in Africa, and you're speaking with people from international institutions, and it seems to be a big deal. There's a big focus on trying to attract investment into Africa these days, but the perception is that it's very difficult to do business in Africa. Do you think it's difficult to do business in Africa?

MS. DIÈNE: I can understand why people say that it is difficult because the challenges are huge, and people are not used to what is happening in Africa. First, there is a lack of information, and sectoral information especially. When you want to go into a market, it is very difficult to find the accurate information. So, this means that you have to invest while piloting with blind eyes.

MR. EDWARDS: So, there is a lack of data is what you are saying.

MS. DIÈNE: Exactly. A lack of data. And, the second thing is, usually when you talk about investment, especially in the agricultural sector, in the rural areas, there is a lack of

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infrastructure. Even in the cities, it can be a lack of energy, or electricity. So, these are very challenging for not only foreign entrepreneurs, but also for local entrepreneurs. But, I do believe that things are quickly changing, and we saw with some African countries that it is possible to develop from scratch. It is possible because the resources are here, and Africa really gives good returns on investment.

So, sometimes the sense of risk is polluted by the image given about African countries, because usually when we talk about Africa, we don't know that it's a land where you have most of the resources of the world, but that it's more about wars, criminality, and disease. No, it's not only that.

Today, you have very dynamic economies. As I used to say, where people see difficulties, entrepreneurs see opportunities. So, everything has to be built in terms of productive agriculture. We have such a biodiversity that is still virgin of human manipulation, and for me, it's an opportunity to develop niche products and niche markets.

MR. EDWARDS: So, this is one of the things that you took advantage of in Senegal—the availability of agricultural land, and natural products from the land. Given all these things that you just mentioned—not least the public perception that it's difficult to do business in Africa—why has your business been so successful?

MS. DIÈNE: As I said earlier, my inspiration came from an opportunity for the international market. So, at the very beginning, I knew that I wanted to develop products that should meet the quality standards of the international market. It was challenging, and it is still challenging. But, I think that Africa cannot be the exception of non-quality of the world, because consumers everywhere need quality—even African consumers. Today, we cannot only depend on other countries in terms of textile, in terms of food, and—this one is really unacceptable—in terms of health. So, these are opportunities for entrepreneurs to do some research, and to invest in those sectors.

MR. EDWARDS: You focused on trying to export your products to markets in the United States and in Europe, but is there a market within Africa? Is there a significant and substantial market that entrepreneurs could be looking at?

MS. DIÈNE: There is a huge market. If you look at the balances of trade, you will be really amazed because we are importing everything, which means that if you invest locally, you will have a business advantage because the prices will go lower. You will use the local labor and the resources that are available there. So, normally your prices should be lower.

And, we can open the market sufficiently, which means that we can integrate the markets and trade regionally. For instance, let's look at Senegal, or Mali, or Mauritania, or Gambia—countries with which we share borders. Instead of importing tomatoes from Europe, we can produce tomatoes in Senegal. This is not even sufficient because we are using moss concentrate coming from abroad. So, developing cultures of tomatoes in Senegal and transforming them locally, and selling to Mali and other countries is possible.

Sometimes, there are resources in other countries that we need. For instance, rice, which we are importing from Asian countries. But, we have the land here. Other countries like Guinea make their own rice. We [Senegal] are trying to do it right now. So, there are opportunities, especially when it comes to food, what we wear, and where we live. These are all opportunities in Africa.

MR. EDWARDS: You mentioned something in the panel discussion about how certain countries close borders to certain types of products at certain times of the year to encourage local products. Some people would perceive that as a protectionist approach. Do you believe that, to a certain extent, you need to protect your local products to expand the markets?

MS. DIÈNE: Sometimes, letting everything go, depending on the circumstances, you cannot do that. Africa needs protection because more and more, we are dependent on many countries, especially in West Africa. Our reserves of money are in France, which is unbelievable. We are dependent, as I told you, in terms of food, health, textiles, and so on. So, if we want those products to be developed locally, we cannot fight multinationals. We cannot fight people who come with a lot of money. If we want to encourage local production, and encourage the SMEs ...

MR. EDWARDS: SMEs being?

MS. DIÈNE: Small and medium enterprises. You cannot have a country develop without the SMEs. And, you cannot have also a country develop going directly from agriculture to services, and forgetting about industry. In Africa, we are used to consuming what is grown, and eating fresh. And, eating fresh means we are dependent on the climate. Everyone knows that the climate is changing. Climate change is really an issue.

MR. EDWARDS: So, tell me why Senegal needs to import mango butter from the United States, given that there are so many mangoes in Senegal.

MS. DIÈNE: The mango butter is made from the seeds of the mango. We import it because we don't do anything with our seeds; we just throw them away. As we were throwing away the Baobab seeds. But now, we are successfully transforming the Baobab seeds into Baobab oil, which is a very good product, and selling can multiply revenues by 10. And, I think that for mango we should do the same. For so many products, there are opportunities.

African young people are so dynamic, and so willing. We have something like 65 percent of the population less than 25 years old, and 55 percent of the population less than 18 years old. African people are young people! So, what will we do? The governments cannot create all employment. The SMEs should create some employment. We have to try to help our young people to be willing in terms of startups and to be creative, instead of focusing only on migration policies.

MR. EDWARDS: Speaking of policies, there was a lot of focus in these meetings around the gathering interest in investment in Africa. The large multinational institutions like the IFC,

the World Bank, and the IMF—do you think they are focusing on the right things to encourage investment? Do they understand what drives business in Africa?

MS. DIÈNE: I heard the person from the IFC today in the panel, who said that for the very first time—since starting five years ago—they understood that you cannot stay in Washington DC if you want to have data on Africa. Now, they are investing in having local people do the research they need. And, they understand now that the private sector is not only multinationals. There is a local private sector. There is even a foreign private sector that can be small or medium, and we are expecting that they will focus on the right areas in which to invest. Because, huge companies are all targeting very quick returns on investments, and it will be on products such as oil, or gas, or gold.

MR. EDWARDS: Or large infrastructure projects.

MS. DIÈNE: Yes, or large infrastructure projects. Whereas, SMEs will be in more agricultural industries, services, and new services with new technologies, so this is the focus. I'm very happy that these big institutions are starting now to understand that the private sector is different, and that the local private sector must be developed. Otherwise, what will happen?

For instance, today, Nigeria has one hundred and something million people. And, this is one of the most populated countries in Africa. What will happen by 2050? They will become 400 million people. And, by the end of this century, there will be almost one billion people. What will happen if those people, young as they are, arrive unskilled on the market without education? It's violence. It's because they won't stay to die. They will do whatever it takes to go to the US, to Europe, etcetera. Migration, and violence, and war, and so on—it means that there is no other way. Now the world is absolutely linked. It's a global thing. We are all in the same boat.

MR. EDWARDS: Mame Khary Diène is a self-proclaimed, serial entrepreneur from Senegal. You can watch the webcast at the 2018 IMF World-Bank Spring meeting seminar about private investment in Africa at imf.org. You can also find the latest [*Regional Economic Outlook for Sub-Saharan Africa*](#), which includes an entire chapter on private investment. And, if you liked this podcast, subscribe on iTunes, or on your favorite podcast app to search for "IMF podcasts." You can now also follow us on Twitter: @IMF_podcast.

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