Challenges For Latvian Entrepreneurs, Exporting To West Africa

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Abstract: Present article examines challenges Latvian entrepreneurs encounter when seeking to expand into West African markets. Based on qualitative interviews with regional diplomats, scholars, and business experts, several challenges were identified as well as some aspects of current economic and industrial conditions of West African market. A scenario-based framework was elaborated as a practical guide for entrepreneurs. The framework highlights essential methods for overcoming export barriers, adapting products and behavior to local challenges with goal to develop long-term partnerships with West African counterparties.

Key Words: West Africa, Latvia, entrepreneurship, challenges

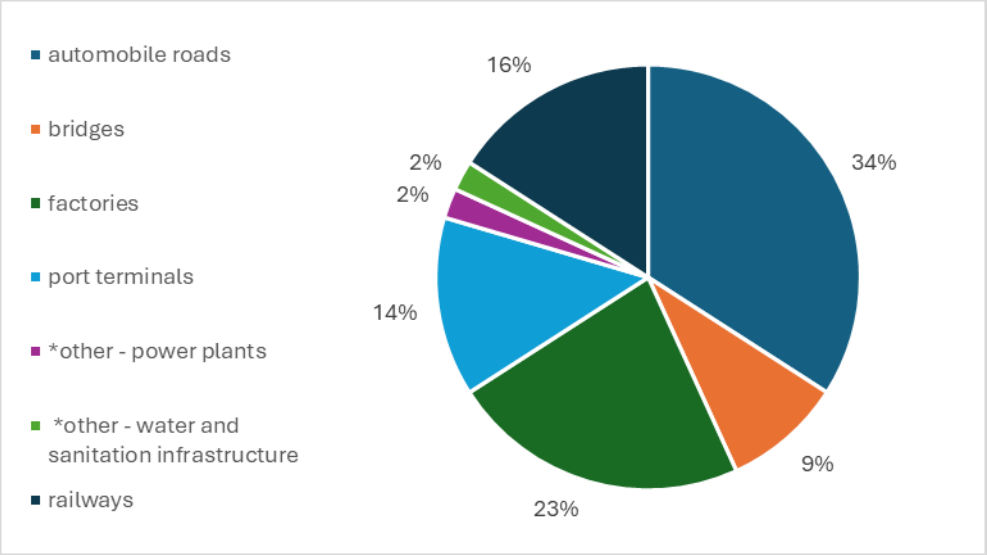
1. INTRODUCTION

When a Latvian entrepreneur contemplates entering the West African market, a lot of challenges of different become central. A qualitative study, based on interviews with West African diplomats, academics, and experts, revealed following key challenges, that characterize regional business culture and obstacles to deal with for Latvian entrepreneur:

- Port congestion and limited handling capacity (major ports may experience congestion, limited container-handling equipment, and procedural bottlenecks, affecting import/export timelines);
- Inefficient inland transport corridors and seasonal road accessibility issues (road and rail links between ports and country sides can be underdeveloped, increasing transit time and transport costs);
- Warehouse quality and standards gaps (modern warehousing with inventory management systems may be scarce outside capital cities);
- Unreliable electricity grid stability (frequent outages and voltage fluctuations can affect manufacturing, IT operations, and storage facilities);
- Limited industrial zones with full utilities (fully serviced industrial parks (water, power, waste treatment, security) are not always widely available);
- Broadband and digital connectivity gaps (outside major urban centers, internet speed and reliability may be inconsistent, affecting digital operations and cloud-based systems);
- Limited specialized logistics service providers (advanced third-party logistics providers with EU-level compliance, tracking, and risk management standards may be limited);
- Waste management and environmental infrastructure deficiencies (recycling systems, hazardous waste treatment, and environmental compliance infrastructure can be underdeveloped, complicating ESG-aligned operations);
- Payment delays and liquidity constraints;
- Currency and financial system constraints (several countries use the CFA franc));
- Infrastructure gaps (transport, logistics, electricity reliability, and port efficiency may present operational bottlenecks).

A geographical distance and cultural difference between Latvia and African continent gave a negative impact on the accessibility of the data and interviews' respondents response rate. Africa, being a difficult field for academical researches itself (Fayomi, et al., 2018) with not vast Internet access (sometimes the respondents were forced to go to work office to have better Internet connection for the interview or to go to the city from the work site at the outskirts became a field of ”hard-to-reach" appropriate qualitative respondents. Lot of sources emphasize difficulties of hard-to-reach populations, that correspond to either to impossibility to construct the sampling frame or to too expensiveness of obtaining the results and describes such respondents as those who are not easily motivated to participate (Goodman, 2011; Fomby, et al., 2017).

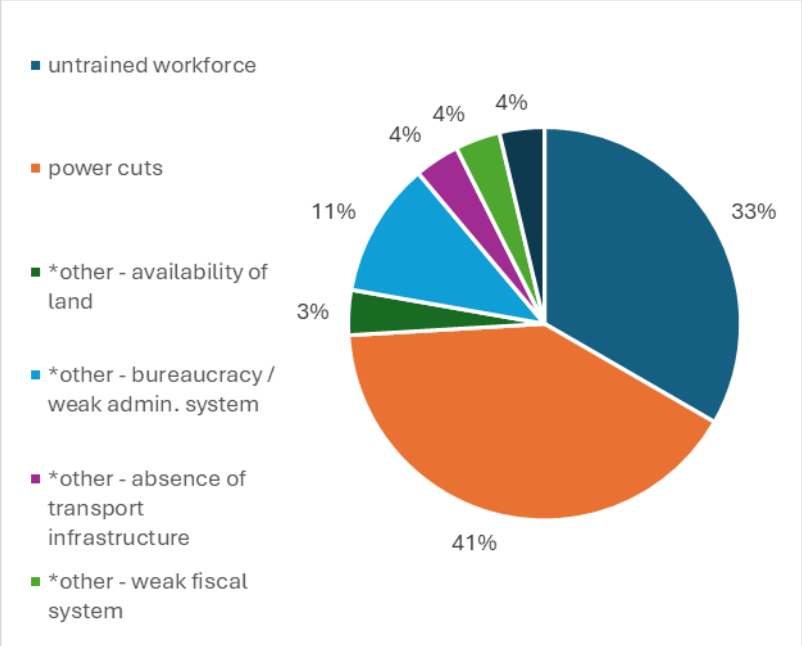
Figure 1. Findings of most necessary infrastructure objects to be built in Senegal, Guinea, Ivory Coast, Togo, Benin, Cameroon, DRC, Gabon, Congo (Brazzaville) in 2024-2026



Source: Construction by authors based on research data

As shown on Figure 1 – most necessary infrastructure objects to be built correspond to automobile roads what is mostly due to large population of these countries, high mobility of people and poor quality and number of connection ways – automobile roads and railways. Another factor – factories, an infrastructure object that adds value to raw materials and initial "zero phase" resources. Other necessary objects were named sea ports' terminals – this is due coast and sea border crucial role in African trade, and observing the development of countries, respondents have named this object.

Figure 2. Findings of main obstacle to launch a factory in Senegal, Guinea, Ivory Coast, Togo, Benin, Cameroon, DRC, Gabon, Congo (Brazzaville) in 2024-2026



Source: Construction by authors based on research data

As shown on Figure 2, main obstacle to launch a factory is power cuts. This was explained with problem of old electrical cable network, that wasn't renewed and updated lately and also simultaneously with growing population and growing demand on electricity consumption. Another mentioned obstacle was untrained workforce, what can be observed in many sectors and bureaucracy / weak administrative system. It is mostly related to some old-schools approach to economics and sometimes also with general education level.

Based on these challenges, a scenario framework is suggested to guide Latvian entrepreneurs in establishing effective and sustainable business communication with West African counterparties.

2. THEORETICAL BACKGROUND

Scenario-oriented approaches are employed in the social sciences when processes must be designed for situations that are complex, not readily transparent, and cannot be reduced to simple step-by-step procedures or checklists (Clark, et al., 2012). A scenario makes it possible to investigate several interrelated questions simultaneously and offers a structured way to address "what if" considerations (Singal, 2018).

In the present work, hypothetical scenario serves as a broad conceptual framework, offering an overarching view of the principal elements involved in overcoming some of West African challenges. The specification of particular measures is intentionally left to individual Latvian firms, each operating within its own industry context and strategic pathway. To enhance realism, the scenario was grounded in existing management practices, behavioral norms, and accessible information, thereby mitigating hypothetical bias through contextual alignment.

Multiple methodological traditions guide scenario construction. Some advocate first identifying key driving forces and major trends—social, technological, economic, environmental, and political—and then building a narrative around their interaction (Ogilvy, 2011). When rigorously developed, a coherent set of scenarios can function as a strategic instrument for influencing future developments. Recent advancements in scenario methodologies are increasingly connected with artificial intelligence and machine learning. These include contextual scenarios for assessing Internet of Things strategies (De Silva, et al., 2025), "few-shot" scenario design in prompt engineering and related few-example learning frameworks (Xiao, et al., 2025), AI-supported scenario generation (Sivamayilvelan, et al., 2025), and other emerging technological applications.

3. SCENARIOS FOR LATVIAN ENTREPRENEUR TO DEAL WITH WEST AFRICAN CHALLENGES

First scenario: on-line services and digital solutions

Main idea of this scenario is that Latvian entrepreneur provides first on-line services, related to its main Metal Industry business to potential West African customers. Meaning before full-scale exporting of products, an entrepreneur first tries the market through on-line services or digital solutions. Some examples from Latvian entrepreneurs to potentially propose to Africans, based on findings: consulting in agriculture sector (production, proceeding, conservation; fertilizers; consulting on food processing equipment and technologies, etc.); consulting and engineering design services in infrastructure demands and projects; repairing services on site of already operating heavy machinery and transportation machines; audit and inspection services; educational services and programs of different level, etc. Latvian entrepreneur will still need to do on-site visits, personally come to see on-site situation and make contacts on networking events, however in a much more infrequent was, so this may be considered as one of advantages of such scenario. Another advantages are following: Latvian entrepreneur avoid risk of payments' frauds from African side – or this risk becomes much better controllable as on-line and digital expertise is much easier to split in scheduled milestones, more control rests to the end of the project on Latvian side; diminish number of local agents, partners, representatives to be paid for dealing with local African stakeholders; avoid custom fees on the border and multiple logistics procedures and documentations, and avoid related costs; Latvian entrepreneur most probably will deal with younger generation's representatives or progressive persons as customers of on-line and digital solutions in Africa may be mostly of such social status.

Disadvantages are following: on-line services and digital solutions may be more difficult to sale, African customer buys more willingly material products and frequently aren't ready to pay for consulting or the prices of such services may be lower that generally in Europe (e.g., on-line Internet teaching courses on how to become an on-line consultant in Cameroon costed ~14.00 EUR, Autumn 2025); such proposed marketing strategy may not allow to understand and discover local African specificity of doing business as selling prices of on-line services and digital solutions are significally lower then of products, by that Latvian entrepreneur automatically will deal with relevant segment of customers that may be less involved in big-scale projects with larger amounts; competition with Estonian companies in the field of digital solutions, e-governance platforms, on-line signatures, on-line live state borders controlling systems, and other similar electronic services.

Second scenario: tangible products, Metal Industry's material goods

Main idea of this scenario is that Latvian entrepreneur produces and ships Latvian products and goods to potential West African customers. Here the focus is on full-scale exporting activities, sales, shipment, installation of tangible products, material goods. Some examples from Latvian entrepreneurs to potentially propose to Africans, based on findings: processing equipment for agriculture sector, automotive machines for agriculture sector; supply of all different types of machinery for bulk transshipments in ports, mines; supply of different types of generators and/or renewable energy equipment (e.g., solar panels) for autonomic energy provision; equipment for different factories (e.g., equipment for metal processing, also used equipment ("second-hand") can be offered), etc. Advantages of such scenario are following: Latvian entrepreneur with the first project passes through whole market entry barriers and local market's difficulties, so in the end he acknowledges full-picture, that corresponds to his specific product and his specific company on West African market, and by that the entrepreneur is capable to make a balanced decision to continue or not on this market. In addition, Latvian entrepreneur most probably will deal with high-rank African counterparties, of conservative traditions, most frequently of older generation that will allow to make a fuller impression of the market and will complete the balanced decision. Another advantage is that tangible products and material goods are sometimes easier to sell as potential customer may better feel the purchase and also show it to stakeholders or interested person (e.g., to electorate if the customer is governmental institution; to business network for future distribution, etc.). One another advantage is in opportunity to avoid some strong competition if marketing strategy is chosen and built correctly – as findings revealed, Latvian entrepreneur may position its business as "of equally good quality as West European products (e.g., German or French), but at lower prices" and still provide "made in EU" marking of the product.

Disadvantages are following: frequent on-site visits for communication and control; higher risk of payments' frauds from African side due to nature of business of tangible products and material goods – last payments after shipment that may evoke frauds; the necessity to pass through whole procedure of custom fees on the border and multiple logistics documentation with relevant additional costs and hassle.

CONCLUSIONS

1.Scenario-based approaches help entrepreneurs navigate environments where straightforward checklists are ineffective, by anticipating different outcomes and preparing for "what if" situations.

2. Latvian entrepreneurs are advised to adjust products and services to fit West African challenges (e.g., unstable electricity, lower education levels, long negotiation practices), and prepare to address objections rooted in differences of scale, governance, culture and infrastructure conditions.

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