ANNEX 2

SENEGAL

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APPENDIX TABLES

I. ECONOMIC ENVIRONMENT

(1) MAIN FEATURES[1]

1. Senegal lies on the west coast of Africa and covers an area of 196,000 km^2, with a population estimated at nearly 12 million in 2008 (Table I.1), of whom 64 per cent are below the age of 25; the birth rate is about 2.5 per cent per annum. The urbanization rate rose from 41 per cent in 2002 to 47 per cent in 2007. The capital Dakar, with about 2.5 million inhabitants, remains Senegal's most highly populated city and main economic centre. The centre of the country, the groundnut basin, is one of the other main regions of population concentration (some 35 per cent of the total). The young age of the population and limited employment possibilities explain the scale of rural exodus and subsequent emigration to other countries, as evidenced by private transfer flows (Table I.2).[2] The unemployment rate remains high, especially in urban areas, at about 14 per cent in 2007 (Table I.1).

2. Senegal acquired "Least Developed Country (LDC)"[3] status in 2001. According to the latest definitive data from the *Agence nationale de la statistique et de la démographie* (National Statistics and Demography Agency), per capita income was estimated at US$883 for 2007. Senegal ranks 156th out of 177 countries according to the UNDP human development index (2007-2008), on the basis of 2005 data.[4] Services account for about 53 per cent of GDP and constitute the main sector of activity, growing in overall importance (Table I.1). The agricultural sector's share of GDP fell from 13.7 per cent in 2003 to 11.3 per cent in 2007; however, traditional farming practices continue to make this sector the principal employer with approximately 56 per cent of the active population. At about 17.7 per cent of real GDP, the manufacturing sector's contribution remains modest, while that of the mining and energy sector remains small, below 4 per cent (Table I.1). The informal sector is still large in Senegal, being estimated at 44.5 per cent of GDP.

Table I.1
Selected macroeconomic indicators, 2003-2008

	2003	2004	2005	2006	2007	2008[a]
Miscellaneous						
Population (millions)	10.3	10.6	10.9	11.2	11.5	11.9
Gross secondary schooling enrolment rate (per cent)	18.0	20.0	22.1	..	..	..
Life expectancy at birth (years)	61.9	62.2	62.5	62.8	63.1	..
GDP per capita at current prices (US$)	664.7	757.0	798.4	834.5	978.7	..
Real GDP growth rate (per cent)	6.7	5.9	5.6	2.4	4.7	5.3
Unemployment rate[b] (per cent)	..	16.0	16.0	15.0	14.0	..
Terms of trade (annual variation, per cent)[c/d]	-1.4	-2.6	-2.0	10.7	-6.8	2.6
Gross official reserves (end of period - US$ billions)	1.0	1.3	1.3	1.3	1.5	2.0
Gross official reserves[c] (in import months, goods and services, not including factor incomes)	4.5	4.8	4.1	3.8	3.8	3.8
Service of public external debt as a percentage of exports[e]	8.3	7.4	5.6	4.2	4.6	2.9

[1] ADSN (2008).
[2] Senegal is among the main countries receiving transfers of funds from emigrants in sub-Saharan Africa. ILO (2005).
[3] Government of Senegal (2001).
[4] UNDP (2008), Table 1 - Human development indicators.

	2003	2004	2005	2006	2007	2008[a]
Breakdown of GDP by sector			Percentage of GDP			
Agriculture, livestock, forestry, fisheries	13.7	13.2	13.9	12.5	11.3	12.4
Industry	21.5	21.5	20.9	20.6	20.8	19.8
Mining and energy	3.8	3.7	3.5	3.3	3.4	3.5
of which: electricity, gas, water	2.5	2.4	2.4	2.5	2.6	2.7
Manufacturing sector (incl. construction)	17.7	17.8	17.4	17.2	17.5	16.3
Services	52.0	52.7	52.7	54.4	55.4	55.6
of which: wholesale and retail trade	17.4	17.1	16.5	16.5	16.5	16.6
transport, warehousing, communications	8.9	9.8	10.6	11.9	12.9	13.4
National accounts			Percentage of GDP			
Public final consumption	12.4	12.4	12.3	12.7	12.9	12.4
Private final consumption	78.0	76.9	76.5	78.1	78.3	79.1
Gross fixed capital formation	22.1	22.8	22.9	25.7	27.4	27.4
Variation in stocks	-2.4	-4.1	-1.0	-4.3	-5.8	-5.2
Exports of goods and services	26.4	26.7	25.8	23.7	22.3	20.9
Imports of goods and services	36.5	34.6	36.4	35.9	35.1	34.6
Gross national savings[c] (percentage of GDP)	17.8	19.9	21.8	20.3	20.5	18.2
Gross domestic savings[c] (percentage of GDP)	11.8	13.4	14.1	12.2	10.7	9.4
Prices and interest rates						
Inflation (CPI, percentage change)[f]	-0.1	0.5	1.7	2.1	5.9	6.1
Term deposits (millions of US dollars)[g]	764.1	1,030.5	1,112.0	1,231.6	1,467.9	1,682.6
Interest rate (deposits, annual average, percentage)	3.50	3.50	3.50	3.50	3.50	3.50
Discount rate (end of period, annual percentage)	4.50	4.00	4.00	4.25	4.25	4.75
Average loan interest rate (December of each year)	8.7	11.7	11.8	11.3	..	..
Monetary aggregates (end of period)						
Base money (percentage of GDP)	20.9	20.9	21.0	22.5	23.4	12.6
Money supply including quasi-money (percentage of GDP)	32.0	33.8	33.7	35.6	36.4	33.5
Lending to the economy[c] (percentage change)	14.3	9.2	24.5	4.2	10.7	11.0
Exchange rates						
CFAF/US$1 (annual average)	581.2	528.3	527.5	522.9	479.3	447.8
Real effective exchange rate (end of period, percentage variation)[h]	2.5	0.1	-1.3	-0.2	4.6	..
Nominal effective exchange rate (end of period, percentage variation)[h]	5.2	2.2	-0.3	0.2	1.4	..
Public finances	20.0	20.4	20.8	21.2	22.8	22.4
Revenues and grants	18.1	18.3	19.2	19.7	20.3	20.2
Total revenue	17.0	17.4	18.5	18.8	19.3	19.4
Tax revenue	21.3	23.5	23.8	27.2	26.5	25.7
Total expenditure and net loans	13.3	13.1	13.8	16.9	16.0	16.6
Total current expenditure	8.0	10.0	10.3	10.3	10.6	9.2
Capital expenditure and net lending	8.5	9.7	9.9	9.7	10.5	9.2
Capital expenditure	-3.3	-5.2	-4.7	-7.2	-5.9	-5.5
Overall fiscal balance (commitments basis, excluding grants)	-1.3	-3.1	-3.0	-5.7	-3.5	-3.3

	2003	2004	2005	2006	2007	2008[a]
Overall fiscal balance (commitments basis, including grants)	1.4	3.2	3.0	5.7	3.5	3.3
Financing	-0.3	-0.2	-0.6	3.2	1.2	1.1
Domestic funding	1.7	3.4	3.5	2.5	2.3	3.3
External funding	-0.1	-0.1	0.1	-0.1	0.0	-1.1
Errors and omissions	20.0	20.4	20.8	21.2	22.8	22.4

.. Not available

a Projections
b The 2006 and 2007 data are projections.
c The 2007 figure is an estimate.
d The minus sign (-) indicates depreciation.
e After relief under the HIPC initiative and the MDRI (from 2006 onwards).
f Annual averages.
g The 2007 figure is an estimate, and the 2008 one a projection.
h The minus sign (-) indicates a depreciation, (Index 2000=100).

Source: ADSN (2008), *Situation économique et sociale du Sénégal*, October. Viewed at: http://www.ansd.sn/publications/annuelles/ SES_2007.pdf; African Development Bank (2008), *Selected Statistics*; ADSN online information, "Note d'Analyse des Comptes Nationaux du Sénégal". Viewed at: http://www.ansd.sn/publications_CompteNat.html; IMF (2006), *Senegal: Third and Fourth Reviews Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility and Request for Waiver of Performance Criteria--Staff Report; Press Release; and Statement by Executive Director for Senegal*, Country report No. 06/127, March; IMF (2007), *Senegal: Poverty Reduction Strategy Paper*, Country Report No. 07/316, September; IMF (2007), *Senegal: Request for a Three-Year Policy Support Instrument - Staff Report; Staff Statement; Press Release on the Executive Board Discussion; and Statement by the Executive Director for Senegal*, Country Report No. 07/358, November; and IMF (2008), *Senegal: Staff Report for the 2008 Article IV Consultation, First Review Under the Policy Support Instrument, and Request for Waiver of Assessment Criterion and Modification of Assessment Criteria - Staff Report; Staff Supplement; Staff Statement; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for Senegal*, Country Report No. 08/209, July.

Table I.2
Balance of payments, 2001-2008
(US$ million)

	2001	2002	2003	2004	2005	2006	2007[a]	2008[b]
Balance of current transactions	-212.8	-297.0	-421.5	-486.5	-673.0	-870.2	-1,191.4	-1,641.3
Balance of goods	-425.6	-538.0	-808.7	-986.2	-1,310.0	-1,583.5	-2,249.3	-2,918.7
Exports (f.o.b.)	1,002.7	1,066.0	1,257.7	1,510.5	1,577.3	1,593.1	1,671.3	2,255.4
Imports (f.o.b.)	-1,428.3	-1,604.0	-2,066.4	-2,496.8	-2,889.3	-3,176.6	-3,920.6	-5,171.9
Services and income (net)	-91.4	-132.0	-149.7	-147.6	-132.7	-124.3	-129.4	-2.2
Credits	465.2	523.7	688.2	827.2	982.1	979.2	1,105.9	1,364.4
of which: tourism	174.6	189.4	..	..	..	..	..	..
Debits	-556.6	-655.7	-837.9	-973.0	-1,112.9	-1,103.5	-1,235.2	-1,366.7
of which: interest on public debt	-34.1	-51.7	-70.5	-77.6	-68.3	-68.8	-50.1	-53.6
Unrequited current transfers (net)	304.2	373.0	536.8	647.4	767.8	835.7	1,189.3	1,277.3
Private (net)	236.0	275.5	414.7	511.1	646.5	782.2	1,030.7	1,103.2
Public (net)	68.2	97.6	122.2	136.3	123.2	53.5	158.6	174.2
of which: budget grants	0.0	2.9	32.7	36.0	22.8	17.2	100.2	75.9
Capital and financial operations account	297.4	453.4	789.7	531.9	443.6	979.2	1,297.8	1,578.8
Capital account (net)	116.0	94.7	115.3	140.1	130.8	2,360.0	379.7	238.9
Private capital transfers	2.7	8.6	12.0	7.6	11.4	11.5	14.6	17.9

	2001	2002	2003	2004	2005	2006	2007[a]	2008[b]
Project grants	84.6	86.1	103.2	132.5	119.4	122.4	179.4	221.1
Debt cancellation and other transfers[c/d]	28.6	0.0	0.0	0.0	0.0	2,224.2	185.7	0.0
Financial operations account (net)	181.4	357.3	674.5	391.8	312.8	-1,380.8	918.1	1,339.9
Direct investment	39.6	44.5	49.9	64.4	53.1	210.4	356.8	605.2
Portfolio investment	13.6	2.9	22.4	-28.4	26.5	-21.0	54.2	-6.7
Other investment	128.2	311.3	602.2	355.9	233.2	-1,570.1	507.0	741.4
Public sector (net)	75.0	61.7	31.0	60.6	62.6	-1,946.9	237.9	422.1
of which: payments	159.6	173.6	156.6	297.2	292.0	281.1	325.5	513.6
amortizations	-84.6	-113.3	-127.3	-240.4	-231.3	-2,229.9	-112.7	-91.6
Private sector (net)	55.9	183.6	228.8	244.2	159.3	330.9	417.3	319.3
Errors and omissions	-2.7	66.0	340.7	51.1	11.4	45.9	-148.1	0.0
Overall balance	84.6	156.4	368.2	45.4	-231.3	109.0	106.4	-62.5
Financing	-84.6	-156.4	-368.2	-45.4	231.3	-109.0	-106.4	20.1
Net external assets (BCEAO)	-98.2	-101.9	-368.2	-238.5	-17.1	-158.7	-156.5	-4.5
Bank money	-12.3	-80.3	-68.8	0.0	49.3	-70.8	6.3	-22.3
Payment arrears (reduction (-))	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional financing	25.9	25.8	68.8	191.2	199.1	120.5	43.8	46.9
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.4
Indicators (percentage)								
Balance of goods/GDP	-9.3	-10.8	-11.8	-12.3	-15.1	-17.1	-19.9	-21.8
Current account balance/GDP	-4.7	-6.0	-6.1	-6.1	-7.7	-9.4	-10.7	-12.3
Overall balance/GDP	1.9	3.1	5.4	0.6	-2.7	1.2	1.0	-0.5

.. Not available.

a Estimates.
b Projections.
c Includes the proceeds from the sale of a telecommunications licence to a Sudanese operator for the sum of 200 million dollars.
d Until 2005, the debt relief granted by the IMF under the HIPC initiative is accounted for as grants and that granted by the World Bank.

Source: IMF (2006), *Senegal: Third and Fourth Reviews Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility and Request for Waiver of Performance Criteria--Staff Report; Press Release; and Statement by Executive Director for Senegal, Country report No. 06/127, March; IMF (2007), Senegal: Poverty Reduction Strategy Paper*, Country Report No. 07/316, September; IMF (2007), *Senegal: Request for a Three-Year Policy Support Instrument - Staff Report; Staff Statement; Press Release on the Executive Board Discussion; and Statement by the Executive Director for Senegal*, Country Report No. 07/358, November IMF (2008), *Senegal: Staff Report for the 2008 Article IV Consultation, First Review Under the Policy Support Instrument, and Request for Waiver of Assessment Criterion and Modification of Assessment Criteria - Staff Report; Staff Supplement; Staff Statement; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for Senegal, and IMF (2009), Third Review Under the Policy Support Instrument and First Review and Augmentation of Access Under the Exogenous Shocks Facility - Staff Report; Staff Supplement; Staff Statement; Press Release on the Executive Board Discussion; and Statement by the Executive Director for Senegal*, Country Report No. 09/5, June.

3. As a WAEMU member, Senegal shares a common currency with the other member states, as well as several economic policy components, including monetary and exchange policies (joint report, Chapter I(2)).[5]

[5] Senegal accepted Article VIII of the IMF Articles of Agreement on 6 June 1996.

(2) RECENT ECONOMIC DEVELOPMENTS[6]

4. Since its last TPR in 2003, Senegal has pursued its economic development and poverty reduction policy. The Poverty Reduction Strategy Paper (PRSP) adopted in 2002 is pursuing the Millennium Development Goals set for 2015, and in particular to halve the incidence of poverty (Chapter II(2)):[7] it was reduced from 57 per cent in 2000 to 46 per cent in 2006. Since 2007, Senegal has also set itself the ambition of becoming an emerging country, the main aim of the accelerated growth strategy (AGS) being to achieve average annual growth of 7-8 per cent, in particular by means of a public and private investment rate of 30 per cent of GDP annually.[8]

5. With the IMF, Senegal acceded to the triennial economic policy support instrument (EPSI) in November 2007[9], and concluded a one-year agreement in December 2008 (extended from 12 to 18 months after the third review) under the exogenous shocks protection facility.[10] Senegal obtained cancellation of about half its external debt in the context of the Heavily Indebted Poor Countries (HIPC) Initiative[11], and subsequently of the Multilateral Debt Relief Initiative (MDRI).[12] As a result, its external debt fell from a peak of CFAF 2,530 billion at the end of 2001 to CFAF 968 billion at the end of 2007. Moreover, public development aid finances about half of public investment, or the equivalent of one quarter of the State's total annual budget[13], making Senegal one of the main aid recipients in sub-Saharan Africa.[14]

6. The various strategies and initiatives enabled Senegal to record an average annual growth rate in real GDP of 4.7 per cent over the period 2003-2007, slightly higher than the 4.7 per cent average for the period 1994-2002. This result is mainly due to the good performance of the services sector, while the contribution of the agricultural and manufacturing sectors was limited. Services have been the most dynamic sector since 2002, with annual growth rates between 5.7 and 7.2 per cent, owing to the boom in telecommunications, trade and transport services. From 2005 onwards, the difficulties of the *Société africaine de raffinage* (SAR) and of the *Industries chimiques du Sénégal* (ICS) have weakened manufacturing activity, which has reduced this sector's contribution to growth. Informal manufacturing activity would seem to be more dynamic than formal activity, which is dominated by State-owned or recently privatized enterprises.

7. According to IMF estimates, growth fell from 4.7 per cent in 2007 to 2.5 per cent in 2008, firstly because of the impact on demand of much higher food and energy prices during the period 2006-2008, and also because of the build-up of serious payment arrears to the private sector. These

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[6] ADSN (2008); IMF (2009a); WAEMU (2008).

[7] The PRSP, adopted in October 2006 for the period 2006-2010 follows on from PRSP I which covered the period 2003-2005. These documents were viewed at: http://www.finances.gouv.sn/espace_secteur_prive test.php?id=6&smnu=59&file=Stratégie%20de%20Réduction%20de%20la%20Pauvreté [20 February 2009].

[8] The two components of the AGS are the creation of an international class business environment, and the promotion of growth-inducing clusters (agriculture and agro-industry; marine and aquaculture products; textiles-clothing; ITC and teleservices; tourism, culture industries, craft products.

[9] IMF (2007b).

[10] IMF (2009).

[11] Press Release No. 04/78, "IMF and World Bank Support US$850 million in Debt Service Relief for Senegal", 19 April 2004. Viewed at: http://www.imf.org/external/np/sec/pr/2004/pr0478.htm [13 May 2009].

[12] Press Release No. 05/302, "IMF to Extend 100 Percent Debt Relief to Senegal Under the Multilateral Debt Relief Initiative", 23 December 2005. Viewed at: http://www.imf.org/external/np/sec/pr/2005/pr05302.htm [13 May 2009].

[13] World Bank (2006).

[14] French Embassy in Senegal (2005).

delayed payments particularly affected activities in the construction and public works sectors (4.8 per cent of GDP in 2007).

8. Household consumption as a percentage of GDP rose from 75.8 per cent in 1999 to 79 per cent in 2002, and then fell back to 78.3 per cent in 2007, while public consumption remained relatively stable (between 12.3 and 12.9 per cent over the same period). Total investment (public and private) increased substantially (Section 3(ii)).

9. Since 2000, Senegal's fiscal policy has aimed at achieving a basic surplus each year (one of the WAEMU's prime convergence criteria). In 2003, the basic fiscal balance was almost nil, then moved to -0.8 per cent of GDP in 2004, -4.2 per cent in 2006, -2.2 per cent in 2007 and -3.1 per cent in 2008. The deficits are due mainly to uncontrolled increases in expenditure: total receipts (excluding grants) were 18.3 per cent of GDP in 2004 and 20.3 per cent in 2007, while expenditure rose from 23.5 per cent of GDP to 26.5 per cent in 2007. This increase in expenditure is accounted for by the introduction of large consumer subsidies for energy and food in 2007 and 2008. Spending under the ambitious public investment programme was not reined in until well into the year 2008. However, the food subsidies were abolished in October 2008 and the authorities undertook to abolish those to butane gas by the end of June 2009.[15] Rising prices on international markets since 2006 had led to poverty-reduction measures, including the suspension of VAT and customs duties on gas (with WAEMU agreement).

10. Furthermore, payment arrears of the government to the private sector, estimated at CFAF 174.9 billion (3 per cent of GDP) at the end of October 2008, have had a snowball effect on expenditure growth and failure to control deficits since 2006, because they have to be financed from subsequent financial years. The Government's current objective is to bring the deficit down to 3 per cent of GDP in 2009 (with a medium-term objective of 4 per cent), in order to clear outstanding payments. An independent external audit is planned for this purpose. It has also undertaken not to accumulate arrears of internal payments within the meaning of the WAEMU definition, to limit the backlog of outstanding payments (defined as expenditure settled and not paid), to limit the amount of expenditure committed but not settled, and to limit Treasury advances to 10 per cent of the annual total of current expenditure, excluding wages, and of capital expenditure funded from internal resources, and to keep them below CFAF 30 billion at all times.

11. Despite the BCEAO's traditionally restrictive monetary policy, the marked increase in world food (in particular cereals) and energy prices during the period 2005-2008, notwithstanding the subsidies introduced to alleviate their impact, resulted in a sharp rise in consumer prices which reached a peak of 8 per cent (annual basis) in September 2008.

(3) DEVELOPMENTS IN TRADE AND INVESTMENT

(i) Trade in goods and services

12. Senegal's external current account has been in deficit since 1995, mainly because of the growing deficit in trade in goods: between 2002 and 2008, imports grew faster than exports in value terms, causing this deficit to increase from 10.8 to 21.8 per cent of GDP. The sharp rise in world energy and food prices between 2006 and 2008 has been largely responsible. This rising trade deficit has been partly offset by higher current transfers, in particular by migrant workers (US$1,030.7 million in 2007 as against US$275.5 million in 2002), and a marked improvement in the

[15] IMF(2008b).

financial operations account (US$1,298 million in 2007 as against US$453 million in 2002), in particular owing to a larger influx of direct foreign investment and project grants.

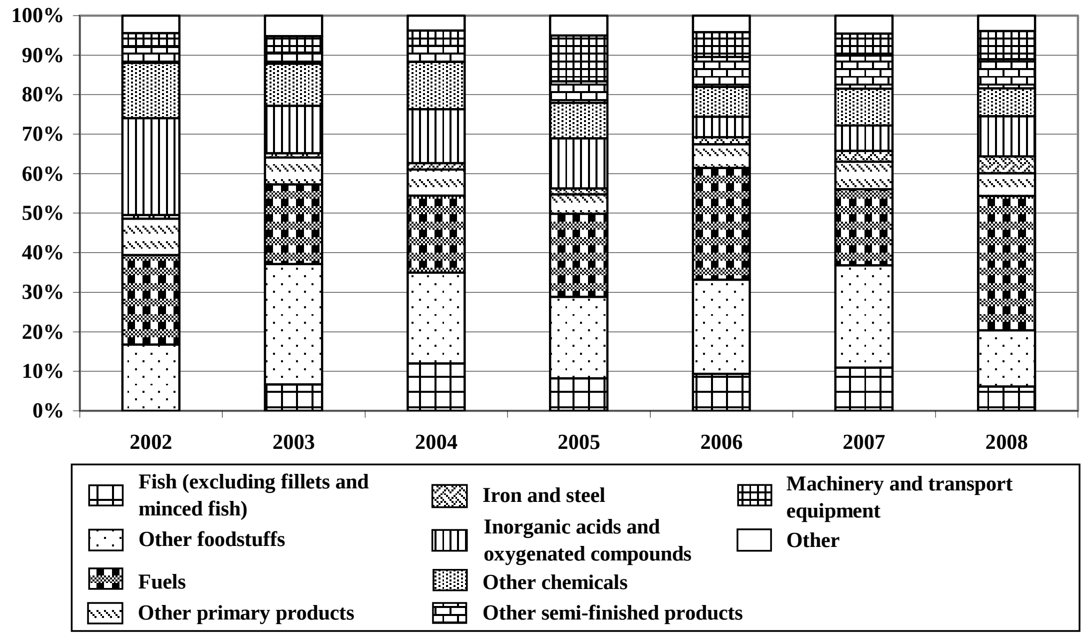
13. The principal change in the structure of Senegal's trade since 2003 is the increase in the share of fuels, both in imports (28 per cent in 2008) and in exports (34 per cent in 2008) (Tables AI.1, AI.2 and AI.3 and Diagram I.1). This change in value terms is the result of the rise in the world price of hydrocarbons and the volumes traded. Senegal imports the bulk of the oil it needs. The Société africaine de raffinage (SAR) imports crude oil and refines it to supply the domestic market and neighbouring markets, in particular Mali, accounting for 20 per cent of Senegal's total exports. In 2006, exports were disrupted when the departure of the SAR's shareholders brought the company's activities to a halt, before it was taken over by the State in 2007 (Chapter IV(3)(i)).

14. The growing share of fuels in total imports has brought down that of foodstuffs, from 30 to 26 per cent between 2002 and 2008. Most of these foodstuffs - in particular rice, wheat, edible oil, powdered milk and cream - go to feed the urban population. Office, transport and telecommunications machinery and equipment constitute the other important category of imports. The European Communities, and France in particular, remain the principal source of imported goods, followed by Nigeria, China and Thailand (especially for rice) (Table AI.4 and Diagram I.2).

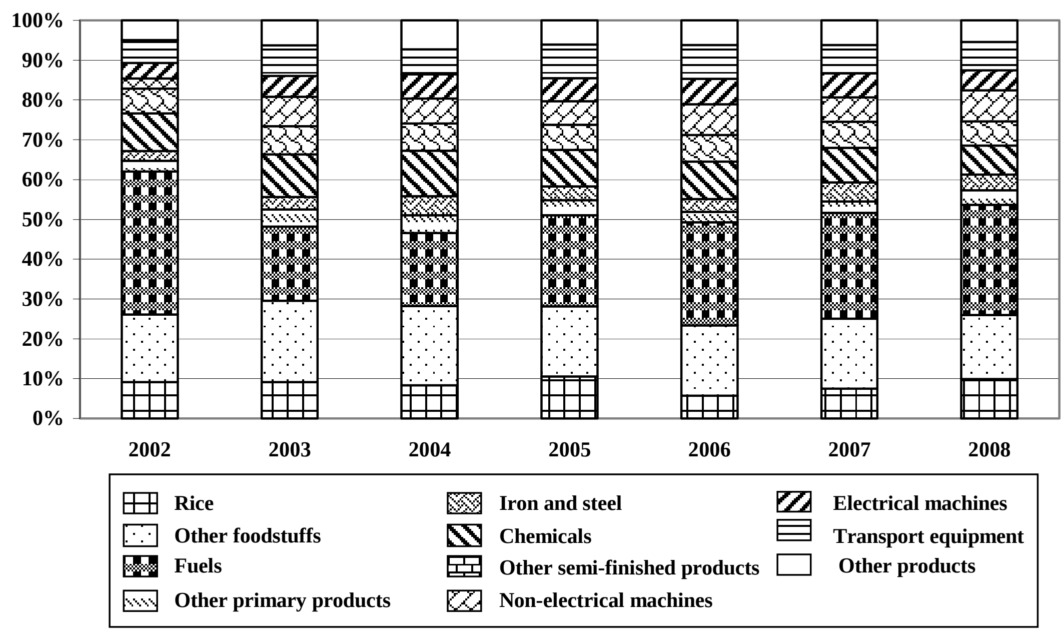
15. Apart from fuels, total exports remained heavily concentrated on a few commodities with little or no processing, sent to the European Communities, Mali and India (Tables AI.5 and AI.6, and Diagram I.2). They comprise foodstuffs (including fisheries products and groundnut oil) and chemicals. The share of chemicals is falling, because of the disruptions suffered by the Industries chimiques du Sénégal (ICS) company, which takes phosphates and processes them into phosphoric acid. The contract signed by the State with IFFCO, ICS's only customer, earmarks 85 per cent of the phosphoric acid production for its Indian partner and the remainder for producing fertilizers in Senegal for export to the subregion.

Chart I.1
Structure of merchandise trade, 2002-2008

(a) Exports (f.o.b.)



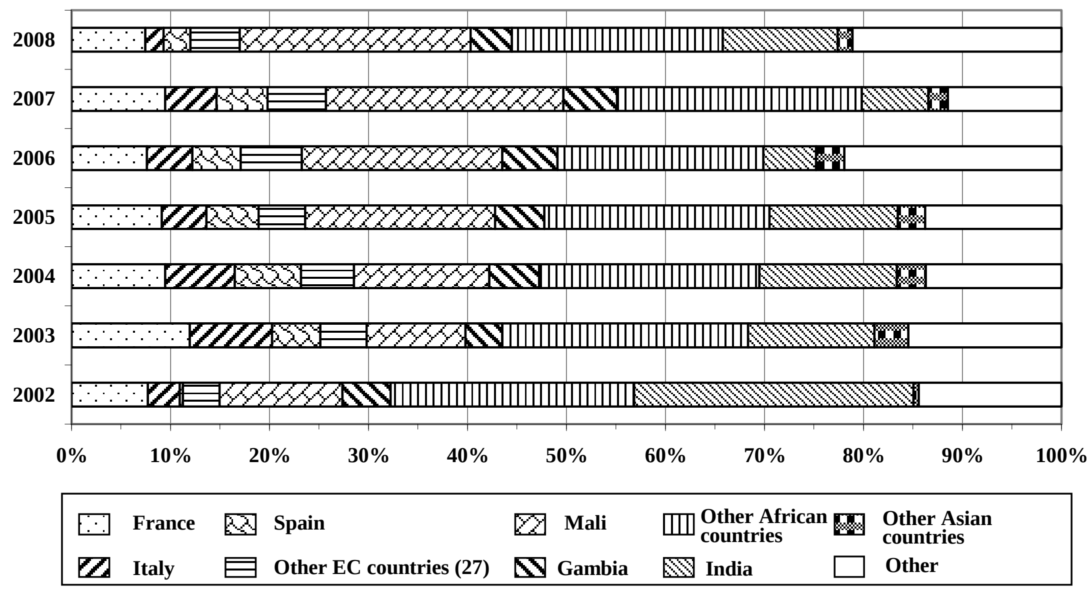
(b) Imports (c.i.f.)



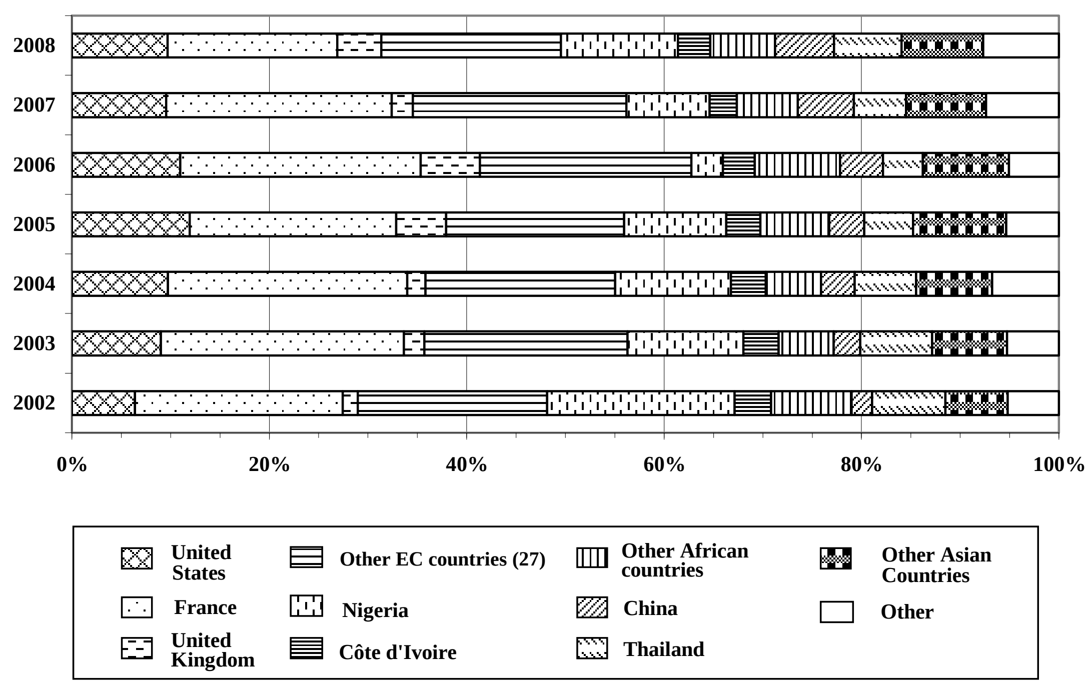
Source: WTO Secretariat calculations, based on data from Comtrade, UNSD (ISIC, Rev.3).

Chart I.2
Direction of merchandise trade, 2002-2008

(a) Exports, including re-exports (f.o.b.)



(b) Imports (c.i.f.)



Source: WTO Secretariat calculations, based on data from Comtrade, UNSD (ISIC, Rev.3).

(ii) Investment

16. Total investment (public and private) increased significantly, from 16.5 per cent of GDP in 2002 to an annual average of about 21.6 per cent since 2005 (Table I.1). This increase is due partly to private investment, which rose from 17 per cent of GDP in 2003 to 20.5 per cent in 2007, and to the 104 per cent growth in public investment as a result of redirecting budget expenditure towards infrastructure. However, the overall rate of investment still fell short of the 30 per cent target set in the AGS.

17. According to information supplied by APIX, Senegal has seen a sizeable increase in foreign direct investment (FDI) flows since 1998 (Table I.3). There have been three separate phases: an annual average of CFAF 71 billion over the period 1998-2001, influenced in particular by privatization operations; an annual average of CFAF 105 billion over the period 2002-2006, resulting from the active promotion of private investment; and an annual average of CFAF 215 billion over the period 2006-2008, driven mainly by the arrival of a third mobile operator and DP World. In principle, the authorities are expecting FDI to remain strong despite the global financial crisis owing to the opportunities available in Senegal, in particular major works projects (Chapter II(4)(ii)).

Table I.3
Trend of private investment and FDI, 1998-2008
(CFAF billion)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Private investment	534	518	596	632	712	663	719	796	855	944	1069
DFI	63	84	62	75	70	78	91	102	186	223	206
DFI share of private investment (percentage)	1.8	16.2	10.4	11.9	9.8	11.8	12.7	12.8	21.8	23.6	19.3

Source: APIX.

(4) OUTLOOK

18. Counting on substantial DFI flows, continuing chemical production (especially by ICS), the ongoing elimination of payments arrears owed by the State to the private sector and stability on the international commodity markets, Senegal foresees real GDP growth of 3.1 per cent in 2009, 5.1 per cent in 2010, 4.7 per cent in 2011, 4.6 per cent in 2012, 5.1 per cent in 2013, and 5.7 per cent in 2014, together with inflation of about 2 per cent per annum from 2010 onwards.

19. This performance is expected to result from average growth of about 3.9 per cent per annum in the agricultural sector, about 6.6 per cent in the mining and energy sector, about 5.6 per cent in the manufacturing sector, and about 5.2 per cent per annum in the services sector over the period. Total growth in the production of goods and services is estimated at 5.7 per cent per annum over this period. An average growth rate of 5.5 per cent per annum over the period is expected for total GDP, slightly below that for output of goods and services.[16]

[16] ADSN (2009a).

II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

(1) GENERAL

20. In accordance with the Constitution adopted by referendum on 7 January 2001[17], Senegal is a secular, democratic, social republic. The President of the Republic is Head of State; he is elected by direct universal suffrage for a seven-year term of office[18], renewable once. The President appoints the Prime Minister and, on the latter's proposal, the other members of the government. Executive power is exercised by the government. The Parliament, comprising the National Assembly and the Senate, exercises legislative power.[19]

21. Ministers prepare drafts of legislation in their respective spheres of competence and submit them for approval to the Council of Ministers, chaired by the President of the Republic, before they are sent to the National Assembly for approval and then to the Senate, which has 20 days in which to amend them. However, the National Assembly has the last word, since in the event of disagreement or if the Senate fails to decide within the set time-limit, the draft is sent back to the National Assembly for final decision. Outside parliamentary sessions, the Council of Ministers may adopt by order measures normally falling within the scope of an ordinary law, in accordance with the "enabling law" voted by Parliament. An order falls if it is not ratified by Parliament during the following session.[20] The President signs laws, orders and decrees, which are then published in the Official Journal.[21]

22. Once ratified by the National Assembly[22], international treaties or agreements take precedence over laws, subject to their application by the other party or parties in the case of each agreement or treaty. Thus supranational rules are at the summit of the hierarchy of law in Senegal,

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[17] Law No. 2001-03 of 22 January 2001. The Constitution may be amended by a constitutional act initiated by the President of the Republic or members of parliament. Since its adoption, the Constitution has been revised many times under Laws Nos. 2003-15 of 19 June 2003; 2006-37 of 15 November 2006; 2007-06 of 12 February 2007; 2007-19; 2007-26 of 25 May 2007; 2008-30 of 7 August 2008; 2008-31 of 7 August 2008; 2008-32 of 7 August 2008; 2008-33 of 7 August 2008; 2008-34 of 7 August 2008; 2008-66 of 21 October 2008; 2008-67 of 21 October 2008; and 2009-22 of 19 June 2009. The consolidated text of the Constitution may be viewed at http://www.primature.sn/textes/constitution.html [31 July 2009]. See *Politique africaine*, "Une Constitution, ça se révise! Relativisme constitutionnel et État de droit au Sénégal", No. 108, December 2007. Viewed at: http://www.politique-africaine.com/numeros/pdf/conjonctures/108145.pdf [31 July 2009].

[18] The seven-year presidential term of office was reinstated under Law No. 2008-66 of 21 October 2008.

[19] The National Assembly consists of 150 members elected for a five-year term. Viewed at: http://en.wikipedia.org/wiki/Senegalese_parliamentary_election,_2007 [15 February 2007]. The Senate, originally set up in 1999 and dissolved in 2001 before being reinstated in 2007, is the body representing local authorities and Senegalese emigrants. The President of the Senate acts as Head of State if the post is vacant. The Senate comprises 100 members, of whom 65 are appointed by the President and the other 35 are elected, all for a term of five years. See Laws No. 2007-06 of 12 February 2007 creating a Senate and No. 2007-26 of 25 May 2007 concerning the Senate.

[20] An order may be amended by another order or by law.

[21] The *Journal officiel* is available in paper form and was viewed at: http://www1.adie.sn/jo/.

[22] Article 95 of the Constitution states that the President of the Republic negotiates international undertakings, and ratifies or approves them with the authorization of the National Assembly. Article 96 states that commercial treaties cannot be ratified except by law. Moreover, according to Article 97, the Constitutional Council rules on the conformity of international treaties and agreements with the Constitution, without which they cannot be ratified until the Constitution has been revised; there is no precedent for this.

followed by the Constitution, laws, orders and decrees. Senegal's policy on trade in goods is mainly based on WAEMU acts.[23] The main Senegalese legal texts relating to trade are listed in Table II.1.

Table II.1
Main Senegalese laws and regulations relating to trade, July 2009

Field	Instrument/text
Customs regime	Law No. 87-47 of 28 December 1987, supplemented by various texts (laws, orders, decrees, circulars)
Customs tariff	Regulation No. 08/2007/CM /WAEMU as amended
Anti-dumping and countervailing measures	Law No. 94-68 of 22 August 1994
Value added tax	Law No. 2001-07 of 18 September 2001
Excise duties	Law No. 2002-07 of 22 February 2002
Preshipment inspection programme	Decree No. 91-1221 of 14 November 1991
Import prohibitions and licences	Order No. 257/MEF/DGD of 18 January 2006
Standardization, certification and accreditation	Decree No. 2002-746 of 19 July 2002
Sanitary measures	Law No. 66-4 of 27 May 1966, Decrees No. 68-507 and No. 68-508 of 7 May 1968; Decree No. 69-891 of 25 July 1969; Decree No. 89-534 of 5 May 1989; Decree No. 2002-1094 of 4 November 2002; Decree No. 69-132 of 12 February 1969
Phytosanitary measures	Decree No. 60-121 SG of 10 March 1960; Decree No. 99-259 of 24 March 1999
Procedures and regulations for establishing private commercial enterprises	Single act of 17 April 1997 on general trade law; Single act of 17 April 1997 on the right of commercial companies and of the Economic Interest Group (GIE), Single act of 17 April 1997 organizing guarantees, Single act of 10 April 1998 organizing simplified procedures for collection and enforcement, Single act of 10 April 1998 organizing collective procedures for settlement of liabilities, Single act of 11 March 1999 on the right of arbitration, Single act of 22 March 2000 organizing and harmonizing company accounts
Investment Code	Law No. 2004-06 of 6 February 2004 and its Decree No. 2004-627 of 7 May 2004
Major mining investments	Law No. 2007-25 of 22 May 2007
Rules governing free export enterprises	Law No. 95-34 of 29 December 1995, supplemented by Decrees No. 96-869 of 15 October 1996 and No. 2004-1314, and Law No. 2004-11 of 6 February 2004
Free zones	Law No. 91-30 of 13 April 1991 (closed regime)
Free industrial zone of Dakar	Law No. 74-06 of 22 April 1974 (closed regime)
Special integrated economic zone	Law No. 2007-16 of 19 February 2007
Guideline law for SMEs	Law No. 2008-29 of 28 July 2008
GOANA investments	Law No. 2008-45 of 3 September 2008
Building-operation-transfer projects	Law No. 2004-13 of 13 February 2003
Protection of industrial property	Bangui Agreement (1999)
Protection of copyright and neighbouring rights	Law No. 2008-09 of 25 January 2008
Competition and prices	Law No. 94-63 of 22 August 1994
Privatization of public enterprises	Laws No. 87-23 of 18 August 1987 and No. 95-05 of 5 January 1995
Government Procurement Code	Decree No. 2007-545 of 25 April 2007
Environment Code	Law No. 83-05 of 28 January 1983
Hunting and protection of fauna	Law No. 86-04 of 24 January 1986; Decree No. 86-844 of 14 July 1986
Agro-forestry-livestock framework law	Law No. 2004-16 of 4 June 2004
Maritime Fisheries Code	Law No. 98-32 of 14 April 1998
Mining Code	Law No. 2003-36 of 24 November 2003
Petroleum Code	Law No. 98-05 of 8 January 1998
Hydrocarbons (downstream activities)	Law No. 98-31 of 14 April 1998

[23] WAEMU adopts acts, directives and regulations; only the last-mentioned are directly enforceable, whereas acts and directives are applied at national level through appropriate legal instruments in every case.

Field	**Instrument/text**
Electricity Code	Law No. 98-29 of 14 April 1998
Water Code	Law No. 81-13 of 4 March 1981
Maritime transport	Law No. 2002-22 of 16 August 2002
Land transport	Law No. 2003-04 of 16 May 2003
Civil aviation	Law No. 2002-31 of 24 December 2002
Telecommunications	Law No. 2002-31 of 24 December 2002
Tourism	Decrees No. 2005-144 and No. 2005-145 of 2 March 2005, Decree No. 2004-1098 of 4 August 2004
Financial relations with foreign countries	Regulation No. 09/1998/CM/WAEMU
Banking services (lending establishments)	Law No. 90-06 of 26 June 1990
Insurance	Insurance Code of the Inter-African Conference of Insurance Markets (ICIM)

Source: Senegalese authorities.

23. Article 88 of the Constitution states that the judiciary is independent of the legislature and the executive. Justice is administered by the Constitutional Council, the Supreme Court, the Court of Audit and the other courts and tribunals. A sectoral justice programme (SJP) 2006-2016 has been set in place with the help of the development partners in order to address the deficit in financial resources, infrastructures, equipment and human resources.[24] There has been an ombudsman since 1991 to protect individuals in their dealings with the administration and meet their concerns; since 1999 he has had wider powers to institute proceedings.[25] The Dakar arbitration, mediation and conciliation centre (CAMC)[26], created in 1998, plays a major part in resolving differences between economic operators, dealing with a score of cases each year, mainly in the building sector.[27]

24. Senegal has 14 administrative regions, each with three or four *départements* (subregions), divided in turn into *arrondissements* (districts). Despite an ostensible desire for decentralization, local authorities have little administrative responsibility and no fiscal or commercial powers, and usually function on the basis of the tax resources allocated to them (1.5 per cent of the overall budget in 2006).[28]

25. The Ministry of Trade, together with the Ministry of the Economy and Finance, is responsible for Senegal's trade policy. As such it represents the state at international meetings dealing with trade matters, including those of the WTO, WAEMU and ECOWAS. In the discharge of its responsibilities the Ministry of Trade is assisted by a National Committee on International Trade

[24] Online information from the Senegalese Ministry of Justice. Viewed at: http://www.justice.gouv.sn/index.php?option=com_content&view=article&id=14&Itemid=96.

[25] Law No. 99-04 of 29 January 1999. In 2007, 231 complaints were submitted to the ombudsman as against 256 in 2006. Of these 231 cases, 152 were investigated and 104 led to a final settlement; 60.6 per cent of complaints were successful as against 39.4 per cent declared ill-founded. This result is 10 per cent better than in 2006. Recurrent areas of complaint remain the same as in previous years - economic and financial questions, with applications for payment of debts owed by the state or local authorities, regularization of administrative and wage situations, regularization of retirement pensions, disputes over land and enforcement of court decisions.

[26] Law No. 98-30 of 14 April 1998 on arbitration, supplemented by Decrees No. 98-492 of 5 June 1998 on domestic and international arbitration and No. 98-493 of 5 June 1998 on the creation of arbitration institutions (Inter-University Center for Arbitration, Mediation and Expertise (CIAMEX)). Viewed at: http://ciamex.over-blog.com/article-243876.html [15 February 2009].

[27] A regional outpost of the CAMC was set up in Kaolack in March 2009.

[28] World Bank (2006).

Negotiations (NCITN), set up in 2001.[29] The committee is chaired by the Minister of Trade and brings together representatives of the principal ministries and bodies working in the fields covered by the WTO, as well as representatives of the private sector and unions. The NCITN is responsible for defining Senegal's position in bilateral, plurilateral and multilateral trade talks and for compliance with the resulting obligations. The Council for Economic and Social Affairs (CESA) was abolished in 2008, to be replaced by the Economic and Social Council (ESC), which is not yet in place.

26. The private sector plays an active part in defining Senegal's trade and investment policy through a range of bodies, in particular the NCITN, the Chamber of Commerce, Industry and Agriculture (CCIA) and the Presidential Council on Investment (PCI). Since its inception in 2002, the PCI's principal task has been to strengthen dialogue between the Government and investors in order to bring about a world-class business environment (Section 2). The PCI is a high-level body, being chaired by the Head of State and bringing together some thirty company directors (one third Senegalese investors, one third foreign investors settled in Senegal, and one third foreign investors not settled in Senegal). It meets once a year and held its last session on 17 November 2008.[30] The Agency for Investment and Major Works (APIX) provides its secretariat and follows up its recommendations.

(2) POLICY OBJECTIVES

27. The Government's policy on trade and investment fits into the more general framework of its Poverty Reduction Strategy Paper (PRSP), adopted in October 2006 and covering the period 2006-2010. PRSP II follows on from PRSP I, which covered the period 2003-2005.[31] PRSP II preserves the four thrusts of PRSP I, namely: faster growth and wealth creation; access to basic social services; social protection, prevention and management of risks and disasters; and good governance and decentralized, participative development. The state implements an interventionist policy on transport and energy infrastructures (Chapter IV(3) and (4)), pursuing a programme of macroeconomic stabilization and structural reforms backed by the International Monetary Fund (Chapter I).

28. The first thrust of the PRSP, faster growth and wealth creation, is given operational effect through the Accelerated Growth Strategy (AGS), the main aim of which is to achieve average annual growth of 7-8 per cent, so as to enable Senegal to become an emergent country. The two central components of the AGS are: creation of a world-class business environment, and promotion of growth-inducing clusters (agriculture and agro-industry; marine products and aquaculture; textiles-clothing; information and communications technology (ICT) and teleservices; and tourism, culture industries and crafts). The creation of a world-class business environment, a process piloted

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[29] Decree No. 2001-1072. The functions of the NCITT are: to help define the objectives of trade talks in the WTO framework; to formulate and harmonize national positions on multilateral, regional and bilateral trade talks; to facilitate the management and implementation of trade agreements; to monitor and supervise the proceedings of the United Nations Conference on Trade and Development and those of other bodies dealing with trade questions; and to evaluate at periodic intervals the application of agreements and their impact.

[30] APIX online information, "Major reforms carried out since the sixth session of the Presidential Council on Investment". Viewed at: http://www.investinsenegal.com/PDF/Tableau_reformes.pdf [31 July 2009].

[31] Documents relating to the PRSP were viewed at: http://www.finances.gouv.sn/espace_secteur_privetest.php?id=6&smnu=59&file=Stratégie%20de%20Réduction%20de%20la%20Pauvreté [20 February 2009].

by the PCI (Section 1), has given Senegal fifth place in the global reforming country rankings (first in Africa), according to the criteria applied in the World Bank's 2009 Doing Business classification.[32]

29. In trade matters, PRSP II incorporates the results of the Integrated Framework (IF) adopted by the Council of Ministers in April 2003.[33] The IF validated the Strategy for Development and Promotion of Senegalese Exports (STRADEX) adopted in 2001, which aims to speed up the process of integration into the international trading system through a technical assistance programme. In this context, the Ministry of Trade is seeking to intensify the regional integration process (WAEMU, ECOWAS and the African Union) and to strengthen the country's participation in the work of the WTO (joint report, Chapter II). The authorities state that, with regard to the domestic market, the aim of trade policy is to foster competition and ensure that the public are properly and regularly supplied with current consumer goods (Chapter III(4)(ii)).

(3) TRADE AGREEMENTS AND ARRANGEMENTS

30. As an original Member of the WTO, Senegal plays an active part in its activities (joint report, Chapter II(1)). However, Senegal is still encountering certain difficulties in the implementation of some WTO agreements, including that on customs valuation (Chapter III(2)(ii)). The information available to the WTO on Senegal's trade policies has been broadened since its 2003 TPR thanks to the notifications sent; however, some of it is no longer up to date (Table II.2), especially as regards prohibitions, licences and quantitative restrictions, sanitary and phytosanitary measures and technical regulations; subsidies; protection of intellectual property; the customs tariff; and other duties and taxes.[34]

Table II.2
Documents relating to Senegal's participation in the WTO, April 2003

Agreement	List	Content
Multilateral agreements on trade in goods		
GATT 1994	Schedule XLIX - Senegal of 15 April 1994[a]	Tariff concessions
Agreement on Textiles and Clothing	G/TMB/N/122 of 9 August 1995	Transitional safeguard mechanism
Agreement on Technical Barriers to Trade	G/TBT/CS/N/27 of 23 February 1996 G/TBT/Notif 97.348 of 15 July 1997 G/TBT/Notif 00/472 of 3 October 2000[b] G/TBT/Notif 00/473 of 3 October 2000[b] G/TBT/Notif 00/474 of 5 October 2000[b]	Annex III Notification of measures
Agreement on Sanitary and Phytosanitary Measures	G/SPS/N/SEN/1 of 25 July 1996	Laws and Regulations
Agreement on implementation of Article VI of GATT 1994	G/ADP/N/1/SEN/1 of 31 July 1996	Laws and Regulations
	G/ADP/N/4/Add.1/Rev.5 of 22 November 1996 G/ADP/N/9/Add.1/Rev.3 of 21 November 1996 G/ADP/N/16/Add.1/Rev.1 of 22 November 1996 G/ADP/N/153/Add.1 of 17 April 2007	Notification of absence of measures
Agreement on implementation of Article VII of GATT 1994	G/VAL/N/1/SEN/1 of 27 September 2001	WAEMU regulations on customs valuation

[32] Online information from Doing Business, "Top Ten Reformers". Viewed at: http://www.doingbusiness.org/Features/Feature-2008-21.aspx [31 July 2009]. The objective set by the PCI since November 2007 was for Senegal to be ranked among the top ten African countries and first among the French-speaking and Portuguese-speaking countries (PCI, Minutes of the 7th IPC session, 12 November 2007).

[33] The documents relating to Senegal's participation in the Integrated Framework were viewed at: http://www.integratedframework.org/countries/senegal.htm [20 February 2009]; Ministry of Trade (2006a).

[34] The WTO integrated database (IDB) indicates that the latest tariff information supplied by Senegal dates from 2002 (WTO document G/MA/IDB/2/Rev.29 of 10 October 2008).

Agreement	List	Content
Agreement on Preshipment Inspection	G/PSI/N/1/Add.4 of 9 October 1996	Laws and Regulations
Agreement on Rules of Origin	G/RO/N/10 of 16 August 1996	Laws and Regulations
Agreement on Import Licensing Procedures	G/LIC/N/3/SEN/1 of 11 February 1997	Replies to questionnaire
	G/LIC/N/1/SEN/1 of 23 October 2002	Update
Agreement on Subsidies and Countervailing Measures	G/SCM/N/3/SEN/Suppl.1, G/SCM/N/16/SEN/Suppl.1, G/SCM/N/25/SEN of 21 November 1997, G/SCM/N/3/SEN, G/SCM/N/16/SEN of 27 January 1997	Subsidies
	G/SCM/N/19/Add.1/Rev.1 of 26 November 1996 G/SCM/N/12/Add.1/Rev.3 of 22 November 1996 G/SCM/N/7/Add.1/Rev.4 of 21 November 1996 G/SCM/N/153/Add.1 of 18 April 2007	Notification of absence of measures
Agreement on Safeguards	G/SG/N/1/SEN/1 of 1 November 1996	Laws and regulations
Agreement on Trade-Related Investment Measures	G/TRIMS/N/2/Rev.16/Add. of 28 March 2008	Laws and regulations
General Agreement on Trade in Services	GATS/SC/75 of 15 April 1994 et Suppl. 1 of 11 April 1997 and Suppl. 2 of 26 February 1998	List of specific undertakings relating to services
	GATS/EL/34 of 15 April 1994 and Suppl. 1 of 26 February 1998	List of exemptions under Article II (MFN)
	S/C/N/441 of 10 March 2008	Laws and regulations on telecommunications services
Agreement on Trade-Related Aspects of Intellectual Property Rights	IP/N/1/SEN/1 of 6 February 1997	Laws and regulations
Enabling Clause	WT/COMTD/N/11 of 3 February 2000 WT/COMTD/N/11/Add.1 of 2 March 2001 WT/COMTD/N/11/Add.2 of 22 August 2001 WT/COMTD/N/11/Add.2/Corr.1 of 26 March 2002	West African Economic and Monetary Union (WAEMU)
	WT/COMTD/N/21 of 26 September 2005	Economic community of West African States (ECOWAS)

a Schedule amended in accordance with the results of the GATT 1994 tariff negotiations under Article XVIII, which ended in 1997.
b Notified separately under the Agreement on Sanitary and Phytosanitary Measures.

Source: WTO Secretariat.

31. Senegal also participates in regional organizations of which other west African countries besides Senegal are also members (joint report, Chapter II). Moreover, since the common trade policy of the WAEMU member States, including Senegal, came into effect, its earlier bilateral trade agreements have lapsed.

(4) INVESTMENT REGIME

(i) Overview

32. The investment regime has been overhauled since Senegal's last TPR in 2003. It consists essentially of the Investment Code and the rules governing the free export enterprise (FEE). Agricultural, mining or oil projects are subject to specific and/or supplementary sectoral rules, as are small and medium-sized enterprises (Chapter IV). The legal framework for public/private partnerships consists of building-operation-transfer ("BOT") contracts. The Code and the FEE regime each contain their own provisions on incentives available to investors, guarantees offered concerning transfer of capital and earnings, application of the WAEMU exchange rules and settlement of

disputes. They all provide for fair advance compensation in cases of expropriation or nationalization in the public interest.

33. Any investor may enter any sector of activity, except for those that are exclusive either by reason of a state monopoly (basic postal services, electricity transport and distribution) or by reason of a concession (for example, water, railways, port and airport services). Obtaining a licence from a regulating authority in the sector may be made a precondition of establishment (for example, in telecommunications networks). However, approval under an incentive scheme is granted only in the case of projects meeting specified criteria (Section (ii) below). There is no limit on participation by foreigners in the capital of enterprises established in Senegal, and they may settle anywhere on the national territory.

34. Senegal observes the principle of equal treatment between foreign and national investors. When it comes to settling disputes with the State, a foreign applicant has various options in addition to the Senegalese courts, such as recourse to the International Center for the Settlement of Investment Disputes (ICSID)[35], to an arbitral tribunal to be established under the agreement or treaty on protection of investments concluded between Senegal and the state of which the person in question is a national, or to an arbitration procedure chosen by common agreement between the parties.[36] Senegal has concluded bilateral agreements and treaties on investment currently in force with: Switzerland (1964), Germany (1966), Sweden (1968), Romania (1984), the United Kingdom (1984), the Republic of Korea (1990), the United States of America (1990) and Italy (2008). It has concluded other reciprocal investment promotion and protection agreements (Spain, Malaysia, Mauritius, France, Qatar, Egypt, India, Argentina and South Africa) which are in course of ratification. Bilateral tax conventions have been concluded with France, Belgium, Italy, Qatar and Tunisia. These conventions are designed to avoid double taxation and establish mutual assistance rules with regard to income tax, inheritance tax, registration fees, stamp duty etc.

(ii) Investment Code[37] and free export enterprise (FEE) status[38]

35. Senegal's Investment Code covers two categories of investment: investment by SMEs (three-five employees) in priority sectors[39] for a minimum amount of CFAF 15 million; investment by enterprises in eligible activities[40] for a minimum amount of CFAF 100 million. The main innovation introduced by the revised 2004 Code was the simplification of the regimes available and

[35] The ICSID dealt with the case of the "Société ouest-africaine des bétons industriels v. Sénégal", No. ARB/82/1, and in December 2008 another case was listed concerning "Millicom International Operations B.V. and Sentel GSM v. Sénégal", No. ARB/08/20, concerning a dispute about the GSM telecommunications licence held by Sentel (Chapter IV(4)(iii)).

[36] The Dakar Chamber of Commerce, Industry and Agriculture houses the Dakar Arbitration, Mediation and Conciliation Centre (CAMC).

[37] Law no. 2004-06 of 6 February 2004 and its implementing decree no. 2004-627 of 7 May 2004.

[38] Law no. 95-34 of 29 December 1995, supplemented by Decrees No 96-869 of 15 October 1996 and No 2004-1314, et Law No. 2004-11 of 6 February 2004. Senegal notified the WTO of this subsidy programme in 1997 (WTO Documents G/SCM/N/3/SEN of 27 January 1997 and G/SCM/N/3/SEN/Suppl.1 of 21 November 1997).

[39] These are: agriculture, fishing, livestock raising, processing and packaging of local products of plant, animal or fish origin, and the agro-food industry; social sectors (health, education-training); and services (assembly, maintenance of industrial equipment and teleservices).

[40] Manufacturing activities: extraction or processing of minerals; tourism, tourist facilities and industries, other hotel-related activities; cultural industries; port, airport and railway infrastructures; construction of commercial complexes, industrial complexes, tourist areas, cybervillages and craft centres.

the extension of the sectors covered to include telecommunications and commercial property.[41] Two tax regimes are provided for: either for the creation of a new enterprise, or for the extension of an existing activity (an increase of at least 25 per cent in production capacity or in the value of the assets immobilized, with an investment of at least 100 million). The main customs advantages accruing to projects approved under the Code are exemption from customs duty on importation of the equipment and materials needed to create a production unit, provided that they are not available in Senegal, and suspension of VAT during the investment implementation phase, which must be three years or less.

36. The free export enterprise regime has also evolved since 2003, in particular as regards the extension of sectoral cover to telecommunications services and removal of the requirement of establishment in a specific geographical area.[42] The two main criteria for admission to free export enterprise status are that the enterprise must engage in an eligible activity[43] and that its export potential must be at least 80 per cent of its turnover (the remaining 20 per cent being marketable on the national market as consumer imports). The main advantages offered to free export enterprises are exemption from duties and taxes on the import of equipment and materials needed to set up a production unit, and on any inputs, as well as a reduction in corporation tax to 15 per cent instead of the standard 25 per cent. FEE status is valid for 25 years and may be renewed. It should be noted that it is planned to allow exports by FEEs to other WAEMU countries to enjoy Community origin status on condition that the duties and taxes on imported inputs used in manufacturing the product are paid (Chapter III(3)(v)); approval must be obtained (Chapter III(3)(i)). Table II.3 presents an overview of the incentives offered to investors under these different regimes.

[41] The revision of the Code provided an opportunity to remove one trade-related investment measure: under the former Code. One condition of the privileged regime for upgrading local resources through processing in Senegal was that 65 per cent (in value terms) of intermediate consumption should be of Senegalese origin or that the cost of the imported products should represent less than 35 per cent of the total cost of the products obtained after processing in Senegal.

[42] The Dakar Industrial Free Trade Zone is not accepting any new enterprises and its statute will expire in 2016 (Law No. 74-06 of 22 April 1974, amended by Law No. 79-21 of 24 January 1979). The "free points" regime (Law No. 91-30 of 12 April 1991) is limited to the four enterprises having this status. Enterprises enjoying this status may switch to the FEE regime. The Special Integrated Economic Zone (SIEZ) for which the framework was set in 2007 (Law No. 2007-16 of 19 February 2007) is at the stage of site preparation by its promoter, Jebel Ali Free Zone Authority (JAFZA): part of it will be designated as situated outside the national customs territory and securitized.

[43] Agriculture (in the broad sense, including horticulture, forestry, livestock raising, fishing and aquaculture), industry and teleservices.

Table II.3
Overview of the Investment Code and free export enterprise status, July 2009

Eligibility	**Benefits**
Investment Code *CFAF 15 million ≤ Investment < CFAF 100 million:* Agriculture, fishing, livestock raising, storage, packaging and processing of local products of plant, animal or fish origin, agro-food industry; social sector (health, education-training); and services (assembly, maintenance of industrial equipment and teleservices) *Investment CFAF ≥ 100 million:* Manufacturing activities; extraction or processing of minerals; tourism, tourist facilities and industries, other hotel-related activities; cultural industries; port, airport and railway infrastructures; construction of commercial complexes, industrial complexes, tourist areas, cybervillages and craft centres	***New enterprise*** Customs exemption (three years) on import of equipment and materials which are neither produced nor manufactured in Senegal and which are specifically intended for production or use in the framework of the approved programme Suspension of VAT (three years) payable on entry or charged by local suppliers Reduction of 30% of taxable profit for five years and up to 40% for approved investment Exemption from the standing contribution paid by employers (CFCE) for five/eight years if at least 200 jobs are created or if 90% of the jobs are created outside the Dakar region Possibility of concluding fixed-term contracts for five years ***Extension*** • Customs exemptions (three years) • Suspension of VAT (three years) • 25% reduction of taxable profit for five years and up to 40% of approved investments • Exemption from CFCE for five/eight years if at least 200 jobs are created or if 90% of the jobs are created outside the Dakar region • Possibility of concluding fixed-term contracts for five years
Free export enterprise status[a] - New or existing enterprise - Agriculture in the broad sense, industry and teleservices - Export at least 80% of turnover	• Unrestricted transfer of funds necessary for the investment, and for commercial and financial operations, to countries outside the franc zone • Unrestricted transfer of wages for foreign employees • Unrestricted transfer of dividends for foreign shareholders • Unrestricted staff recruitment • Exemption from income tax on securities levied by the enterprise on dividends distributed • Exemption from any tax based on wages paid by the enterprises and borne by the latter, in particular the CFCE • Exemption from all registration fees and stamp duties, in particular those charged for the establishment and amendment of companies' articles of agreement • Exemption from the business licence fee, property tax on developed land, property tax on undeveloped land, and the licence fee • Taxation at 15% (instead of 25%) • Exemption from customs duties and customs stamps on vehicles to be used in connection with production • Duty-free export or import of capital goods, equipment, raw materials, finished and semi-finished products • Local purchases free of VAT

a Status granted for 25 years.

Source: Law No. 2004-06 of 6 February 2004 (Investment Code); and Law No. 95-34 of 29 December 1995 (Free export enterprise regime).

37. The National Agency for the Promotion of Investment and Major Public Works (APIX SA)[44] is responsible for receiving investors, handling applications for approval under the Code or for FEE status, examining them and monitoring projects. It has offices in Dakar, Saint-Louis and Ziguinchor. The administrative procedures applicable to investment have been simplified and streamlined since 2005[45], and are in the hands of the Administrative Procedures Facilitation Centre (APFC), which was set up inside APIX in July 2006. According to the authorities, investors' applications are processed within a maximum time of 45 calendar days. Approval is notified by letter from the Minister of Finance, after the APIX approval committee has given a favourable opinion. The APFC also houses the Enterprise Creation Support Office (BCE), a cost-free assistance service for investors, having the documents required for completing the enterprise creation formalities within 48 hours; such services are also available at the Chamber of Commerce, but are charged for. The APIX also promotes projects identified for the five growth-inducing clusters (Section 2 above) and of the "major works".[46] Furthermore, APIX provides the secretariat for the process of establishing a world-class business environment piloted by the PCI, and for the implementation of the related reforms that fall with its sphere of competence (Section 2).

38. Investment projects approved under the Code or for FEE status between 2003 and 2008 totalled CFAF 4,059 billion. All eligible sectors of activity are concerned; Senegalese enterprises are the first to benefit from the scheme, and represented up to 79 per cent of approved investments in 2006. The other principal sources of investment are various (Malaysia, Italy, Sweden, United States, Kuwait, Virgin Islands, Spain, Germany and Mauritius).

(5) TRADE-RELATED TECHNICAL ASSISTANCE

39. Senegal enjoys the support of the international community in implementing its Poverty Reduction Strategy Paper (PRSP II), adopted in October 2006 for the period 2006-2010 (Chapters I(2) and II(2)). In this connection, it is hoping to obtain trade-related technical assistance so as to be better able to participate in the multilateral trading system and take full advantage of it for its own economic development.

40. Since its second review in 2003, Senegal has benefited from numerous activities carried out by the WTO and other international organizations such as UNCTAD, ITC, UNDP, the World Bank and the IMF to increase its international trade. Senegal participates in the Integrated Framework[47] and has taken part in the Joint Integrated Technical Assistance Programme (JITAP)[48] and joint initiatives of the WTO and partner international organizations. In addition, senior Senegalese representatives have taken part in many WTO activities at both subregional and national level during the period covered, and further activities have been scheduled. The reference centre set up under the JITAP on Ministry of Trade premises is operational.

41. In order to be more active within the multilateral trading system, Senegal continues to need trade-related technical assistance from the WTO, particularly in the following fields: implementation of trade-related agreements; participation in regular WTO activities; strengthening of its capacity to

[44] Law No. 2007-33 of 31 December 2007.
[45] Law No. 2005-26 of 26 August 2005.
[46] The "major works" are the new international airport at Ndiass, 40 km from Dakar, the toll motorway between Dakar and Thiès (60 km), the standard-gauge railway, the West African business centre on the site of the present airport, the future port at Dakar, the mineral port at Bargny, and the new town 120 km to the north-east of Dakar.
[47] Online information on the Integrated Framework. Viewed at: http://www.integratedframework.org
[48] Online information on the JITAP. Viewed at: http://www.jitap.org

participate in the Doha Round; definition of trade policy; supply-side constraints; and integration of trade and development policies.

(i) Implementation of agreements, shaping and formulation of policies

42. Since its second TPR in 2003 Senegal has made some progress in applying WTO rules, especially in connection with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Customs officials and economic operators nevertheless continue to encounter difficulties over certain points of the agreement, and technical assistance with its popularization is requested. Other implementation problems of concern to Senegal centre on the application of the WTO customs valuation rules, the waiver on elimination of minimum values in place since 2001 having expired in June 2009. The capacity of the Senegalese customs needs strengthening in order to adapt them to the new regime.

43. Sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) are also subjects of concern, in spite of the progress achieved by Senegal since 2003 in standardization and technical regulations. Similarly, Senegal is determined to strengthen its capacity to comply with the SPS and TBT measures applied by its trading partners, in particular the rules affecting its exports of agricultural products, mainly plants, fresh fruit and vegetables, fisheries products and other foodstuffs. In every field, notifications continue to pose problems. Generally speaking, apart from the measures already taken in 2008 to reduce customs clearance times substantially, full application of the WTO rules, with the requisite notifications, would contribute to bringing about an international-class business environment.

44. Senegal also needs technical assistance in order to improve its capacity to participate in the Doha Round. Many of its priorities in the negotiations are also those of the LDCs, in particular the abolition of subsidies to key export products such as sugar and cotton, and its concerns about food security. In this connection, outreach activities are needed for the private sector, academics, members of parliament and the media, explaining the advantages of the multilateral trading system and the implications of the negotiations, so as to make them more aware of the ensuing benefits and obligations.

(ii) Supply-side constraints

45. Supply-side constraints are among the main limiting factors on the growth of trade in goods and services in Senegal. The authorities are paying close attention to the development of multi-modal transport infrastructures, by rehabilitating ports, roads and railways, and to connecting networks with the main trading partners for which Senegalese ports are vital entry points. Technical assistance would help it to pursue these efforts.

46. Senegal wishes to boost its agricultural production through the adoption of the Major Agricultural Offensive for Food Security (GOANA) (Chapter IV(2)(i)). However, the only products of animal origin which meet the standards of developed markets are fisheries products; in order to diversify exports, Senegalese standards and their management systems need to be upgraded, in conjunction with the efforts being made to this end at regional level. Technical assistance will continue to play a crucial role in diversification of the agricultural products exported by Senegal to the developed countries.

47. Senegalese enterprises, including those in the free industrial export zones, are encountering difficulties over access to credit and inputs, especially electricity and water, and problems in relation to governance. Despite the available fiscal and customs incentive schemes, their competitiveness

requires strengthening. The fact is that these schemes reduce state revenues without tackling the structural problems which restrict supply. There does not appear to be sufficient funding of economic activities by the banking system to sustain, in particular, small and medium-sized enterprises envisaging long-term (risk) investments. Among other things, a better transport and energy (especially electricity) supply is also desirable.

(iii) Integration of trade and development policies

48. In Senegal, as in other countries at the same stage of development, the coordination of trade policy measures on the one hand, and then their integration into the various national economic strategies, are still limited. For example, trade measures are taken to protect certain local activities (e.g. a ban on importing poultry and poultry products, but also the longstanding protection of local agro-food industries) without any specific cost/benefit analysis of them, particularly in relation to reducing poverty. In addition to the results of the Integrated Framework and the JITAP, the lessons learnt from Senegal's third TPR could enable the country to integrate its trade, development and poverty reduction policies better. Technical assistance could help Senegal achieve such integration more effectively.

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) INTRODUCTION

49. Under WAEMU and, to a certain extent, ECOWAS, Senegal has made progress in liberalizing its trade regime since its second TPR in 2003. Duties and taxes on products not originating in WAEMU or ECOWAS consist of the WAEMU's Common External Tariff (CET); other Community duties and taxes (statistical charge (RS), Community Solidarity Levy (PCS), ECOWAS Community Levy (PCC)); the special import tax (TCI) on wheat flour, tomato concentrate, condensed milk, fruit juice and sugar; and surcharges on onions, bananas, millet, potatoes and cigarettes. Until the end of June 2009, when the WTO waiver expired, duties and taxes on certain finished goods (including some basic commodities) were still based on a minimum value. At the customs frontier, Senegal applies value-added tax (VAT) of 18 per cent, and some goods such as cigarettes, alcoholic beverages and edible fats, are also subject to excise duty; special taxes apply to petroleum products, on the basis of national treatment.

50. Senegal still applies its *Programme de vérification des importations* - PVI (Import Verification Programme). Physical inspection in the country of shipment, however, now only affects 10 per cent of operations, compared to 100 per cent when the programme began in 1991, because the Senegalese Customs are now better equipped for this purpose (with scanners and efficient computer tools). The introduction of a *Système informatisé d'analyse du risque* - SIAR (Automated Risk Analysis System) has enabled trade facilitation measures to be implemented for customs operations that involve little or no risk. Securing revenue at the customs frontier remains a major objective of customs controls and the Customs are still an important source of government revenue.

51. There has been considerable progress in standardization, particularly following the adoption of a large number of standards, including 23 technical regulations. Nevertheless, these have not all been notified to the WTO. Some technical regulations concern the implementation of CODEX standards (for example, for edible oils), while others relate to local agro-industrial production methods such as that for tomato concentrate. The ban on imports of live poultry of any species and their by-products, imposed in November 2007 with the declared aim of combating avian influenza, still applies and affects all origins, including those declared free of the disease by the World Organisation for Animal Health (OIE). Some measures (special suspension of customs duty on rice, a price freeze for petroleum products and electricity) were taken (on a one-off basis) during the period 2006-2008 in order to offset the higher living costs caused by the sharp rise in the price of cereals and oil on international markets. Some prices are still fixed for social reasons (hydrocarbons, pharmaceuticals, hospital care), and others must be approved (rice, bread, water, electricity, public transport). The *Agence de régulation des marchés* - ARM (Market Regulation Board) has introduced a calendar that restricts imports of perishable foodstuffs produced in Senegal (potatoes, rice, tomatoes, onions, etc.), during the harvest period so as to facilitate sale of the domestic crop.

52. In 2008, Senegal introduced a new framework for government procurement and since 2007 has undertaken not to use direct negotiation for more than 20 per cent of the total annual value of government procurement, an objective that was achieved for the year ending September 2008. In 2008, Senegal also adopted a new framework to protect copyright and related rights in order to bring its domestic legislation into line with the provisions of the African Intellectual Property Organization (OAPI) and the TRIPS Agreement. Anti-counterfeiting and anti-piracy measures have become much more effective since a special squad started to operate in 2007.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Registration

53. For natural or legal persons wishing to import or export goods into or from Senegal (including approved customs agents or licensed customs brokers (Section (ii)), the registration requirements have not changed since Senegal's second TPR in 2003. They must hold an importer/exporter permit[49], issued by the Minister responsible for trade. Applications for importer/exporter permits must include the following: a certified copy of the trader's permit[50]; a certified photocopy of registration with the *Centre national d'identification des entreprises et associations* - NINEA (National Centre for the Identification of Enterprises and Associations); a certified photocopy of the identity document; a receipt for payment of CFAF 10,000 to the *Conseil sénégalais des chargeurs* - COSEC (Senegalese Loaders' Council); and an identity photo for natural persons.[51] Applications for this permit may be made to the *Centre des formalités d'entreprise* - CFE (Business Formalities Centre) of the CCIA at a total cost of CFAF 41,500.[52] The requirements are the same for Senegalese or foreign natural or legal persons. In addition, all importers of alcohol or alcoholic liquids must be approved by means of a decision by the Minister responsible for finance. Only pharmacists approved by the Ministry of Health or the *Pharmacie nationale d'approvisionnement* - PNA (National Supply Pharmacy) may import medicines. Importers/exporters of pesticides must be in possession of an authorization issued by the Department of the Environment; importers/exporters of petroleum products must obtain approval from the Ministry of Energy; for meat, approval is given by the Ministry of Agriculture; importers/exporters of arms must obtain authorization from the Ministry of the Interior, and for transceivers approval is given by the *Autorité de régulation des télécommunications* (Telecommunications Regulatory Authority).

[49] Article No. 78, Customs Code (1987).

[50] Applications for trader's permits must include the following: a certified photocopy of the entry in the Commercial Register; a certified photocopy of the national identity card or passport and an identity photo of the person concerned. The total cost amounts to CFAF 15,500, broken down as follows: CFAF 2,000 for the revenue stamp (for the Treasury); CFAF 3,500 for administrative fees; CFAF 5,000 for the permit's preparation by Data Quartz; and CFAF 5,000 for the contribution to the costs of the *Chambre de Commerce, d'Industrie, et d'Agriculture de Dakar* - CCIAD (Dakar Chamber of Commerce, Industry and Agriculture).

Applications for listing in the Commercial Register must include the following: a certificate of residence, an extract from the police record in Senegal; and a certified photocopy of the national identity card (marriage certificate, where applicable). The total cost amounts to CFAF 32,000, broken down as follows: CFAF 25,000 for registration fees (clerk of the court); CFAF 2,000 for the revenue stamp (for the Treasury); and CFAF 5,000 for the contribution to the costs of the CCIAD. For foreigners: police records from the country of origin as well as Senegal, a copy of the foreign identity card or the consular card and national identity card.

[51] Information on line from *Investir en Zone Franc*, "*Démarches et procédures*". Viewed at: http://www.izf.net/pages/senegal/5474/ [23 February 2009].

[52] The cost of formalities with the Chamber of Commerce is CFAF 31,500, broken down as follows: CFAF 3,500 for administrative fees; CFAF 8,000 paid to Data Quartz for preparation of the importer/exporter permit; CFAF 10,000 for the revenue stamp; and CFAF 10,000 for the contribution to the costs of the CCIA.

(ii) Customs procedures[53]

54. Senegal continues to apply its Customs Code (1987)[54], which determines the customs rules and procedures and also deals with the settlement of disputes. The Code is supplemented by orders and implementing decrees which take into account the Community customs provisions (Regulation No. 09/2001/CM/UEMOA of 20 November 2001). There is, however, no single document containing both the Code and all its implementing texts. According to the Senegalese Customs, all international trade transactions are placed in one of the following four categories: release for consumption ("C"); export ("E"); suspensive regimes ("S"); and re-export ("R"). These four categories contain 25 codes; in all, together with the tax regimes (Chapter II(4)), there are over 100 possible customs regimes. According to the WAEMU exchange regulations[55], all imports of goods from a country outside the Franc Zone must be domiciled with an approved intermediary bank, with the exception of imports not exceeding CFAF 5 million (joint report, Chapter I(1)).

55. Since 1991, there has been a PVI[56], for which COTECNA has been responsible since 1 October 2001, and the contract was recently renewed on 27 February 2008.[57] The State pays COTECNA's fees.[58] For the purposes of the PVI, since 1 October 2001, Senegal has required a *Déclaration préalable d'importation* - DPI (Prior Import Declaration) for all customs transactions in the C and S categories with an f.o.b. value of CFAF 1 million or more; the DPI form can be obtained free of charge from COTECNA, which is responsible for registering it. Imports amounting to at least CFAF 3 million are subject to the PVI; some tariff headings are exempt[59], as are goods exempt under special tax regimes, namely grants and aid for the State and non-governmental organizations, special duty-free goods, goods that enter subject to conditions, removals, and exemptions under the Investment Code. COTECNA's task consists of verifying the quantity, the price and the tariff heading, as indicated in the DPI; the competent national department is responsible for verifying the quality of the goods. After the goods have been inspected, COTECNA issues a clean report of findings, which the importer attaches to the customs declaration; a discrepancy report makes the customs declaration inadmissible. For the moment, Senegal has no plans to abolish the PVI; nevertheless, COTECNA's physical pre-shipment inspection involves only 10 per cent of transactions,

[53] The main documents consulted for this section are as follows: United Nations (2005); COTECNA, "Senegal Datasheet". Viewed at: http://www.cotecna.com/COM/Images/Senegal_datasheet.pdf [27 February 2009]; *Centre international pour le commerce extérieur du Sénégal* - CICES (International Centre for Senegal's Foreign Trade), "Informations administratives". Viewed at: http://cicesfidak.com/doc2008/Fr-infos_administratives.pdf and http://www.gouv.sn/guide/import_export.html [23 February 2009]; Government of Senegal (CICES), "Comment importer/exporter au Sénégal". Viewed at: http://www.gouv.sn/guide/import_ export.html [23 February 2009]; and Ministry of the Economy and Finance (2002).

[54] Law No. 87-47 of 28 December 1987. Viewed at: http://www.douanes.sn/codedouanes.pdf [23 February 2009].

[55] Regulation No. 09/98/CM/UEMOA of 20 December 1998.

[56] Decree No. 91-1221 of 14 November 1991, notified to the WTO (WTO document G/PSI/N/1/Add.4 of 9 October 1996).

[57] *Sud Quotidien*, "COTECNA garde le contrôle", 28 April 2008. Viewed at: http://www.sudonline.sn/spip.php?article10684 [28 February 2009].

[58] In 2007, COTECNA's fees amounted to CFAF 6.1 billion (Ministry of the Economy and Finance, Directorate-General of Customs, "Rapport d'activité de la Direction générale des douanes", for 2007).

[59] HS Chapters: 01, 02 (except for 02.07 (frozen goods)), 03, 04.07.00.00.10; 05, 06, 07, 08, 09 (except for 09.02), 10, 11 (except for 11.01), 12, 13, 14, 15 (except for 15.07, 15.11.90, 15.14.90, 15.15, 15.17), 17 (except for 17.04), 18 (except for 18.05, 18.06), 19 (except for 19.02, 19.05), 23, 25, 26, 27, 28, 29, 30, 31, 36, 37.06, 38 (except for 38.14, 38.19), 40 (except for 40.06 to 40.13, 40.16, 40.17), 41, 43, 45, 46, 47, 49, 65, 66, 86, 87 (except for 87.06 to 87.08 and 87.14), 88, 89, 90.18 to 90.27, 93 and 97.

a much smaller number than the 100 per cent when the PVI was introduced in 1991. This reduction is due to the inspection services at destination provided by COTECNA to the Senegalese Customs, which now has scanners and the SIAR and can monitor customs transit electronically.

56. Senegal still encounters difficulties in implementing the WTO Customs Valuation Agreement. It requested - and was authorized - to continue applying minimum values for a limited list of identified products until 30 June 2005, originally extended until 30 June 2007[60], and subsequently until 30 June 2009 (Chapter III(2)(ii)).[61] Since July 2006, Senegal has reduced the product coverage of this waiver.[62] According to the latest Service Note from the Senegalese Customs, minimum values apply to the following products: chewing gum; confectionery; edible pasta; biscuits; waffles and wafers; dry biscuits; alcoholic beverages; matches; paper handkerchiefs; toilet paper; exercise books; household articles in aluminium, iron or steel; woven sacks and sheathes of polypropylene; ordinary bicycles; mopeds; and electric batteries. According to the authorities, the choice of the products to be made subject to minimum values and determination of the values themselves are the result of collaboration between the Government (Ministries of Finance, Trade and Industry) and the private sector represented by the leading employers' organizations, and their continued existence is justified by the unfair trade practices which the domestic industry has to face.[63] In July 2009, the authorities were still considering the options available for the period following expiry of the waiver on 30 June 2009, because the protection measures that should have taken over, such as the fifth ECOWAS CET band, the WAEMU safeguard measures, and the ECOWAS CET protection mechanism, had not yet been finalized. It should be noted that the person in possession of the products concerned may be requested to justify their presence in national customs territory (Section (iv)).

57. A customs declaration is mandatory for all imported goods even if they are exempt from duties and taxes. The detailed declaration is drawn up in writing, electronically or orally; for transactions exceeding CFAF 200,000, only licensed customs brokers[64] or importers who have a clearance credit are authorized to make this declaration, which was already the case at the time of Senegal's first TPR in 1994.[65] The detailed declaration must be accompanied by: the original commercial invoice; the bill of lading; a "Form A" certificate for products originating from the European Union or a certificate of origin for other countries; the clean report of findings issued by COTECNA; the DPI; the detailed list; and any other document required by the customs regulations (for example, a phytosanitary or sanitary certificate for products of plant or animal origin, respectively). The time required to assemble all the documents required for the customs clearance of goods has been reduced as a result of the introduction of the ORBUS system, which links users to the administrative offices that issue them electronically. Hard copies of documents are, however, still required for the filing of a customs declaration and the ORBUS system is seen as the first step

[60] Senegal's original request for a waiver is contained in WTO document G/C/W/390 of 26 June 2002. The General Council's decisions in this respect are contained in WTO documents WT/L/571 of 17 May 2004 and WT/L/655 of 28 July 2006.

[61] WTO document WT/L/735 of 6 August 2008.

[62] In comparison with the Annex to WTO document WT/L/571 of 17 May 2004, which granted the first waiver to Senegal, and WTO document WT/L/655 of 28 July 2006, which granted its first extension, the products removed from the scope of reference values are: alcoholic beverages (beer (2203), wine (220410, 220420, 220430), vermouth (220510, 220590), other (2206), spirits and liqueurs (220820, 220830, 220840)), matches (360500), and knitted or crocheted fabrics of cotton of yarns of different colours (600533).

[63] WTO document G/VAL/W/159 of 26 January 2007.

[64] Decree No. 85-863 of 9 August 1985. Permanent security of CFAF 60 million must be deposited in order to act as a licensed customs broker. The profession is also open to foreigners.

[65] Articles 71 to 77 of the Customs Code (1987). See also Article 80 of the WAEMU Customs Code.

towards the elimination of hard copies of the necessary documents. In addition, imports entering by sea must be accompanied by a cargo tracking note (BSC) for each bill of lading, a requirement since 1 November 2008.[66]

58. The computerized clearance system, called the *Gestion automatisée des informations douanières et des échanges* - GAINDE (Computerized processing of customs and trade information), in operation since early 1990, is available in the 23 customs clearance offices in Senegal; this system is specific to Senegal, which does not use the ASYCUDA developed by UNCTAD. ORBUS and GAINDE are not inter-linked. Extending computerization to all customs offices in Senegal has been one of the Senegalese Customs' major achievements since the 2003 TPR. Businesses in Dakar's industrial free zone register their declarations in a special office situated within the zone itself. Depending on the nature of the goods to be imported, each declaration goes through one of the channels determined by the SIAR as follows: blue, for transactions that involve no risk or are exempt from the PVI, in which case the goods are verified and automatically released; the green channel, for transactions involving a low level of risk, or not targeted by Customs, where inspection of the documents for the goods suffices; the yellow channel, for fragile, dangerous or heavy goods and goods where there is a risk of fraud and in this case the documents are inspected and on-the-spot visits are required; the orange channel, for products with a medium-level risk of fraud, for which the documents are inspected and the goods put through a scanner; and the red channel, for products for which there is a high risk of fraud, and targeted products, in which case the documents are verified and Customs also carries out a physical inspection. The release note, issued upon submission of the receipt from the Treasury certifying payment of the requisite duties and taxes, ends the inspection procedure, which is then followed by the customs formalities. The average time taken to clear a container in the computerized offices is 18 days according to World Bank indicators in *Doing Business 2009*; all the reforms made have allowed Senegal to move up 79 places since the 2008 ranking, and it is now 60th out of 181 countries.

59. The streamlined procedures used in the Dakar-Port offices involve the following: *Autorisation provisoire d'enlèvement* - APE (provisional clearance authorization), which is for perishable goods[67]; *Autorisation provisoire de débarquement et d'enlèvement* - APDE (provisional unloading and clearance authorization), a variant of the APE but intended for exports; *Déclaration d'enlèvement spéciale* - DES (special clearance declaration), which is for perishable goods or parts urgently needed[68]; and *Déclaration d'enlèvement provisoire* - DEP (provisional clearance declaration), for certain goods of a non-commercial nature and of insignificant weight and value (for example, samples) and not subject to a regularization declaration. Another procedure consists of issuing the clearance note automatically (BAE) after a certain time (48 hours).

[66] Interministerial Order No. 04350 of 26 May 2008. The COSEC (http://www.cosec.manobi.sn/) has determined a scale of fees for the BSC. For vehicles: CFAF 10,000/20,000 for vehicles of less/more than five tonnes coming from Africa; €15/30 for those of less/more than five tonnes coming from Europe, and US$20/40 for those of less/more than five tonnes from any other origin. For containers: CFAF 10,000/20,000 for 20/40 containers from Africa, €15/30 for 20/40 containers from Europe, and US$20/40 for those from any other origin. For goods in bulk (except for rice) and conventional goods, the BSC is invoiced at CFAF 32,500/€50/US$65 per 300 tonnes or cubic metre coming from Africa/Europe/or any other origin, respectively.

[67] This authorization allows a company to take delivery of the goods within the port. Parts needed for repairs may also be eligible for this streamlined procedure. Within 15 days of the actual date of release of the goods, the procedure must be regularized.

[68] It is in the form of an advance electronic declaration. The consignee must regularize the procedure within 15 days by submitting a detailed declaration and paying the duties and taxes, unless he submits an exemption authorization.

60. If there is any dispute concerning decisions by the Customs Administration regarding the tariff heading, the origin or the value of the goods declared, the user may lodge an appeal with the Director-General of Customs without incurring any penalty. If he does not agree with the latter's decision, he may ask the president of the commission responsible for settling customs disputes to make a ruling.

(iii) Customs levies[69]

61. Senegal applies the WAEMU's CET, as well as other Community duties and taxes (RS, PCS, PCC), and the special import tax (TCI) (joint report, Chapter III(2)(i)(b)). VAT of 18 per cent is also imposed on imports at the customs frontier. Some products, for example, tobacco and tobacco products, alcoholic beverages, edible fats, and petroleum products, are also subject to taxes comparable to excise duty. In addition, other duties and taxes still apply at the customs frontier to many products, just as they did at the time of Senegal's first and second TPRs. In 2008, customs duties levied on imports amounted to CFAF 420.6 billion (Table III.1), an increase of 45 per cent in comparison with 2003. This figure was essentially composed of VAT (56 per cent) and customs duty (29 per cent).

Table III.1
Customs revenue by heading, 2003-2008
(CFAF million)

	2003	2004	2005	2006	2007	2008
Customs duty	91,298.4	95,507.7	113,147.2	128,353.6	135,550.3	121,538.1
Fiscal duty	11.3	2.9	0.7	..	..	..
Statistical charge	10,704.6	11,556.3	13,211.0	15,440.4	16,952.2	19,649.9
Value-added tax	152,632.4	166,665.0	194,339.4	223,744.0	234,373.3	237,452.4
Refined oil safeguards tax	..	..	..	1,917.3	114.3	104.1
Tax on fabrics	112.4	125.1	125.1	116.9	127.9	135.0
Interest on arrears	135.8	157.1	232.1	206.0	251.7	368.6
COSEC levy	2,388.7	2,522.8	3,085.3	3,317.9	3,981.4	4,733.4
Pastoral fund levy	1,509.2	1,716.8	1,890.3	1,072.7	1,326.6	1,056.5
TPC on approved products	0.8	2.7	2.8	..	..	..
TPC on non-approved products	111.3	111.0	152.2	90.1	131.3	56.7
Community Solidarity Levy	8,787.7	9,384.7	10,658.1	11,628.4	13,837.0	15,896.8
ECOWAS Community Levy	4,326.6	4,602.0	5,219.8	5,722.7	6,821.5	7,821.1
Special import tax	268.3	77.5	140.8	160.1	122.6	112.6
Vehicle registration tax	1,225.7	1,572.3	2,570.1	2,627.1	3,028.8	3,260.9
Additional tax	97.7	1,051.2	830.6	823.8	817.2	688.6
Surcharge	2,230.3	2,449.3	2,324.0	2,837.3	4,177.9	2,513.2
Petroleum products tax	1,825.4	239.8	..	..	..	..
Internal tax	6,854.7	5,620.3	6,456.2	5,661.7	9,993.1	5,163.1
Equalization tax	6,002.9	5,252.1	6,263.2	6,462.0	2,113.1	4.2
Customs stamp	97.6	26.7	19.9	0.1	0.3	..
Total	**290,621.5**	**308,643.2**	**360,668.7**	**410,182.1**	**433,720.4**	**420,555.4**

.. Not available.

Source: Senegalese Customs.

[69] Senegalese Customs online information. Viewed at: http://www.douanes.sn/ [23 February 2009]. As the information does not indicate any date, it may not be the most up-to-date information.

(a) Import duties and taxes

62. In addition to the harmonized duties and taxes applied by all members of WAEMU and ECOWAS, some products imported into Senegal that do not originate from WAEMU or ECOWAS are subject to additional taxation, without any counterpart at the domestic level (Section (c)). Since 1998 (prior to the introduction of the WAEMU CET), a surcharge has been applied at the customs frontier, amounting to 20 per cent on various types of petrol (suspended since 2001), onions, bananas, rice (suspended since April 2007)[70], potatoes, and cigarettes; 10 per cent on imports of millet, sorghum (suspended since September 2008) and maize (corn) (suspended since April 2001).[71] The taxable base is the customs value, as is the case for customs duty. In addition, a parafiscal tax of 1 per cent is imposed on fabrics and is based on the c.i.f. customs value. A levy in favour of the pastoral fund is imposed on imported meat (CFAF 100/kg. for bovine and sheep meat; CFAF 50/kg. for pig meat).[72] For the time being, no timetable has been set for abolishing these taxes and surcharges. Senegal imposes a registration tax on vehicles released for consumption (2 per cent for new motor vehicles and 5 per cent for used vehicles, which must be less than five years old); the taxable base is the c.i.f. value plus the customs duty, the RS and VAT.[73] Vehicles for public transport of passengers and goods operated by persons holding the requisite authorizations are subject to a flat rate tax of CFAF 2,000.

63. Senegal has also introduced the TCI on some agro-industrial products (intended for every-day consumption) from countries outside WAEMU. The TCI rate in Senegal is 10 per cent on wheat flour, tomato concentrate, sweetened or unsweetened condensed milk, and fruit juice, based on the trigger price authorized by the WAEMU Commission.[74] The 10 per cent TCI on refined peanut, soya bean and rapeseed oil has been suspended since June 2004. In addition, a 25 per cent tax, described in the relevant law as a "safeguard measure" (Section (viii)), was introduced on all refined oils on 1 January 2006; in August 2006, its scope was limited to palm oil, and it was then abolished on 15 September 2008. Sugar for household use is subject to equalization under the TCI[75], which is added to the amount of the duties and taxes payable. In practice, the effect of the TCI on sugar is to align the Senegalese market price for sugar with guaranteed prices on the spot markets and the markets of the United States of America and the European Union, the latter being high-income countries, whereas the average income in Senegal (which is an LDC) is much lower, thus penalizing consumers. Sugar used as an input (for example, to manufacture finished products, beverages or biscuits) is exempt from the TCI if the importer has a manufacturer's certificate issued by the Minister responsible for industry; such operations must bear a special mark (Section (viii)). According to the Senegalese authorities, the TCI is derived from the special safeguard clause in the WTO Agreement

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[70] Whole, intermediate or husked rice; paddy rice other than for sowing.

[71] Law No. 98-35 of 17 April 1998.

[72] Decree No. 89-454 of 13 April 1989. In principle, imports of poultry meat are also subject to the pastoral fund levy, but their import has been banned since 2005 (Section (vii)).

[73] Freight is subject to a reference value.

[74] The trigger price is calculated as follows: PD=(0.3*CM+0.7*CPI), where PD is the trigger price; CM=the global price for the product; and CPI=domestic production costs for the product. See "Présentation de la Taxe Conjoncturelle à l'Importation (TCI)". Viewed at: www.industrie.gouv.sn/PRESENT_TAX_%20CONJONCT _import.doc [3 March 2009].

[75] As the price of sugar is guaranteed on foreign markets, the trigger price is calculated as follows: PD=([(PGUE+PGUSA+PMS)/3]+FA), where PD=the trigger price; PGUE=the European Union guaranteed price; PGUSA=the guaranteed United States of America price; PMS=the spot market price; and FA=shipping costs. The amount of the equalization consists of the difference between the value determined on the basis of the trigger price, on the one hand, and the c.i.f. value determined on the basis of the spot price, on the other. See "Présentation de la Taxe Conjoncturelle à l'Importation (TCI)". Viewed at: www.industrie.gouv.sn/PRESENT_TAX_%20CONJONCT_import.doc [3 March 2009].

on Agriculture, although none of the WAEMU member countries made such a reservation during the Uruguay Round negotiations; there is no plan to abolish it.

64. Goods arriving by sea for consumption in Senegal (except for goods in transit or for trans-shipment) are also subject to the COSEC levy amounting to 0.2 per cent of the c.i.f. value, which goes to the COSEC.

(b) Bindings

65. In its Schedule of Concessions XLIX, attached to the GATT 1994, Senegal bound all its tariff lines at 30 per cent for the most part, with some at 15 per cent.[76] As the maximum WAEMU CET is 20 per cent, for some tariff lines, the applied rates exceed the bound rates (Table III.2). Apart from these exceptions, the rates effectively applied are generally below the bound levels. In its Schedule XLIX, Senegal bound "other duties and taxes" on imports at 150 per cent, which is well above the applied levels.

Table III.2
MFN tariff rates applied that exceed the bound rates, 2009

Code	Description	Bound rate	Rate applied
0405100000	Butter	15.0	20.0
0405200000	Dairy spreads	15.0	20.0
0405900090	Dairy fats other than butter, dairy spreads and butter oil and basic fats	15.0	20.0
2203001000	Malt beer in containers of 50 cl. or less	15.0	20.0
2203009000	Other	15.0	20.0

Source: WTO Secretariat estimates based on data provided by the Senegalese authorities and the WTO CTS database.

(c) Internal taxes

66. Senegal applies VAT at a rate of 18 per cent on goods released for consumption, irrespective of their origin.[77] Some goods, whether imported or produced locally, are in principle exempt from VAT.[78] The taxable base for VAT is the c.i.f. value plus all duties and taxes, including excise duty where applicable, with the exception of VAT itself. Exports, including goods delivered to enterprises in free zones, are in principle subject to a zero rate (Section (3)(ii)).

[76] These commitments result from the Uruguay Round, during which Senegal bound all its tariff lines on agricultural products at 30 per cent and for non-agricultural products at 32.3 per cent; and also from the renegotiation of its tariff concessions under Article XXVIII of the GATT 1994, when Senegal undertook to lower the bound rate of 30 per cent gradually to 15 per cent by 2005 for some products (butter, certain dairy products, beer). In its Schedule of Concessions XLIX, Senegal also undertook to abolish the prior authorization required for 43 agricultural and non-agricultural products; the Government has confirmed that there are no import licences (WTO document G/LIC/N/1/SEN/1 of 23 October 2002). As Senegal has not made any commitment regarding domestic support (Part IV of Schedule XLIX), the commitment applicable to Senegal in this respect consists of not providing domestic support in excess of the *de minimis* level of the value of the production concerned (Article 7.2(b) of the Agreement on Agriculture).

[77] Senegalese firms that are taxed on their real turnover invoice VAT directly to their clients, whereas those subject to the single global contribution (whose turnover does not exceed CFAF 25 or 50 million for the supply of services or goods, respectively), do not invoice VAT directly to their clients. See Annex 3 to Book 2, General Tax Code (2007 edition).

[78] These include: medicines, pharmaceuticals, medical products and materials; unprocessed basic foodstuffs; books, newspapers and periodicals; bank transactions; seed, fertilizer, chicks, animal feed, agricultural inputs (fertilizer, insecticide, fungicide, herbicide), etc. See Annexes 1 and 2 to Book 2, General Tax Code (2007 edition).

67. Excise duty applies to some goods on the basis of the c.i.f. customs value plus the duties and taxes paid at Customs (with the exception of VAT and excise duty itself). The products concerned are: coffee (3.8 per cent), tea (3.8 per cent), perfume (12.5 per cent), aerated beverages (2.75 per cent), cola nuts (30 per cent), alcoholic beverages (40 per cent), the latter also being subject to an additional tax (CFAF 600 for wine and beer, CFAF 2,500 for spirits, per litre or per bottle). In addition, a 40 per cent tax is imposed on premium cigarettes and processed tobacco ("Scaferlati"), while "economic" cigarettes are subject to 15 per cent.[79] According to the authorities, the distinction between "premium" and "economic" cigarettes[80], which existed at the time of the first TPR, is made for reasons of public health and taxation of luxury goods. As regards imported cigarettes, excise duty is based on the customs value plus customs duty of 20 per cent, and other import taxes, for example, the 20 per cent surcharge (Section (a)).

68. The tax on edible fats applies to all such products, with the exception of peanut-based products: butter, dairy cream and mixtures thereof (12 per cent) and other fats (5 per cent). In order to limit the scope of this measure, the tax on refined vegetable oils and crude oils for refining in Senegal was abolished in 2006, but these products must be certified as such by the Quality and Metrology Department.[81] Lastly, each hectolitre of petroleum products is taxed upon import and, for locally produced products, when it is first sold, by category: premium petrol (CFAF 20,665); regular petrol (CFAF 18,847); petrol for dug-out canoe motors (CFAF 3,856); diesel fuel (CFAF 3,305). A special regime applies to imports of petroleum products (Section (v)).

(d) Duty and tax concessions

69. Senegal allows duty and tax-free entry for goods intended, *inter alia*, for the State (for example, gifts to the Head of State); imports by diplomatic missions, international or charitable organizations; materials covered by the UNESCO Florence Agreement; goods imported when changing residence; and "small packages". Exemption from customs duty and suspension of VAT are also given for goods imported in connection with approved investment projects (Chapter II(4)), mining (Chapter IV(3)(ii)) or petroleum (Chapter IV(3)(i)) projects. Free export enterprises have their own customs regime (Section (3)(ii)).

70. As an exceptional measure, the Government has suspended customs duty and surcharges on a selected number of imported products for mass consumption (broken rice, wheat, powdered milk and packaged rice) in order to offset the local impact of the rise in cereal prices in international markets.[82]

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[79] "Premium" cigarettes are those whose ex-factory selling price excluding tax or whose c.i.f. customs value plus the duties and taxes paid at Customs (excluding VAT and excise duty) is CFAF 250 or more per packet of 20 cigarettes, while "economic" cigarettes are those whose selling price does not exceed CFAF 250 per packet of 20 cigarettes. Overall, "premium" cigarettes are taxed at 118 per cent and "economic" cigarettes at 93 per cent. Senegalese Customs online information, "Dédouanement des cigarettes". Viewed at: http://www.douanes.sn/ spip/spip.php?article25 [3 March 2009].

[80] Law No. 2004-30 of 12 August 2004.

[81] According to the Senegalese Customs, "imports of processed oils in drums or cans and declared as crude oils must be substantiated by a certificate from the Quality and Metrology Department certifying whether the products are crude or refined". Viewed at: http://www.douanes.sn/spip/spip.php?article24 [6 March 2009].

[82] *Infosen*, "Denrées de première nécessité: 19 mesures pour faire face à la hausse des prix". Viewed at: http://www.infosen.net/spip.php?article392 [15 March 2009]; *Seneweb*, "Hausse des prix de la farine, du pain, des pâtes alimentaires: Vers un Septembre noir pour les ménages", 6 August 2007. Viewed at: http://www.seneweb.com/news/article/11611.php [15 March 2009].

The suspension of these duties and taxes remained in effect from July 2007 to September 2008 (Section (4)(ii)).[83]

(iv) Prohibitions, quantitative restrictions and licensing[84]

71. Senegal maintains prohibitions, quantitative restrictions and licensing, whose notification to the WTO, which dates back to 1997, has not been updated.[85] The following are the goods whose import is subject to authorization or approval: gold (Ministry of the Economy and Finance), arms and ammunition (Ministry of the Interior), transceivers (Telecommunications Regulatory Authority), medicines (Ministry of Health), veterinary medicines (Department of Veterinary Services), and petroleum products (Ministry of Energy). For all these products, as well as any other product specifically identified in an order from the Minister responsible for finance, any person who possesses or transports them "shall, when first requested by customs agents, show either the receipt certifying that the goods have been legally imported or the invoice, the manufacturing note or any other justification".[86] In addition to those products subject to authorization, there are a number of products whose import is subject to a minimum value (for example, electric batteries), surcharge, TCI (for example, sugar), parafiscal tax (for example, fabrics) or excise duty (for example, cosmetics, all edible oils), or foreign exchange tax (gold, foreign currency and means of payment, except for those issued within the Franc Zone) (Chapter I(1)).[87] Goods that may be counterfeit or pirated also require an authorization - and in fact those bearing false indications will be banned following an amendment currently being made to the Customs Code (Section (4)(v)). Quality control is compulsory for products that are the subject of a mandatory standard (for example, double tomato concentrate) and it is carried out by the Ministry of Trade (Section (v)). Products of animal or plant origin are subject to sanitary or phytosanitary measures, as applicable. Because the *Société africaine de raffinage* - SAR (African Refining Company) has a monopoly for supplying the domestic market with petroleum products, licences are required to import or export petroleum products.

[83] IMF, "Senegal: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding", 5 December 2008. Viewed at: http://www.imf.org/External/NP/LOI/2008/sen/120508.pdf [15 March 2009].

[84] The main document consulted for this section was: Ministry of the Economy and Finance (2002).

[85] WTO document G/LIC/N/3/SEN/1 of 11 February 1997.

[86] Article 208 of the Customs Code (1987).

[87] Order No. 257/MEF/DGD of 18 January 2006. This covers the following goods: green and black tea; pepper; wheat flour; narcotics, psychotropic substances and chemical precursors; refined soya bean oil; refined peanut oil processed for retail sale in containers not exceeding 5 litres; other refined palm oil; refined rapeseed oil; sugar; confectionery; biscuits, waffles and wafers; tomatoes; alcohol and alcoholic beverages; leaf tobacco and tobacco waste; cigarettes; butane gas in 2.6 and 6 kg. bottles; premium, regular and other petrol; diesel fuel; medicines; paint; perfume and toilet waters; cosmetics; matches; insecticides processed for retail sale; paper handkerchiefs; exercise books; foreign currency and means of payment (except for those issued in the Franc Zone); textile products in Section XI; sandals; diamonds; gold and gold articles; gold coins; silver articles; household articles (of oxidizable steel, iron or steel, enamelled, aluminium); electric batteries; accumulators; radio transmitters (except for those for personal use); broadcasting equipment (except for those for personal use); sound and analog recording media; mobile telephones (except for those for personal use); electric cables; motor vehicles and motor cycles; arms, whether or not rifled, and weapons of war, ammunition and spare parts; all subsidized products; all goods that are the subject of fraud prejudicial to the legitimate interests (and regular trade) of the Treasury.

72. Senegal also imposes prohibitions and licensing under multilateral environmental agreements it has signed[88]; recently, it implemented the Stockholm Convention on Persistent Organic Pollutants (POPs), and has banned the import, production, use, possession, sale or distribution of pesticides and chemical products covered by the Stockholm Convention (for example, DDT), even free of charge.[89]

73. One innovation since Senegal's previous TPR has been the introduction of the *Agence de régulation des marchés* - ARM (Market Regulation Board) in 2002 (Section (4)(ii))[90], for the implementation of the *Stratégie de développement et de promotion des exportations* - STRADEX (Export Development and Promotion Strategy) (Section (3)(iv)). The task of the ARM is "to monitor and regulate markets" in Senegal and it covers the following products: imported rice, local rice, maize (corn), bananas, potatoes, onions, tomatoes for processing (since 2006), sorghum and souna. In order to encourage the distribution and sale of domestic products in local markets, imports of competing products are restricted during the season when local products are being sold. For example, onions cannot be imported from April to August; a list of recommended prices for the local product ensures that all operators in the chain are guaranteed a constant margin (CFAF 25/kg.).[91]

74. Senegal imports almost all the medicines and health products it consumes, and the procedures for their marketing are the same as those prevailing at the time of its previous TPR in 2003, as notified in 1997.[92] According to Article 601 of the Public Health Code, any pharmaceutical product sold in Senegal must previously be approved by the Minister of Health.[93] The Pharmacies and Medicines Department of the Ministry of Health is responsible for giving approval. An application for approval, together with samples and documents proving that the product has therapeutic properties and is not harmful to consumers, are usually submitted by the manufacturer's laboratory to the authorities (Pharmacies and Medicines Department), which examines them in a technical committee. Approval is for a renewable period of five years. Products that have been approved are imported by persons in the pharmacy profession, except for products that are a monopoly of the PNA and may only be imported, stored and distributed by the PNA. The PNA was created in 1979 as the major supplier for public health units in Senegal, except for the main hospital, which is responsible for its own imports.[94] For medicines, medical products and articles that are not sold by the PNA, the association of private pharmacists fixes a national pharmaceutical price, which is regularly updated and is covered by the approved price regime (Section (4)(ii)). It is planned to harmonize the principles governing the regulation of pharmaceutical products within the WAEMU framework.[95]

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[88] Online information from Environmental Treaties and Resource Indicators (ENTRI), "Country profile: Senegal". Viewed at: http://sedac.ciesin.columbia.edu/entri/countryProfile.jsp?ISO=SEN [9 March 2009].

[89] Ministerial Order No. 09415 of 6 November 2008.

[90] Decree No. 2002–923 of 18 September 2002. The ARM is under the technical responsibility of the Ministry of Trade. It has its origin in the Rice Market Management and Monitoring Unit (Decree No. 96-345 of 8 May 1996).

[91] *Le Tri du Consommateur*, "Oignon - Commercialisation de la production locale: Les importations bloquées au 1er avril", 30 March 2007. Viewed at: http://www.ascosen.sn/milnews.php?subaction=showfull&id=1175290952&archive=&start_from= &ucat=5& [15 March 2009].

[92] WTO document G/LIC/N/3/SEN/1 of 11 February 1997.

[93] Law No. 65-33 of 19 May 1965. The texts of these regulations were viewed at: http://www.refer.sn/rds/article.php3?id_article=157 [15 March 2009].

[94] WHO (1997), "Le secteur pharmaceutique privé au Sénégal". Viewed at: http://whqlibdoc.who.int/hq/1997/WHO_DAP_97.3_fre.pdf [15 March 2009].

[95] Regulation No. 02/2005/CM/UEMOA.

75. A DPI is required for all customs transactions with an f.o.b. value of CFAF 1 million or more (Section (2)).

(v) Standardization, accreditation and certification

76. There have been major developments in Senegal's standardization regime since its previous TPR in 2003, and also in accreditation and certification procedures. At that time, the *Association sénégalaise de normalisation* - ASN (Senegalese Standards Association)[96], established in 2002[97], was already operating - under the technical responsibility of the Ministry of Industry - and in charge of standardization, accreditation and certification procedures. Senegal had also notified the WTO of four technical regulations (concerning wheat flour, tomato concentrate (simple, double and triple, since 1995), peanut paste, and methods for detecting aflatoxins in peanut paste).[98] According to the authorities, only the technical regulations on wheat flour and tomato concentrate (amended in 2003)[99] are still in place. There are 21 other technical regulations concerning, *inter alia,* iodized salt, oil enriched with vitamin A (on the basis of the CODEX international standards), meat, rice, vinegar, export documents, discharge of wastewater, and atmospheric pollution. Petroleum products have been subject to technical regulations since 1998.[100] In all, as at end February 2009 there were 281 Senegalese standards and technical regulations, which are only published in hard copy in the *Official Journal*.[101]

77. Before drawing up Senegalese standards in line with the programme of work defined by its governing board, the ASN examines their usefulness by undertaking a feasibility study to identify the existing international standards or, if there are none, conducts research to prepare a preliminary draft for a Senegalese standard. It convenes the technical committee composed of experts from manufacturing companies, private services and State and semi-State bodies, for consultation on the criteria selected. If this committee approves the preliminary draft, a public enquiry stage is initiated and this usually lasts 30 days (ten days in cases of emergency). The ASN takes into account the comments made and, if need be, revises the draft standard, submitting it once again to the technical committee. The procedure ends with final approval by the ASN's governing board and the publication of the standard in the *Official Journal*. Although this practice is not at present applied, a technical committee may decide that a standard be applied on a trial basis in Senegal for one or two years, without having to go through the public enquiry stage. A standard becomes a technical regulation as a result of an interministerial order (or presidential decree) signed by the ministers responsible.

78. The ASN also promotes quality in Senegal and, depending on its certification, a product may obtain a national mark showing conformity with Senegalese standards (NS), which serves to promote

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[96] ASN online information. Viewed at: http://www.asn.sn/ [15 March 2009].

[97] Decree No. 2002-746 of 19 July 2002. The *Institut sénégalais de normalisation* - ISN (Senegalese Standards Institute), created by Decree No. 78-228 of 14 March 1978, is no longer operational.

[98] WTO documents G/TBT/Notif. 97.348 of 15 July 1997 (wheat flour); G/TBT/Notif. 00/472 of 3 October 2000 (tomato concentrate); G/TBT/Notif. 00/473 of 3 October 2000 (peanut paste), G/TBT/Notif. 00/474 of 5 October 2000 (peanut paste, method for the determination of aflatoxins). The latter three notifications were also transmitted to the WTO Committee on Sanitary and Phytosanitary Measures.

[99] Decree No. 2003-638 of 21 July 2003 replaced Decree No. 95-79 of 23 January 1995 implementing standard NS 03 036 of August 1994. Viewed at: http://www.refer.sn/rds/IMG/pdf/03-07-21APPLICATIONNORMENS.pdf [15 July 2009].

[100] Decree No. 98-341 of 21 April 1998.

[101] According to the list provided by the authorities, these apply to the following areas: electrical engineering (2); building, civil engineering (56); agri-food industry (71); basic standards (14); the environment (81); administration and trade (3); chemicals (42); solar energy (11); and household energy (1). Viewed at: http://www.asn.sn/statistiques.htm.

the product in national and international markets. The mark is filed with the OAPI, but at present there is only one such product.[102] Senegal has not yet signed any mutual recognition agreements. As part of the Common Industrial Policy (PIC), a "WAEMU quality programme" and a West African accreditation system have been introduced (joint report, Chapter I(3)(i)).[103] At the subregional level, WAEMU countries are seeking to harmonize national accreditation and certification procedures.[104] The ASN acts as the secretariat for subregional standardization activities for the agri-food industry and the environment, and has put forward 25 WAEMU draft standards for food products (for example, edible oils), which member countries are considering. Senegal is a correspondent member of the International Organization for Standardization[105], where it observes the work on environmental management (ISO/TC 207) and the social responsibility of organizations (ISO/TMB/WG SR). The ASN also takes part in the AFNOR's technical work.

79. The Consumption and Consumer Safety Department is responsible for assessing the conformity of imported products with the mandatory standards, through the official laboratory of the Internal Trade Department or through other laboratories and, in principle, systematically verifies the products concerned (Section (iv)). For local industrial products, conformity is guaranteed by using production methods that comply with the mandatory standard. Where it has no relevant national capacity, Senegal uses the results of foreign laboratories.

(vi) Sanitary and phytosanitary (SPS) measures

80. According to Senegal's notification to the WTO, which dates from 1996[106], the phytosanitary measures taken with regard to imports are generally based on the international standards laid down in the International Plant Protection Convention (IPPC). The regulations on plants (living plants, seeds and parts of living plants, as well as plant products, soil and substrate, and packaging for plant material) make a phytosanitary certificate compulsory for all imports[107]; this is issued by the Plant Protection Department of the Ministry responsible for agriculture.

81. Senegal has not notified the WTO of its regulations on sanitary measures. According to the information available, its regulatory framework for sanitary measures has not changed since its previous TPR in 2003.[108] Sanitary measures are usually drawn up on the basis of the international standards defined by the OIE and the Codex Alimentarius (for which the national committee was set up in 1983). Since 2000, when Senegal notified three sanitary measures to the WTO (on tomato concentrate, peanut paste and the method for detecting aflatoxins in peanut paste), no new sanitary

[102] Crude peanut oil, at the request of SUNEOR, for its plants in Lyndiane (Kaolack) and Ziguinchor. General rules for the product certification regime and implementing regulations for crude peanut oil, have been drawn up.

[103] WAEMU online information, "Programme pour la mise en place d'un système d'accréditation, de normalisation et de promotion de la qualité". Viewed at: http://www.uemoa.int/ONUDI/ Accueil.htm [15 March 2009].

[104] Regulation No. 01/2005/CM/UEMOA.

[105] ISO online information, "*Sénégal (ASN)*". Viewed at: http://www.iso.org/iso/fr/about/iso_members/iso_member_body.htm?member_id=2068 [15 March 2009]. This relates to work on foodstuffs; fresh or dried fruit and vegetables; quality management and assurance; and environmental management.

[106] WTO document G/SPS/N/SEN/1 of 25 July 1996.

[107] Decrees Nos 60-121 and 60-122 of 10 March 1960.

[108] Law No. 66-48 of 27 May 1966; Decrees Nos 68-507 and 68-508 of 7 May 1968; Decree No. 69-891 of 25 July 1969; Decree No. 89-534 of 5 May 1989; Decree No. 2002-1094 of 4 November 2002; and Decree No. 69-132 of 12 February 1969.

measure has been notified.[109] To complement these measures, on 24 November 2005, Senegal decided to ban the import of live poultry, including one-day-old table-type and laying chicks, meat and poultry meat in pieces, fresh eggs and egg products for consumption, as well as used poultry farming equipment from any origin (including those free of disease and not included in the list of countries affected drawn up by the OIE), in order to combat the avian influenza epidemic. Nevertheless, if authorized by the Ministry responsible for livestock, one-day-old chicks for reproduction may be imported provided that an animal health certificate established by the veterinary authorities in the exporting country is submitted certifying that the chicks are free of avian influenza, and they must be placed in quarantine upon arrival at the expense of the importer.[110] According to the authorities, this prohibition still applies in accordance with the precautionary principle.

82. The Ministry responsible for livestock is in charge of sanitary measures for animals and a veterinary certificate is required to import or export any live animal (unless otherwise prohibited). An application must be made to the Veterinary Services Department, to which the sanitary certificate from the animal's country of origin must be attached. As soon as the animal arrives, the importer must inform the Service responsible for sanitary inspection accordingly. This inspection consists of verification of the documents provided, verification or inspection of the regulated items and, depending on the results of the inspection, the clearance note may be issued. Quarantine may be required. The cost of sanitary inspection is borne by the Government, with the exception of quarantine costs.

(vii) Packaging, marking and labelling requirements

83. In Senegal, the requirements on compulsory marks relate primarily to pre-packaged foodstuffs, according to the relevant Codex standard.[111] All perishable goods must have an informative label in French describing the nature of the product, the sell-by or use-by date, the ingredients, the weight or volume, the manufacturer's name and the number of its TPC or SLE approval, whichever applies, and instructions for use. The metric system must be used in Senegal.

84. Some products are subject to compulsory marks in order to prevent smuggling or uses other than the declared use (sugar used as an input is exempt from the TCI (Section (iv)). According to the Senegalese Customs, the label "*Vente au Sénégal*" (For sale in Senegal) is compulsory for boxes of matches and cigarette packets, bottles of alcoholic beverages stronger than 20 per cent/vol. (which must also show the manufacturer's tax number), R.20 electric batteries, packages of candles for household use, and "Légos" and "Wax" printed fabrics (to prevent counterfeiting).[112]

(viii) Contingency measures

85. Senegal has notified the WTO of its domestic legislation on anti-dumping and countervailing measures adopted in 1994[113], although it has never formally been applied by Senegalese companies. Consequently, Senegal is one of the WTO Members which regularly informs the competent

[109] WTO documents G/SPS/N/SEN/2, 3 and 4 of 23 October 2000. These three notifications were also transmitted to the WTO Committee on Technical Barriers to Trade.

[110] Interminsterial Order No. 7717 of 24 November 2005. The import of eggs for hatching is allowed subject to authorization by the Ministry responsible for livestock, and submission of a health certificate drawn up by the veterinary authorities in the exporting country certifying that the eggs have been disinfected prior to being shipped; they must also be disinfected upon arrival. See Embassy of France in Senegal (2008).

[111] Order No. 8671/2005 of 5 July 2005.

[112] Ministry of the Economy and Finance (2002).

[113] Law No. 94-68 of 22 August 1994. WTO document G/ADP/N/1/SEN/1 of 31 July 1996.

committees of the absence of measures (Table II.2).[114] Nevertheless, in January 2006, in accordance with the provisions of Article 6 of the WTO Agreement on Safeguard Measures, Senegal introduced a provisional safeguard measure in the form of a 25 per cent surcharge on imported refined edible oils[115], a measure that was partly lifted from August 2006 onwards and then abolished in September 2008 (Section (2)(iii)(b)). This surcharge applied to refined vegetable oils imported from non-WAEMU origins, but was also applied to shipments of any imported oil before it entered Senegal in order to allow time to verify its origin.[116] The purpose of this safeguard measure, which was added to the TCI (Section (iv)(c)) was to protect the company SUNEOR, the result of the privatization of SONACOS in 2004 (Section (4)(iii)) and (Chapter IV(2)).

(ix) Other measures

86. Pursuant to the Agreement on Trade-Related Investment Measures (TRIMS), in 2008 the authorities notified the Investment Code to the WTO (Chapter II(4)).[117] No agreement has been signed with foreign governments or firms with a view to affecting the volume or value of goods or services exported to Senegal. Likewise, the authorities are not aware of any such agreements between Senegalese and foreign firms. Senegal adheres to the international trade sanctions adopted by the United Nations Security Council and the regional bodies to which it belongs.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Customs procedures

87. The registration formalities required for the export of goods for commercial purposes are the same as those applicable to imports (Section (2)(i)), and the relevant customs procedures are also the same, with the exception of the DPI and PVI requirements, which only apply to imports (Section (2)(ii)). Nevertheless, goods in customs transit, goods with suspension of duties and taxes, prohibited or under a suspensive customs regime, must be covered by a DPI and a bond note. The Senegalese Customs propose several streamlined procedures for imports that may also be applied to exports (Section (2)(ii)) and they are looking into the possibility of introducing protocols of agreement with firms in order to provide individualized customs clearance procedures adapted to each one's specific needs; this is already the case for the company Sabodala Gold Operating SA (SGO), which has been exporting gold since March 2009.

88. The Community provisions require that export earnings be repatriated and converted into CFA francs (joint report, Chapter I(2)).

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[114] WTO document G/ADP/N/153/Add.1/Rev.2 of 25 April 2008.

[115] Law No. 2005-30 of 16 December 2005 and Law No. 2005-26 implementing a safeguard measure on imported refined vegetable oils. According to the authorities, the purpose is to protect the SONACOS following mass imports of refined palm oil of dubious quality into the Senegalese market in 2004, whose price was more competitive than Senegalese oil. A safeguard tax of 25 per cent was therefore applied to these imports. Viewed at: http://209.85.229.132/search?q=cache:VFZxDQ5Jut4J:www.mri.gouv.sn/espacenat_lois%25202005.php+taxe+sauvegarde+huiles+raffin per centC3 per centA9es+S per centC3 per centA9n per centC3 per centA9gal&cd=3&hl=en&ct=clnk [20 March 2009]. *Seneweb*, "Sénégal: maintien de la taxe sur les huiles importées". Viewed at: http://www.seneweb.com/news/engine/print_article.php?artid=4017 [20 March 2009].

[116] *Seneweb*, "Sénégal: maintien de la taxe sur les huiles importées". Viewed at: http://www.seneweb.com/news/engine/print_article.php?artid=4017 [20 March 2009].

[117] WTO document G/TRIMS/N/2/Rev.16/Add.2 of 28 March 2008.

(ii) Export duties and taxes

89. An annual royalty of 3 per cent of the pit-head value (difference between the f.o.b. value of the mineral substance and all the costs incurred from the pit-head to the delivery point) is levied on gold exported.

(iii) Export prohibitions, quantitative restrictions, controls and licensing

90. The export of the following goods requires an authorization: gold (Ministry of the Economy and Finance), hides and skins (Ministry responsible for livestock), and petroleum products (Ministry of Energy). Senegal also imposes prohibitions and licensing under the multilateral environmental agreements it has signed[118]; for example, it complies with the provisions of the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and makes the export of certain species of wild fauna and flora subject to prior authorization.

(iv) Export subsidies, promotion and assistance

91. Zero-rate VAT applies to exports, giving the right to refund of VAT on goods, services and works that have been used to produce the exports, as well as the tax on bank and related transactions, within 60 days.[119] Goods delivered by an economic operator established in Senegalese customs territory to a company in an industrial free zone or to a free export company are deemed to be exports and thus the principle of refunding VAT also applies. In addition, some customs regimes have been designed to encourage production for export: for example, the temporary admission regime, which concerns inward processing and the use of material and equipment in its original state, intended for re-export after processing or use, and the industrial warehouse regime. Drawback allows the total or partial refund or reimbursement of a lump sum for duties and taxes on imported products used to manufacture goods exported, subject to a decision by the Minister responsible for finance.

92. In 1997, Senegal notified the WTO that no direct export subsidies were granted.[120]

93. According to the *Stratégie de Croissance Accélérée* - SCA (accelerated growth strategy) adopted by the Government, Senegal hopes to achieve annual average growth of 7-8 per cent, thus allowing it to become an emerging country like Mauritius or Tunisia. It plans to increase exports for areas with growth potential (agriculture and agro-industry; fisheries and aquaculture products; textiles and clothing; ITC and teleservices; tourism, cultural industries, arts and crafts). In connection with the introduction of the Integrated Framework (IF), Senegal adopted the STRADEX, implemented since 30 June 2003. This programme was drawn up on the basis of a survey carried out in collaboration with the ITC to identify international market opportunities and the export potential afforded by fisheries products, intellectual products and services, cultural products, horticultural, oilseed and "wild" products, and products intended for arts and crafts markets. According to the authorities, the implementation of the IF in Senegal has been a success[121], and it appears that the STRADEX is being implemented through training and promoting awareness among stakeholders

[118] Online information from Environmental Treaties and Resource Indicators (ENTRI), "Country profile: Senegal". Viewed at: http://sedac.ciesin.columbia.edu/entri/countryProfile.jsp?ISO=SEN [9 March 2009].

[119] Articles 305-307, Tax Code (2007 edition).

[120] WTO document, G/SCM/N/3/SEN of 27 January 1997.

[121] The documents concerning Senegal's participation in the Integrated Framework were viewed at: http://www.integratedframework.org/countries/senegal.htm [20 February 2009]. See also, Ministry of Trade (2006a).

(government officials, private sector), as well as through participation by economic operators in international fairs in order to promote Senegalese products in foreign markets. The use of trade policy tools for incentive purposes concerns the free export enterprise regime (EFE) and its predecessors (Section (v)).

(v) Free zone

94. The free export enterprise (EFE) regime (Chapter II(4)), originally created in 1996 and updated in 2004, gives approved EFEs major fiscal concessions provided that 80 per cent of their turnover comes from exports.[122] Their sales in Senegalese customs territory are subject to import duties and taxes. The duration of status under this regime is 25 years. In addition, the Dakar Industrial Free Zone gives substantial fiscal concessions to the companies that have set up there, even though it no longer accepts new companies and its status will expire in 2016[123], while the "free point" regime is restricted to the four companies that have been given such status[124], which may transfer to the EFE regime. Part of the *Zone économique spéciale intégrée* - ZESI (integrated special economic zone), whose framework was established in 2007[125], will be deemed to be outside Senegalese customs territory and made secure and it is being built by the promoter, Jebel Ali Free Zone Authority (JAFZA).

95. Pursuant to the Community provisions, a product manufactured in Senegal by a company that benefits from a special regime allowing the suspension or partial or total exemption from import duty on materials used in the manufacturing process, may not be deemed to originate in the customs territory and hence benefit from the TPC (Article 8) or the ECOWAS SLE. The 2009 revision gives this possibility for products exported to WAEMU destinations if the duties and taxes payable on the inputs in question are paid (revised Article 8). Nevertheless, before this easing of the WAEMU rules of origin by Member States can come into effect, implementing regulations have to be adopted by the WAEMU Commission.

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

96. Senegal grants a number of different subsidies, whose full notification to the WTO dates back to 1997 and is no longer up to date, mainly because of the amendments made to the investment regime (Chapter II(4)). Tax and customs concessions are given to enterprises approved under the Investment Code or the EFE regime, as well as to those approved under the previous regimes (Chapter II(4)) and the ZESI, and for agricultural investment under the *Grande offensive agricole pour la nourriture et l'abondance* - GOANA (Major Agricultural Offensive for Food Security) (Chapter IV(2)), mining (Chapter IV(3)(i)) and petroleum (Chapter IV(3)(ii)) investment, and under the special regime for SMEs (Chapter IV(4)). Some public utility goods and services such as electricity (Chapter IV(3)(iii), social water connections (Chapter IV(3)(iv)), air transport services (Chapter IV(5)(i)), and postal services (Chapter IV(5)(iii)) also receive State support (Chapter IV(3)(ii)). The same applies to agriculture in general and to its various subsectors (Chapter IV(2)(ii)). According to the latest

[122] Law No. 95-34 of 29 December 1995, supplemented by Decrees No. 96-869 of 15 October 1996 and No. 2004-1314, and Law No. 2004-11 of 6 February 2004.

[123] Law No. 74-06 of 22 April 1974, as amended by Law No. 79-21 of 24 January 1979. WTO document G/SCM/N/3/SEN/Suppl.1 of 11 November 1997. Approved industrial enterprises must export at least 60 per cent of their turnover.

[124] Law No. 91-30 of 12 April 1991.

[125] Law No. 2007-16 of 19 February 2007.

information sent to the IMF by the authorities[126], rice and edible oil were subsidized between March and October 2008 and certain imported agricultural goods also benefited from suspension of duties and taxes between July 2007 and September 2008. In all, the Government estimates that its subsidies for butane gas (abolished as of June 2009)[127], electricity (through the relatively low rates for electricity supplied by SENELEC), and foodstuffs (suspension of duties and taxes) amounted to around 7 per cent of GDP over the period 2006-2008. In principle, State aid has been governed by WAEMU regulations since 2003, but these are not implemented.[128]

97. The emergency measures taken to revive the activities of the SAR include taking over its trading losses. The *Fonds de sécurisation des importations de produits pétroliers* (Fund for guaranteeing imports of petroleum products)[129] gives a margin of support to refining (CFAF 25/kg. for black oils and CFAF 35/kg. for white products); this was tantamount to a large subsidy for the production of butane gas, but was abolished in June 2009 (Chapter IV(3)(ii)).

(ii) Competition and price control[130]

98. The regulatory framework for competition and price control in the domestic market dates back to 1994[131], and has not been amended since Senegal's previous TPR in 2003. It is still being implemented and involves price control under the responsibility of the Ministry of Trade's Internal Trade Department. The Department deals with complaints lodged on competition-related issues on behalf of the Regional Commission.

99. Where there is a monopoly or a dominant position in a particular market (public transport in 2001, flour and bread in November 2007)[132], the Government may control the price of the goods and services concerned. According to the regulations in force, the principle of free pricing is followed. Nevertheless, 13 products and services "of a social nature" may be subject to direct control, i.e. mandatory fixing, of their prices through a decree or order in the case of rice, coal, hydrocarbons, water, electricity, (fixed) telephony, hospitalization rates, and the fees of approved physicians; or to approval in the case of the price of wheat flour, butane gas, bread, pharmaceuticals, and the rates charged by transport ancillaries.[133] Price approval means prior endorsement by the Minister of Trade. Consequently, any increase in such prices is also subject to authorization by the Minister; if no reply is received within one month of the application being filed, the increase is deemed to have been approved. As at June 2009, hydrocarbons, butane gas, water, electricity, (fixed) telephony, hospitalization rates, the fees of approved physicians, and public passenger transport rates were subject to mandatory price fixing; bread, sugar, pharmaceuticals, the rates of public transport ancillaries, and taxi rates were subject to approval.[134] In addition, to restrict price increases by intermediaries, regulatory decisions have been taken to set a maximum margin per tonne of rice (CFAF 4,000, 5,000 and 15,000, respectively, for importers, semi-wholesalers and retailers) and per

[126] IMF (2008a).

[127] The annual amount of this subsidy was CFAF 32 billion in 2008 and CFAF 8 billion in 2009, see IMF (2009a).

[128] Regulation No. 4/2002/CM/UEMOA.

[129] Decree No. 2006-953 of 26 September 2006.

[130] Ministry of the Economy and Finance (2008).

[131] Law No. 94–63 of 22 August 1994 on pricing, competition and disputes, Decree No. 95-77 of 20 January 1995 implementing Articles 44 and 64 of Law No. 94-63 of 22 August 1994, and Decree No. 96-343 implementing Articles 3 to 14 and 16 to 22 of Law No. 94–63 of 22 August 1994.

[132] Article 2, Decree No. 95-77 of 20 January 1995.

[133] Decree No. 95-77 of 20 January 1995.

[134] Decree No. 2007-1394 of 21 November 2007.

tonne of cement (CFAF 3,000). For all the subsectors that are the subject of agreements among the professional associations, notably peanuts and cotton, a minimum price is determined annually for each season (Chapter IV(2)(iii)).

100. Since it was set up in 2002[135], the ARM has been responsible for monitoring and regulating markets for certain products (rice, maize (corn), bananas, potatoes, onions, tomatoes for processing (since 2006), sorghum and souna) in Senegalese customs territory, by setting up an efficient information system for triggering suitable regulatory measures to ensure better market supply. Its tasks are to promote the sale of domestic output, particularly agricultural products, by developing product storage, conservation, processing and distribution channels and identifying a consumption pattern so as to establish a sound trade policy, draw up a list of producers and traders and facilitate the smooth operation of markets through consultation frameworks (Article 2). The ARM monitors 174 permanent markets, 182 weekly markets, and subregional and international markets, and consults professional associations and government bodies involved in agricultural and agro-industrial policy. It is awaiting the establishment of an intervention and regulation fund, promised when it was set up, in order to expand its field of action.

(iii) State trading, government enterprises and privatization

101. Senegal has not notified the WTO of any State-trading enterprises within the meaning of Article XVII of the GATT. The programme for State withdrawal from economic activities began in 1987[136] in implementation of the structural adjustment programme (1987-1992). An initial list of State-owned enterprises to be privatized was expanded in 1995 to include State-owned enterprises supplying water and electricity, railways, and the SONACOS (peanut subsector).[137] In all, the State listed 27 companies sold under the privatization programme up to early 2001, including financial services, the national cement works, some hotels, the national airline, fixed telecommunications, a phosphate mine and the public water service (Dakar and 55 urban centres).[138] Since then,

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[135] Decree No. 2002–923 of 18 September 2002. The ARM comes under the technical responsibility of the Ministry of Trade. It has its origin in the Rice Market Management and Monitoring Unit (Decree No. 96-345 of 8 May 1996).

[136] Law No. 87-23 of 18 August 1987.

[137] Law No. 95-05 of 5 January 1995.

[138] Ministry of the Economy and Finance online information, "Privatization". Viewed at: http://www.finances.gouv.sn/espace_secteur_privetest.php?id=6&smnu=61&file=Privatisation [15 March 2009]. Privatization involved the following 27 companies: SPT; Renault Sénégal; Ferme agricole de MBAO (leasing rental); SERAS; SIDEC (cinemas); SNSSS; VACAP (Cape Skiring, taken over by the Club Med); SAIH Méridien; SONED; SIPOA; Banque internationale pour le commerce et l'industrie du Sénégal (BICIS) (the State's 24.8 per cent share); BHS (bank, the State's 9.9 per cent share); Compagnie sénégalaise d'assurances et de reassurances (CSAR); SODISA (Domaine industriel de Saint-Louis); SOCOCIM (cement); CNCAS; Société nationale d'exploitation des eaux du Sénégal (SONEES) (concession contract with the State for the water infrastructure since 1996, expired in 2006 and renewed until 2011, together with a leasing contract between SONEES and the State, on the one hand, and the Sénégalaise des eaux (SDE) on the other), 98.5 per cent owned by SAUR, see French Development Agency (2006); Agence sénégalaise pour l'assurance du commerce extérieur (ASACE); Société des textiles de Kaolack (SOTEXKA) (leasing contract); SONATEL (42.33 per cent of the shares bought by France Télécom, 17.6 per cent sold to the public and traded on the regional securities exchange, and the remainder in the government portfolio; Société nouvelle pour l'approvisionnement et la distribution au Sénégal (SONADIS); Société de l'hôtel de l'Union Teranga (SPHU-TERANGA); Société sénégalaise des phosphates de Thiès (SSPT); HAMO; Dakar Marine; SENELEC (privatized in 1999, but returned to the government portfolio after cancellation of the 2000 contract with the Hydro-Québec Elyo Consortium); and the Société nationale des transports aériens (SONATRA), which became Air Sénégal International (51 per cent owned by the Royal Air Maroc Group (RAM) and 49 per cent by the State).

privatization has mainly affected the following: in 2003, the *Société de développement des fibres textiles* (SODEFITEX)[139], and the granting of a 25-year concession to the *Société d'exploitation du traffic international* (SETI) for the Dakar-Bamako railway line[140]; in 2004, the *Société nationale de commercialisation des oléagineux du Sénégal* (SONACOS)[141], which became SUNEOR in 2007; in 2005, the State sold 47.42 per cent of *Industries chimiques du Sénégal* to its shareholder Indian Farmers Fertilizer Cooperative Ltd. (IFFCO)[142]; and in 2008, a 25-year concession was granted for Dakar's container port.[143]

102. Since 2007, the State has been planning to take back control of *Air Sénégal International* (ASI), in which a majority holding was sold in 2001 to the strategic partner, Royal Air Maroc, which recently announced its definitive withdrawal from management of ASI at the end of March 2009.[144] The major government-owned enterprises remaining in the privatization programme are: the *Société nationale d'électricité* (SENELEC), and Dakar International Airport.

103. Privatization is the responsibility of the special commission established to follow up on the State's withdrawal, whose members are appointed for a three-year term by the President of the Republic. Depending on the enterprise concerned, the State's withdrawal may consist of selling shares to a strategic partner, increasing the capital without a State holding, setting up a holding company to manage the infrastructure, establishing private companies responsible for commercial operations or granting a leasing contract. Privatization operations are initially dealt with by internationally known independent audit firms for a detailed analysis. The method used for privatization is a call for bids, prompt payment of the shares bought and their recording in the Finance Law as fiscal earnings (with the exception, for example, of shares sold to employees, under a presidential decree).

104. The State's minority holdings are managed by the Unit for the management and control of the Government's portfolio, attached to the Ministry of the Economy, Finance and Planning.

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[139] Cotton producers bought 30 per cent of the shares (prior to privatization they did not hold any shares), and the other shareholders are: DAGRIS (51 per cent, compared to 20 per cent before privatization); the State (10 per cent, from 77.5 per cent prior to privatization); weavers (8 per cent). Viewed at: http://r0.unctad.org/infocomm/anglais/COTTON/chain.htm#se [20 March 2009].

[140] Canac-Getma is the majority shareholder with 51 per cent, the Malian and Senegalese States each hold 10 per cent, the employees 9 per cent and private firms in each State hold the remaining 10 per cent. *Afrik.com*, "Privatisation de la ligne Dakar-Bamako", 8 July 2003. Viewed at: http://www.afrik.com/article6334.html [20 March 2009].

[141] Izsos (a consortium comprising the Advens group, the Belgian group Desmet and Sodefitex) is the majority shareholder in SUNEOR with 66.9 per cent, while the State holds 25 per cent and the remainder belongs to the employees.

[142] Previously IFFCO held 20 per cent and the State 70 per cent, with the remaining 10 per cent held by the Southern Petrochemicals Industries Corporation (SPIC)). The ICS had become insolvent. Viewed at: http://www.telegraphindia.com/1090311/jsp/others/ print.html [20 March 2009].

[143] The concession was given to Dubai Ports World. *Afrik.com*, "Port de Dakar: Dubaï Ports World dame le pion à Bolloré", 8 October 2007. Viewed at: http://www.afrik.com/article12636.html [20 March 2009].

[144] *Infosdumaroc*, "Maroc: RAM confirme son retrait d'ASI", 3 March 2009. Viewed at: http://www.infosdumaroc.com/modules/news/article-5903.html [15 March 2009].

(iv) Government procurement

105. Senegal's government procurement regime has been revised since the previous TPR in 2003. The new Code (2007)[145] has been in effect since January 2008 and incorporates the recommendations of an audit (Country Procurement Assessment Review (CPAR)) conducted under the auspices of the World Bank[146], as well as the revisions needed to implement the relevant WAEMU regulations, adopted in 2005 (joint report, Chapter III(3)(iii)).[147] The Code will soon be revised in order to introduce provisions that will reserve government procurement to Senegalese companies for supplies, services or works of Senegalese origin or manufacture, as is already the case. Senegal is neither a party nor an observer in respect of the WTO Plurilateral Agreement on Government Procurement, but the authorities are interested in obtaining observer status.

106. One special feature of the new Code is to make bidding procedures the principal method of awarding government procurement contracts, so contracts awarded as a result of a direct negotiation will become the exception and will only concern those deemed to involve "secrets or whose fulfilment must be accompanied by special security measures when the protection of the higher interests of the State so requires", those that involve an exclusive right (for example, a patent), or an addition to a main contract awarded through a bidding procedure. Since 2007, Senegal has undertaken not to use direct negotiation for more than 20 per cent of the total annual value of government procurement, an objective that was achieved for the year ending September 2008, when 19 per cent of procurement was through direct negotiation.[148]

107. The bidding procedure may either be open (with or without pre-qualification), or restricted. The latter method is for intellectual services, as well as contracts for services, supplies and works that have been the subject of an unsuccessful call for bids. In principle, the lowest bid is chosen, but a price preference up to a maximum of 10 per cent may be given "to bidders under Senegalese law or from WAEMU member countries and to bidders whose bids include only products of Senegalese origin or from WAEMU member countries, in comparison with bidders that are not under Community law" (Article 50).[149]

108. The *Direction centrale des marchés publics* - DCMP (Central Government Procurement Department)[150], set up within the Ministry of the Economy and Finance in 2008, is responsible for monitoring procedures prior to the award of government procurement contracts and grants the authorizations determined in the Code. The DCMP also has responsibilities relating to training, advice, statistics and information for those involved in government procurement. The *Autorité de régulation des marchés publics* - ARMP (Regulatory Authority for Government Procurement)[151], operating since 2008, is responsible for a posteriori controls, punishing fraud or corruption, evaluating

[145] Decree No. 2007-545 of 25 April 2007. This new Code replaces that adopted in 2002 by means of Decree No. 2002-550 of 30 May 2002. See Section (4)(vi) of WTO document WT/TPR/S/119-3 of 30 June 2003.

[146] World Bank (2003).

[147] Directives No. 04/2005/CM/UEMOA and No. 05/2005/CM/UEMOA.

[148] IMF (2009a), Table 8. According to the IMF, "This new procurement framework is widely considered a major achievement, but a possible single-tender purchase of a coal power plant by the public electricity company (SENELEC) has raised concerns" (page 17). The report by the ARMP for the period October to December 2008 is awaited.

[149] Article 4 of the Code defines Community enterprises as those with their corporate headquarters in a WAEMU member State.

[150] Decree No. 2007-547 of 25 April 2007.

[151] Decree No. 2007-546 of 15 April 2007.

the system for awarding contracts, audits, and for proposing reform of the regulations.[152] The ARMP has drawn up model forms for bidding procedures according to each method. There is a website on government procurement, which shows each contracting authority's plans for awarding contracts through a bidding procedure, its calls for tender, as well as decisions by the ARMP.[153] Any person involved in awarding or fulfilling a government procurement contract is bound by the Code of Transparency and Ethics, drawn up in 2005.[154]

109. The scope of the Code includes all contracts awarded by the central government, local authorities, public establishments, agencies or bodies, State-owned companies and public limited companies in which the State has a majority holding (Article 2). The thresholds for its application are laid down in the Code (Table III.3). Procurement financed from external resources is also subject to the Code unless the clauses in the related financing agreements specify otherwise. As under the previous Code (2002), the person responsible for approving the contract varies depending on its amount. Each contracting authority has a procurement commission (whose members are appointed by the contracting authority) and a procurement unit, which is responsible for controlling the documentation.

Table III.3
Procedures for awarding government procurement contracts, 2009

Subject
Threshold (minimum) for mandatory award of contracts through a bidding procedure
Procurement by the State, local authorities or public establishments:
(a) CFAF 25 million for works; (b) CFAF 15 million for services and supplies; (c) CFAF 25 million for the supply of intellectual services.
Procurement by agencies, bodies, State-owned companies or public limited companies with a majority State holding, including those governed by Law No. 90-07 of 26 June 1990:
(a) CFAF 50 million for works; (b) CFAF 30 million for services and supplies; (c) CFAF 30 million for the supply of intellectual services.
Threshold for a priori control by the DCMP:
(1) Prior examination of calls for bids before launching the procedure for awarding contracts:
Procurement by the State, local authorities or public establishments, other than for road maintenance:
(a) CFAF 150 million for services and supplies, including the supply of intellectual services; (b) CFAF 200 million for works.
Procurement by State-owned companies or public limited companies with a majority State holding:
(a) CFAF 250 million for supplies; (b) CFAF 125 million for services and intellectual services; (c) CFAF 500 million for works.

[152] Order No. 09762 of 13 November 2008 determines the "regulation levy" which provides the ARMP with its own resources at 0.5 per cent of the amount of the government procurement approved, excluding tax, and 0.1 per cent of the turnover, excluding tax, of those holding public service concessions.

[153] Online information on government procurement in Senegal. Viewed at: http://www.marchespublics.sn/ [20 March 2009].

[154] Decree No. 2005-576 of 22 June 2005.

Subject	
Procurement by State-owned companies or public limited companies with a majority State holding governed by Law No. 90-07 of 26 June 1990: (a) CFAF 400 million for supplies; (b) CFAF 200 million for services and intellectual services; (c) CFAF 600 million for works.	
Prior examination of reports on comparative analyses of bids or proposals and records of the provisional award of procurement contracts by the procurement commissions: Procurement by the State, local authorities or public establishments, other than for road maintenance: (a) CFAF 40 million for services and supplies, including the supply of intellectual services; (b) CFAF 100 million for works. Procurement by State-owned companies or public limited companies with a majority State holding: (a) CFAF 100 million for supplies, services, including intellectual services; (b) CFAF 200 million for works. Procurement by State-owned companies or public limited companies with a majority State holding governed by Law No. 90-07 of 26 June 1990: (a) CFAF 100 million for supplies, services, including intellectual services; (b) CFAF 200 million for works.	
Legal and technical examination of planned procurement prior to approval: (a) CFAF 400 million for supplies; (b) CFAF 800 million for works; (c) CFAF 350 million for services, including intellectual services; (d) Procurement by direct negotiation; (e) Clauses to the aforementioned contracts.	
Principal methods for awarding contracts	- Open bidding procedure, with or without prequalification; - Restricted bidding procedure, following an opinion issued by the DCMP; - Direct negotiation, following an opinion issued by the DCMP.
Preference	"For procurement following a bidding procedure, a preference may be granted, for an equivalent level of quality and comparable delivery periods and provided that the bid does not exceed more than 10% of the lowest bid, to workers' association or cooperatives, craftsmen's associations or cooperatives, artists' cooperatives and individual craftsmen belonging to the relevant consular chambers, and to approved survey, training or financing bodies. The same preference is granted to bidders under Senegalese law or from WAEMU member countries and to bidders whose bids only include products of Senegalese origin or originating in WAEMU member countries, in comparison with bidders that do not fall under Community law."

Source: WTO Secretariat, on the basis of Decree No. 2007-545 of 25 April 2007 and Order No. 011580 of 28 December 2007.

(v) Protection of intellectual property rights

110. Senegal ratified the revised Bangui Agreement (1999) on 9 March 2000 (joint report, Chapter III(3)(iv)); this Agreement applies as a domestic law in Senegal and is automatically enforceable. In the case of a Senegalese applicant, the procedure for obtaining a title starts with filing an application with the *Structure nationale de liaison* - SNL (National Liaison Body), which is the industrial property service in the Ministry in charge of industry, together with the supporting documents. In 2008, Senegal adopted new domestic legislation on copyright and related rights in order to harmonize the coverage of the protection of artistic property, as well as the relevant terms,

with the provisions of the TRIPS Agreement.[155] The term of copyright protection has thus been raised from 50 to 70 years after the death of the author. The *Bureau sénégalais des droits d'auteur* - BSDA (Senegalese Copyright Office) is responsible for collective administration in Senegal.[156] Since 26 April 1970, Senegal has also been a member of the Convention establishing the World Intellectual Property Organization (WIPO), signed in Stockholm (1967).

111. The authorities have indicated that the SNL's activities focus on making economic operators aware of the importance of protecting intellectual property, especially as a tool for development of SMEs and SMIs (for example, the importance of protecting trade names), and include providing applicants with support. In 2009, its activities also included implementing Annex X to the revised Bangui Agreement concerning new varieties of plants. The authorities have drawn attention to the efforts made by the OAPI to promote the protection of intellectual property arising from scientific research in the member States. The special squad set up to combat counterfeiting and piracy, which has been operating since 2007[157], carries out inspections in markets. According to recent information from this squad, a large number of persons have been arrested and an estimated 7.8 tonnes of material have been seized, including 20,762 DVDs, 56,950 VCD media, etc. This denotes considerable progress as, in 2005, according to the BSDA, three out of five products sold in Senegal had been pirated.[158]

112. The constraints faced by the authorities in implementing the Bangui Agreement (1999) include the lack of any domestic legal instrument for its implementation. In addition, it would appear that there is a lack of consistency between this Agreement and Senegal's legal instruments (Civil Code, Penal Code, Customs Code).[159] Efforts are being made to incorporate the various offences and sanctions recognized in the revised Bangui Agreement into Senegal's national provisions.

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[155] Law No. 2008-09 of 25 January 2008 replaced Law No. 73–52 of 4 December 1973.

[156] Online information from the Senegalese Copyright Office. Viewed at: http://www.bsda.sn.

[157] Decree No. 2006-13198 of 28 December 2006.

[158] SEMET online information, "Piraterie musicale au Sénégal", 6 July 2005. Viewed at: http://semet.blogspot.com/2005/07/piraterie-musicale-au-sngal.html [15 March 2009].

[159] The border measures provided in Article 51 of the TRIPS Agreement, which concern requests to suspend imports by a holder of rights, are in principle the responsibility of the national authorities, which determine the relevant provisions in the National Customs Code. The integration of these provisions into Article 19 of Senegal's Customs Code (1987) is still under way.

IV. TRADE POLICIES AND PRACTICES BY SECTOR

(1) INTRODUCTION

113. Since its second TPR in 2003, Senegal has endeavoured to instil new dynamism into its agricultural sector, which has been growing more slowly than other sectors during the period under review. Agriculture (broadly defined) provides employment for roughly 60 per cent of the population, and its performance is important for the poverty reduction goals established for 2015 in the Poverty Reduction Strategy Paper (PRSP) adopted in 2001. Self-sufficiency is the declared objective in the context of the common agricultural policies established by the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). In particular, this involves promoting the production of cereal crops, which Senegal currently mostly imports, and that of other basic food products for which any surplus is sold on local markets. The measures to achieve this objective consist of subsidies to finance input purchases, adopted following the 2004/2005 crop season; the financial envelope for such measures was increased substantially in 2008-2009 following the adoption of the Major Agricultural Offensive for Food Security (GOANA). Senegal also continues to give protection over and above the WAEMU Common External Tariff (CET) to local agribusiness products (wheat flour, tomato concentrate, condensed milk, fruit juices, sugar and cigarettes), as well as to unprocessed local goods, such as onions, rice, millet, potatoes, and so forth. It also protects the poultry sector by prohibiting imports of poultry meat, including from countries not affected by avian influenza. The adoption of various instruments of the ECOWAS common agriculture policy in 2009 (such as the ceiling CET rate of 35 per cent, compared to 20 per cent under WAEMU and accompanying measures) could accentuate the level of protection afforded to the sector.

114. Senegal does not have significant known mineral reserves; and mining activities make a marginal contribution to GDP. Given the strong global demand for mineral products, however, Senegal has intensified its prospection and exploration activities. Crude oil is imported and then refined by the State enterprise *Société africaine de raffinage* (SAR), to supply the local and export markets, especially Mali. While the SAR holds a de facto monopoly on the production of petroleum products, a number of measures are being planned to restructure and modernize it. A regulator is set to be appointed for downstream activities in the hydrocarbons sector. Another State-owned enterprise, Senelec, also holds a monopoly on the transportation and distribution of electricity within its concession area, and independent producers are required to sell their surplus to it. Independent producers have monopoly concession contracts for electricity distribution in rural areas. Reform of the electricity subsector is also on the agenda.

115. As is the case in the mining sector, Senegalese manufacturing is still modest and remains dominated by the processing of agricultural and mining products, followed by crude oil refining. A substantial part of the country's manufacturing activities are undertaken on a small-scale informal basis, essentially targeting the local market. Reforms have been implemented nationally and regionally to improve the sector's performance, and these are starting to bear fruit. Nonetheless, the structure and level of tariff protection in the sector do not generally provide incentives for vigorous expansion.

116. Largely dominated by public administration and informal activities, services play a major role in the Senegalese economy, and have been one of the engines of economic growth over the last few years. The sector's recent results reflect the robust performance of transport and telecommunications services, which are substantially liberalized, although the national telecom company, the semi-public *Société nationale des télécommunications*, has a dominant position in many segments; and operators

such as Transrail (rail transport) and Air Sénégal International are currently facing difficulties. Tourism is the country's second largest source of export earnings after fisheries, and is viewed by the Government as crucial to its various strategies, including poverty reduction. Financial services, for their part, are governed by the WAEMU common banking regulations, and the code of the Inter-African Conference on Insurance Markets (CIMA). Senegal has made commitments under the General Agreement on Trade in Services (GATS) in several categories, including financial services, telecommunications, transport and tourism.

(2) AGRICULTURE AND RELATED ACTIVITIES

(i) Overview

117. Situated on the western coast of Africa in the Sahelian zone, Senegal has a land area of 19.6 million ha., 700 km of coastline, and an exclusive economic zone (ZEE) of 180,000 km^2. Three major rivers traverse the country from east to west, flowing out into the Atlantic Ocean: the Senegal River (1,700 km), the Gambia (750 km) and the Casamance (300 km). Arable land area is estimated at around 3.8 million ha. (roughly 90 per cent of that country's total), while grassland and grazing land cover 6.8 million ha. The country has 8.7 million ha. of forest, which are exploited to provide wood and its by-products to meet essential household energy needs.

118. In 2006 about 60 per cent of Senegal's economically active population was employed in agricultural activities (including fisheries and livestock breeding). Access to land in the rural area is subject to the allocation regime (section (ii)), and the crops grown and methods used are traditional and family-based. Agriculture is also practised on the outskirts of cities by farmers and/or housewives. Agriculture, including livestock breeding and forestry and fishery activities, contributed about 12.5 per cent of GDP in 2007. Nonetheless, the sector lacks dynamism, and has been growing more slowly than other parts of the economy (Table I.1). As the production system in Senegal relies essentially on rainwater, crop seasons fluctuate in line with rainfall (Table IV.1); and harnessing water resources remains a persistent challenge for Senegalese farmers. Despite generally favourable water conditions, only 58,133 ha. (1.5 per cent of all arable land) are irrigated; the main irrigated crop being rice (mainly local varieties). Senegal also has 187,867 hectares of land that could be irrigated but is currently unused with much greater potential, particularly in the Senegal River delta.

Table IV.1
Production, 1999/2000-2008/2009 crop seasons

Crops	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Groundnuts for oil	950 000	1 003 506	887 356	260 723	440 709	565 853	..	..	..	..
Peanuts	56 357	58 034	56 481	4 623	..	..	..	..	..	..
Cotton	23 000	20 378	34 237	39 228	54 964	50 000	..	..	..	..
Millet	675 000	600 221	470 105	414 820	628 426	379 166	608 551	494 345	318 822	678 171
Sorghum	147 444	143 750	140 477	114 174	189 787	132 400	143 989	121 003	100 704	251 515
Maize	66 132	78 593	106 422	78 194	400 909	422 623	399 958	181 585	158 266	397 326
Rice	364 000	190 928	243 907	176 672	231 805	197 095	289 424	212 377	193 379	408 219
Fonio	3 053	1 064	772	880	966	1 430	1 253	889	1 068	4 425
Niébé	68 000	47 290	31 720	12 805	34 705	17 387	..	..	..	..
Cassava	104 009	132 859	137 893	106 960	181 721	401 728	..	..	..	..

.. Not available.

Source: Senegalese authorities.

119. The main subsistence crops are millet, maize, sorghum, rice, cowpeas (niébé) and cassava; while cash crops include groundnuts and cotton, which provide raw materials for local agribusiness to produce food oils and cotton lint (Section (iii)). Vegetable growing in general, and market gardening in particular (especially onions and tomatoes), are increasingly important on the outskirts of large cities where there is strong demand for this type of produce. The tomato concentrate segment (Section (iii)) is vertically integrated within industrial tomato-growing. Cereal production fluctuated widely in the 1990-2006 period, in line with rainfall, despite showing a slight rising trend. This basically matches the trend of sown areas, and returns are weak and fluctuating.[160] During this period, Senegal has become increasingly dependent on grain imports to satisfy burgeoning demand in urban areas. The Senegalese population was estimated at around 12 million people in 2008 and is expanding at 2.5 per cent per year, according to World Bank data. The rate of urbanization is also increasing (47 per cent of the population, particularly around Dakar, the country's capital, compared to 42 per cent six years earlier) owing to the steady rural exodus. Nonetheless, following the implementation of measures to support the GOANA programme, cereal production rebounded strongly in the 2008/2009 season.

120. The increasingly strong demand for food products in urban areas, where nutritional habits tend to be different from those in the rural area, targets crop and livestock products, either fresh or processed, such as bread, milk and dairy products (Section (iii)), meat (Section (iii)), fish (Section (iv)), fruit and market-garden produce, available in the large distribution circuits and on local markets. The quality of household nutrition depends above all on the income available to its members (e.g. wages from employment), whereas, in rural areas, it is the household's own production capacity that determines the extent to which its basic food needs are met. Around 23 per cent of the population was undernourished in 2000-2003, the same proportion as a decade earlier in 1990-1992.[161]

121. Following the ban on importing poultry meat imposed on 24 November 2005 (Section (iii)), goods imported from other countries are mainly cereals (Chapter 10 of the Harmonized System (HS)), which accounted for about 10 per cent of total imports in 2006 (in second place behind petroleum products), chiefly rice (from India and Thailand). Senegal consumes 800,000 tonnes of rice per year, of which 80 per cent comes from abroad. With a share of about 3 per cent, other major imported agricultural products include: edible oils (Chapter 15 of the HS), imported from Côte d'Ivoire (palm oil) and from Brazil (soya); and milk (Chapter 4 of the HS), imported in powder form from Argentina, France and Ireland. Imports also play a major role in supplying the national market with farm inputs, material and equipment. The trend of the harmonized consumer price index shows a very steep rise in cereal prices, despite steps to ease customs duties taken by the authorities in November 2007 (Section (ii)). The cereals price index rose from 93.1 in February 2006 to 97.8 in February 2007, 109.1 in February 2008 and 135.2 in February 2009 (an average increase of 23.9 per cent per year between 2008 and 2009).

(ii) Agricultural policy

122. The GOANA programme was launched on 18 April 2008 by Senegal's Head of State.[162] This policy originated as a result of the trends noted above and in the framework of the PRSP II; the somewhat disappointing contribution made by Senegalese agriculture and agribusiness to national economic growth, the pace of which needs to stabilize at a higher level in line with the country's Accelerated Growth Strategy (SCA); increasing food insecurity, and the increasing weight of food

[160] CSAO-CILSS (2008).

[161] FAO online information, "Food Security Statistics - Senegal". Viewed at: http://www.fao.org/faostat/ foodsecurity/Countries/EN/Senegal_e.pdf [15 March 2009].

[162] Ministry of Agriculture (2008).

expenses in household budgets, particularly following the surge in cereal prices on world markets in the period 2006-2008; and the poverty suffered by rural families which is fuelling the rural exodus and emigration abroad. Between October 2008 and 2010, GOANA is targeting production of 2,000,000 tonnes of maize, 3,000,000 tonnes of cassava, 500,000 tonnes of paddy rice and 2,000,000 tonnes of other cereals (millet, sorghum and fonio). In the livestock segment, its goals are to produce 400,000,000 litres of milk and 600,000 tonnes of meat. Total investment of CFAF 47 billion is forecast for the 2008/2009 growing season (Table IV.2), most of which is destined for special programmes to revive key subsectors (sunflower, sesame, bissap, potato) and subsidies to finance fertilizer purchases (CFAF 13 billion). Since the 2004/2005 season, subsidies of 50 per cent have been paid on the price of fertilizers and phytosanitary products, and 70-80 per cent in the case of seeds (other than groundnuts) and selected agricultural materials, within the bounds of the global annual envelope assigned for this subsidy, the amount of which has been substantially increased. This subsidy policy has been supported by price controls on the products in question. Subsidizable amounts are allocated by region and distributed by local committees through the *sous-préfets* or rural council presidents. It is worth noting that the agricultural input subsidy had been abandoned since 1989, before being revived under the National Programme for Rice Self-Sufficiency, followed by specific programmes to revive key subsectors.

Table IV.2
Agricultural production subsidies, 2005/2006-2008/2009

	Crop season			
Component	**2005/2006**	**2006/2007**	**2007/2008**	**2008/2009**
Fertilizer	6,000,000,000	4,618,891,277	9,676,208,088	13,258,390,600
Price support for groundnut producers	5,071,883,764	7,550,000,000	6,730,696,160	725,178,795
Subsidy for groundnut seeds	2,700,000,000	3,252,337,661	5,022,202,900	9,538,644,670
Special programmes	1,041,775,000	500,000,000	2,844,015,360	18,609,107,330
Crop protection	1,991,000,000	921,000,000	1,200,000,000	915,891,429
Rural credit insurance fund	4,000,000,000	0	800,000,000	..
Agricultural material	2,940,102,632	1,000,000,000	1,969,499,149	650,000,000
Special hydro-agricultural equipment repair programme	..	..	..	3,500,000,000
Total	**23,744,761,396**	**17,842,228,938**	**28,242,621,657**	**47,197,212,824**

.. Not available.

Source: Senegalese authorities.

123. The GOANA programme aims to achieve "food sovereignty",[163] in line with the objectives announced in the Agriculture-Forestry-Livestock Framework Law (*Loi d'orientation agro-sylvo-pastorale* - LOASP) passed in 2004.[164] The operational elements of this legislation include the National Agricultural Development Programme (PNDA), prepared with assistance from the Food and Agriculture Organization of United Nations (FAO) and adopted in December 2003, together with a Senegal Forestry Action Plan (PAFS) and a National Livestock Development Plan (PNDE), neither of which has yet been defined. The numerous implementing regulations envisaged

[163] According to the manager of the Market Regulation Board (ARM), food security needs to be distinguished from food sovereignty. The latter enables a country to protect the local market from competition from imported products, especially when prices on world markets are kept low as a result of the subsidy practices of developed countries (*Le Soleil*, Alioune Cissé (ARM manager): "La GOANA est plus qu'une rupture", 6 May 2008. Viewed at: http://www.lesoleil. sn/article.php3?id_article=36342 [12 April 2009].)

[164] Law No. 2004-16 of 4 June 2004. Article 36 of the LOASP states: "Whenever necessary, the State implements protection measures or subsidies to reduce or suppress distortions in foreign trade within WAEMU and ECOWAS, while respecting the Agreements of the World Trade Organization."

for the LOASP have been delayed, in particular the adoption of a land policy, which has been a work in progress since 1996. This delay is the result of a dispute between those who benefit from customary law and the new requirements introduced by the land policy, reflecting the Government's desire to promote to private investment in agriculture, to create industrial-scale production units (see below).

124. The LOASP legalizes the organization of Senegalese agricultural activity by sector, with public-private consultation arrangements to improve dialogue between the State and recognized inter-professional structures (e.g. the National Inter-professional Groundnut Committee of Senegal (CNIA) and the National Cotton Producers Federation (FNPC) (Section (iii)(c)), that exist to defend their members' interests and provide services to them. At the highest level of government, the National Council for Rural Consensus and Cooperation (CNCR)[165] embraces 22 farmer groupings, including those in the fishery sector, and engages in dialogue with the authorities. The National Agricultural Lending Bank (Caisse nationale du crédit agricole - CNCAS) grants loans under commercial conditions (Section (4)). In most cases (groundnuts, cotton, rice, tomatoes, onions, potatoes, sesame), the minimum producer price for the season is set each year by an inter-professional agreement.

125. Consensus and coordination in relation to food security policies and programmes is the responsibility of the National Food Security Council (CNSA), created in June 1998. This organization bases its activity on information gathered by the Food Security Observatory (OBSEA). To protect the consumer, the retail prices of basic food products (rice, milk, edible oils, wheat flour and bread) were fixed or standardized in early 2009. More generally, however, the lack of an effective competition policy has enabled participants in the distribution chain of imported foodstuffs to create rent situations that push up the prices of these products between unloading at the port of Dakar and their final distribution on the domestic market.[166] This enables local producers to charge relatively high prices for their identical or similar goods, except in cases where distribution margins are fixed (such as imported rice and edible oils).

126. Achieving the GOANA objectives raises the issue of access to land, since the registration of land plots has been growing exponentially owing to the spread of urban areas and modern economic activities. While land registration has been practised in Senegal since the colonial period, in reality this only covered the urban area, leaving 95 per cent of land unregistered when the law defining the national domain was passed in 17 June 1964.[167] According to that legislation, the State does not own the nation's land but administers it on behalf of the population at large. Rural land is almost entirely subject to the common-law National Ownership Regime. The State defines development rules, which, following the decentralization process that began in 1972, are administered by rural councils, under the tutelage of the *préfets.* Landholding is thus accessed by allocation from the rural council cost-free (fees were abolished in 1964), but the beneficiary in question must live in the community and (with his/her family) make productive use of the plot. A land allocation is normally cancelled if it is not put to productive use. Land is not bequeathed in the event of death (but inheritors have priority when the land plot is reallocated) and no real right accompanies the allocation. Land plots in "pioneer" zones of irrigated agriculture in the Senegal River Valley, which are developed and organized by the River Delta Land Management and Development Company (SAED) are allocated by

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[165] Online information from the National Council for Rural Consensus and Cooperation, Viewed at: http://www.cncr.org.

[166] Powdered milk, unloaded at the port of Dakar at an average c.i.f. price of CFAF 1,324, is sold to consumers at CFAF 2,692. Broken rice unloaded at the port of Dakar at a price of CFAF 154, is sold to consumers at CFAF 250.

[167] International Institute for Environment and Development (2008); Terre des Hommes Suisse (2008).

the SAED for all collective entities (cooperatives, production associations, economic interest groups (GIEs)), with which it has signed a contract. The State may grant long-term leases on its own land, thereby providing landholding security.

127. As the land policy requires developed land plots to be rented out preferentially to local crop growers, private investors (either national or foreign) are sought to develop land plots in "pioneer" agriculture zones under long-term leases, and also to cover the essential areas of input supply, storage, processing, distribution and other services to producers and distributors. The medium-term objective of GOANA is to double the area under cultivation from 1.869 billion ha. in 2007-2008 to 3.871 billion ha. by 2012, and to increase the tonnage produced by nearly sixfold, to 8.6 million tonnes from its 2007-2008 level of 1.5 million tonnes. This involves extending irrigated rice growing areas in the Senegal River Valley to exploit its higher productivity (an increase from 1 tonne/ha. to 6-9 tonnes/ha.), thanks also to the use of high-yielding varieties and two crop cycles per year. The SAED handles agricultural water arrangements in the north of Senegal, with developed land plots allocated under contract, while in the south this task is undertaken by the Agricultural Development Corporation (*Société de développement de l'agriculture* - SODAGRI). New production units must obtain authorization to start operations. Agricultural investment is promoted by APIX.[168] A special law establishes a tax and customs regime governing activities undertaken within GOANA, and, in particular, grants exemptions from VAT and customs duties on imports of agricultural inputs and materials, and from income taxes for five years in the case of agricultural units created under this framework.[169] The "Return to agriculture agency" (*L'Agence du plan retour vers l'agriculture* - REVA) also supports private agriculture promoters.

128. There are three types of State or quasi-State intervention in Senegal's agriculture sector: those funded by the State through the Ministry of Agriculture (which is also responsible for livestock breeding and fishery activities); semi-State structures and projects financed by the State and development partners or both; and projects financed by non-governmental organizations (NGOs). The Ministry of Agriculture is the top-level authority on national agricultural policy; it takes decisions on State infrastructure investment and brings together the main departments and services related to agricultural activity, at both the central and the regional levels. The State also works with development partners to finance the activities of semi-State structures that involve the agriculture sector. Research into seeds and new cultivation techniques is undertaken by the Senegalese Agricultural Research Institute (ISRA), in partnership with the Development Research Institute (IRD) and the Agricultural Research Centre for International Development (CIRAD). The Food Technology Institute (ITA) works on processing techniques for agribusiness. The National Agricultural and Rural Advisory Board (ANCAR) provides training, awareness-raising, and information services (among others), with a view to transferring agricultural technologies through contracts signed with producer organizations.[170] The National Pedology Institute (INP) provides specialized cartographic information, and the Geographic and Cartographic Department (DTGC) supplies a large range of maps. There are numerous field projects (development of water reservoirs, support for the procurement of agricultural material, eradication of animal diseases), mainly financed through external funds. A large number of NGOs are also active at the local level.

129. Apart from the interventions noted above (subsidies, market regulation, and floor prices for staple crops), the main fiscal support provided to crop farmers, livestock breeders or fishermen,

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[168] APIX has prepared a complete dossier on investment opportunities in Senegal under the GOANA programme, which has been viewed on their site www.investirausenegal.com, clicking on "l'Espace téléchargements".

[169] Law No. 2008-54 of 21 July 2008.

[170] ANCAR online information. Viewed at: http://www.ancar.sn/.

currently consists of the following measures: exemption from the tax on corporations and other legal persons (IS), for agricultural cooperatives and their unions, mutual credit banks, mutual agricultural insurance or reinsurance companies, and rural development and management companies, for which subsidies represent 80 per cent of their financing; exemption from the tax on profits made by crop farmers and livestock breeders from the sale of crop or livestock products produced on their land; and exemption from the business licence fee *(patente)*. The special GOANA law provides a range of tax incentives for investments made under its auspices, through a regime that is more favourable than that provided by the Investment Code. The free export enterprise regime (Chapter II(4)), which gives greater incentives, is only open to agricultural enterprises that obtain at least 85 per cent of their sales revenue from exports, such as fishery enterprises (Section (iv)).

130. Senegal's tariff, based on the WAEMU CET, provides a comparatively higher level of nominal protection for agricultural than for non-agricultural products. The simple average of the rates applied to agricultural products in 2008, under the ISIC definition (including livestock production, fishing and forestry) was 13.1 per cent (Table AIV.1), above the global average of 12.1 per cent. Certain imported products are also subject to a surcharge of between 10 and 20 per cent, levied at the customs frontier (without a domestic counterpart), such as millet, onions, potatoes, sorghum, banana, and rice (Chapter III(2)(iv)). A specific import tax (TCI), a Community mechanism applied nationally to offset subsidies by foreign countries or to cushion the effects of sharp fluctuations in international prices on Community production, is levied on several products (wheat flour, tomato concentrate, fruit juice and sugar). There are also a number of internal duties and taxes, including VAT at 18 per cent, and, where appropriate, excise duty (on tobacco products, alcoholic drinks and fats). In several cases relating to food products, customs valuation is based on reference prices (Chapter III(2)(ii)).

131. The State may take measures to provide relief from customs duties and/or VAT by way of support. For example, the suspension of duties or taxes, or both, on imported products (broken rice, wheat, powdered milk, and packaged rice) were among the 19 measures announced in November 2007 to combat the high cost of living;[171] the suspension of these duties and taxes remained in effect from July 2007 to September 2008.[172] The State can also directly subsidize the sale price (of rice for example) or pay off balances owed on CNCAS loans. Agricultural products, including food products, may be subject to technical regulations and sanitary and phytosanitary measures (Chapter III(2)(v) and (vi)).

132. The Market Regulation Board (ARM), established in 2002, monitors and regulates markets throughout national territory, covering the following products: rice, maize, bananas, potatoes, onions, tomatoes for processing (since 2006), sorghum and souna millet. Import restrictions are periodically imposed on certain products to make it easier to sell domestic production (Chapter III(2)(iv)). These measures are accompanied by a table of recommended prices to guarantee a constant profit margin (CFAF 25/kg. in the case of locally produced onions) for all sector participants.[173]

133. Senegal's agricultural policy is evolving in a subregional setting marked by harmonization of the objectives and instruments of agricultural policies. WAEMU and ECOWAS each have a common agricultural policy (joint report, Chapter I, Section (3)(i)). The introduction of a new

[171] *Infosen*, "Denrées de première nécessité: 19 mesures pour faire face à la hausse des prix", 1 November 2007. Viewed at: http://www.infosen.net/spip.php?article392 [15 March 2009].

[172] IMF (2008a).

[173] *Le Tri du Consommateur*, "Oignon - Commercialisation de la production locale: Les importations bloquées au 1er avril", 30 March 2007. Viewed at: http://www.ascosen.sn/milnews.php?subaction=showfull&id=1175290952&archive=&start_from=&ucat=5& [15 March 2009].

maximum 35 per cent rate and accompanying measures as a result of the adoption of the ECOWAS common external tariff should strengthen the level of protection and increase intra-Community trade in these products, particularly in the five priority sectors (rice, livestock/meat, poultry, maize and cotton). Community programmes on standardization, conformity assessment and certification, and the harmonization of veterinary pharmaceuticals legislation, phytosanitary and animal health surveillance and control, and food safety (joint report, Chapter III(2)(vi)) are expected to help develop trade in these areas. Senegal also hopes to diversify its exports into developed markets, where it currently encounters difficulties linked above all to sanitary and phytosanitary measures.

(iii) Policy by sector

(a) Groundnuts

134. Groundnut cultivation is an ancient activity in Senegal and was for a long time the country's leading agricultural segment. Groundnut oil, exported to France during the 1960s (earning around 80 per cent of the country's merchandise export earnings in 1960) was consumed on a massive scale before giving way to other edible oils (olive, soya, palm). Groundnut cultivation in Senegal currently engages around 10 per cent of the population (about one million people), and is done on 50 per cent of sown land in rotation with millet and sorghum. Output is used to manufacture peanut paste, peanut butter or snack products, or for processing into crude and refined groundnut oil, groundnut flower, haulm and oil cake as cattle feed. The Presidential Council of 24 May 2007 was devoted to groundnuts and set a production target of 1,000,000 tonnes, a level last achieved in the 2000/2001 season, compared to an output of 427,093 tonnes in 2007/2008.

135. Since the 2004/2005 season, support for groundnut production has consisted in a subsidy on input prices (seeds, fertilizers and phytosanitary products, along with selected agricultural materials), within the bounds of the annual global envelope, the amount of which has increased sharply under GOANA. Since the 2004/2005 season, the price of groundnut seeds has been set at CFAF 100/kg. (instead of CFAF 225, i.e. a subsidy of around 55 per cent, except in 2006 and 2007 when the price was CFAF 80/kg.), subject to an upper limit (rising from 35,000 tonnes to 71,208 tonnes for the 2008/2009 season), for a total increase in the financial envelope from CFAF 4.8 billion to CFAF 6.6 billion. The seeds are distributed to SUNEOR, NOVASEN, the Touba agribusiness complex and to other private seed agencies authorized by the State, and then resold to groundnut growers at the maximum price set by the Government. A number of programmes financed by development partners are in place to rebuild seed capital, operating through ISRA, ANCAR and DISEM. Agricultural programmes since the 2004/2005 season have also included a 50 per cent subsidy for fertilizers, also subject to a maximum limit (15,000 tonnes for the 2008/2009 season). Groundnut growers also benefit from tax support measures under the incentive regimes implemented for farmers and processing firms (Section (ii)). Greater sector professionalization and, in particular, more extensive use of irrigated production systems seem necessary for sector development.

136. Groundnut oil extraction is done by the private enterprise SUNEOR, and by NOVASEN and the Touba agribusiness complex. Refined groundnut oil, a staple food product, is sold in the domestic market, while the crude oil is exported (95 per cent to the European Union). With a view to recapturing the French market, SUNEOR guarantees grain traceability from the point of collection to the reception centre, pursuant to the European Directive that entered into force on 1 January 2006. Crude groundnut oil (HS heading 1508.10) accounted for 4 per cent of Senegal's exports in 2006 (petroleum products were the country's leading export category with a 24 per cent share). These enterprises also import crude oils from other plant species (olive, soya, palm), and refine it for sale on the domestic and local markets.

137. Liberalization of the groundnut subsector, which was already under way at the time of Senegal's second TPR, included privatization in 2004 of the National Oilseed Marketing Corporation of Senegal (SONACOS)[174], which became SUNEOR in 2007.[175] The Government had previously broken up SONAGRAINES, a subsidiary of SONACOS, which was responsible for picking the groundnuts and transporting them to processing factories, for the benefit of private storage operators (OPS). Authorized by SUNEOR, NOVASEN and the Touba agribusiness complex establish contact points for the purchase of grain, for which the season price is set by the National Inter-Professional Groundnut Committee of Senegal (CNIA); for the 2008/2009 season, the proposed producer price was CFAF 165/kg., set by the CNIA, without subsidies.[176] In the previous season, the State had subsidized the producer price by CFAF 15/kg.[177] Another outlet for groundnut growers is the parallel market (*louma*), where prices reflect supply and demand, and can be well above the official price.[178]

138. Edible oil in Senegal is subject to a TCI of 10 per cent, in addition to a 20 per cent customs duty. The 25 per cent safeguard measure imposed on refined edible oils as from 1 January 2006, and restricted to palm oils in August 2006, was repealed on 15 September 2008 (Chapter III(2)(iii)(b)). Senegalese regulations on edible oils, not yet notified to the WTO, are compulsory. Moreover, edible oil obtained from groundnuts is exempt from the tax on fatty food products charged on refined oils (15 per cent); butters, milk creams and their blends (12 per cent); and other fats (5 per cent), except for crude oils to be refined in Senegal. Despite these measures, imports of edible oils (HS Chapter 15) increased by 85 per cent between 2002 and 2006.

(b) Cotton[179]

139. Despite the privatization in 2003 of the former State-owned textile fibre development company SODEFITEX,[180] the cotton subsector has not been radically restructured since Senegal's second TPR. SODEFITEX holds a monopoly over cotton lint production, and remains the sole buyer of seed cotton produced by growers, which the enterprise fully controls. The growers cultivate cotton in rotation chiefly with millet and groundnuts. An inter-professional agreement between the State, the National Cotton Producers Federation (FNPC) and SODEFITEX sets targets for each season: in 2008/2009, the target set was 55,000 tonnes of seed cotton, based on a single minimum purchase price of CFAF 195/kg. in 2004/2005 and 2005/2006, and CFAF 180/kg. in 2006/2007. The State

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[174] Izsos (the consortium encompassing the Advens group, the Belgian group Desmet and Sodefitex) is the majority owner of SUNEOR, with around 66.9 per cent of the shares, while the State holds 25 per cent and the remainder is owned by the employees.

[175] This enterprise has published a periodic newsletter since May 2007. Viewed at: http://www.suneor.sn/.

[176] According to SUNEOR, this price is too high in relation to world markets. The latter is influenced, among other things, by support measures applied by certain developed countries (C. Badiane (2001)).

[177] *L'International*, "Sénégal: Pas de subvention sur le kg. de l'arachide cette année", 1 December 2008. Viewed at: http://www.linternationalmagazine.com/article5976.html.

[178] *Le Quotidien*, "SUNEOR - Les paysans boudent la sous-facturation de l'arachide: 165 francs n'huile pas 2009", 20 December 2008. Viewed at: http://www.lequotidien.sn/index.php?option=com_content&task=view&id=3648&Itemid=10.

[179] Journal de l'entreprise de la SODEFITEX, "Renaissance Cotonnière", N° 10, November 2008. Viewed at: http://www.sodefitex.sn/pdf/RC10.pdf [20 March 2009]; renseignements en ligne de l'épicerie équitable, "US-GPC Kédougou Sénégal". Viewed at: http://www.epicerie-equitable.com/epicerie/images/pdf/fiche_coop_kedougou.pdf [20 March 2009].

[180] Cotton producers have acquired 30 per cent of the shares (they had no holding before the operation), the other shareholders being: Geocoton (51 per cent compared to 20 per cent before the operation for DAGRIS); the State (10 per cent compared to 77.5 per cent before the operation); weavers (9 per cent). Viewed at: http://r0.unctad.org/infocomm/anglais/COTTON/chain.htm#se [20 March 2009].

participates in the SODEFITEX supervision policy by paying subsidies to the enterprise, as well as on fertilizers and other inputs, together with tax support measures. SODEFITEX provides seeds (supplied by SYNGENTA & Co.), fertilizers and phytosanitary products (the latter mainly imported), as well as equipment for growers who pay fixed prices through credits negotiated by the FNPC with the CNCAS.

140. Since 2004, price increases in complex fertilizer (up by 162.5 per cent) have greatly outpaced the price of seed cotton in the national market, making cotton growing less profitable, and putting the sector into difficulty. Cotton production peaked at around 55,000 tonnes in 2003/2004, before dropping back to 40,271 tonnes in 2004/2005 (Table IV.1), 46,709 tonnes in 2005/2006, and 52,353 tonnes in 2006/2007. For the 2008/2009 season, the authorities have granted a subsidy of CFAF 1.5 billion and a subsidy of CFAF 200 million to SODEFITEX to keep input prices at their 2007/2008 season level. This enterprise manages growing-season credit and can decide, in agreement with the inter-professional grouping and the CNCAS, to reduce reimbursements by growers payable at the end of the season.

141. Seed cotton produced is stored and then collected by SODEFITEX and delivered to five ginning factories, using its own trucks. Total annual capacity (ginning season) is 65,000 tonnes. After the ginning process (with an average coefficient of 40 per cent) SODEFITEX exports mainly cotton lint.[181] SODEFITEX sells seed cotton separately, which is used to make animal feed. Cotton weaving could have come to play a more significant part in the Senegalese economy as a result of the country's participation in the textile initiative provided under the United States African Growth and Opportunity Act (AGOA) (Chapter II(3)(ii)(f)), but local textile mills do not appear to be in a position to fully benefit from this. Senegal also participates in various initiatives to promote African cotton and backs moves to put an end to support measures implemented by developed countries. It currently holds the presidency of the African Cotton Association.

(c) Tobacco

142. The West African Tobacco Manufacture (MTOA) encompasses 830 tobacco planters from the Casamance and Kaolack regions, sets a floor price for tobacco purchases and provides subsidized imports on credit. The MTOA no longer has a monopoly of production of cigarettes in Senegal, which have also been made locally by Philip Morris since 2006, using domestic and imported tobaccos. Imported cigarettes are subject to a maximum 20 per cent tariff and 18 per cent VAT, as well as an excise duty of 40 per cent on premium cigarettes and imported leaf tobacco and 15 per cent on standard cigarettes (Chapter III(2)(iii)(d)).[182] Cigarette packaging is subject to compulsory marking (Chapter III(2)(viii)). The distinction between premium and standard or "economic" cigarettes already existed at the time of Senegal's second TPR.[183] According to the Senegalese authorities, two types of cigarette are produced locally, but the lower tax on "economic" cigarettes makes them affordable for people on low incomes.

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[181] APIX online information. Viewed at: http://www.investinsenegal.com/ou_textile.html.

[182] Premium cigarettes are defined as those with an ex factory pre-tax sale price, or c.i.f. customs value plus duties and taxes charged by Customs (except for VAT and the excise duty), of at least CFAF 250 per pack of 20 cigarettes, while "economic" cigarettes are those sold at a price below CFAF 250 per pack of 20. The excise duty base consists of the c.i.f. value, plus the customs duty of 20 per cent, a 20 per cent surcharge, the statistical (RS) and Community solidarity (PCS) levies of 2.5 per cent of the total, and VAT of 18 per cent. Premium cigarettes suffer total tax of 118 per cent, while “economic” cigarettes are taxed at 93 per cent. Online information from the Senegalese Customs, "Dédouanement des cigarettes". Viewed at: http://www.douanes.sn/spip/ spip.php?article25 [3 March 2009].

[183] WTO document, WT/TPR/S/119-4, 30 June 2003.

(d) Other products

143. The Senegalese food canning company (SOCAS, owned by the Moulins Sentenac group) processes fresh tomatoes produced locally. This enterprise is protected from competition by the imported product by the fact that only its production can be sold in the domestic market, under a mandatory Senegalese regulation on double-strength tomato concentrate (Chapter III(2)(vi)).[184]

144. In the sugar sector, the Senegalese Sugar Company (CSS)[185] holds a de facto monopoly[186] as the only operator in the sector in Senegal. Refined sugar is subject to price equalization through the special import tax (TCI),[187] which is levied on top of the applicable duties and taxes.[188] Sugar used as an input (e.g. in the manufacture of finished products, drinks or biscuits) is exempt from the TCI provided that the importer holds an industrial certificate issued by the Ministry of Industry (such processes are subject to compulsory marking (Section (viii)). Distribution of sugar (whether imported or produced locally) on the Senegalese market is done exclusively by the CSS. This company, a producer of sugar itself, including brown sugar at its sugar cane plantations in the north of the country, covers deficits in its own production by purchasing refined products.

(iv) Livestock[189]

145. Like other WAEMU countries, Senegal has a large livestock population, which in 2008 consisted of the following: 3.2 million bovine cattle; 5.3 million sheep; 4.5 million goats; 327,000 pigs; and 35.5 million poultry (family and industrial) (Table IV.3). Senegal is the second largest poultry producer in the WAEMU area after Côte d'Ivoire. The livestock subsector is among those selected by WAEMU as a vehicle for the intensification of trade among its members. Poultry and goat breeding is practised by most rural families, for whom herds are viewed as a source of

[184] According to SOCAS, since 1987 (with another company participating in the sector since 1979, since taken over by SOCAS), fresh tomatoes produced in the country have supplied all of Senegal's tomato concentrate needs, as well exports to other countries in the subregion. To do this, at the time the company agreed a development management contract with the State which afforded it protection in the domestic market, in exchange for agricultural production commitments and coverage of the domestic market needs. SOCAS online information, "Historique". Viewed at: http://www.socas-senegal.com/historique.htm [30 June 2009].

[185] Part of the Mimran group, which also owns the enterprise Les Grands Moulins de Dakar. *L'Express.fr,* "Jean-Claude Mimran", 27 January 2000 (updated 15 December 2003). Viewed at: http://www.lexpress.fr/actualite/monde/afrique/industrie_492957.html [10 March 2009].

[186] *Sud Quotidien*, "Augmentation du kilogramme du sucre par la CSS - La colère sucrée des députés". Viewed at: http://www.seneweb.com/news/engine/print_article.php?artid=3781" [15 March 2009].

[187] As the price of sugar is guaranteed in certain foreign markets, the trigger (threshold) price is calculated as follows: PD=([(PGUE+PGUSA+PMS)/3]+FA), where PD=trigger price; PGUE=guaranteed price in the European Union; PGUSA=guaranteed price in the United States; PMS=spot market price, and FA=shipping costs. The amount of the equalization consists of the differential between the value calculated on the basis of the trigger price, on the one hand, and the c.i.f. value declared on the basis of the spot price, on the other. Online information from the Ministry of Mines, Industry and SMEs, "Présentation de la Taxe Conjoncturelle à l'Importation (TCI)". Viewed at: www.industrie.gouv.sn/PRESENT_TAX_%20CONJONCT_import.doc [3 March 2009].

[188] The foundations of this policy seem to be linked to competition problems in the sugar sector. See the comments made by the Minister of Trade in *Sud Quotidien*, "Augmentation du kilogramme du sucre par la CSS - La colère sucrée des députés". Viewed at: http://www.seneweb.com/news/engine/print_article.php?artid=3781" [15 March 2009].

[189] Rédev online information, "Filière bovine". Viewed at: http://www.redev.info/elevage//veille/documents/3.Filiere_viande_bovine.pdf; FAO (2005); Embassy of France in Senegal (2008).

saving, and the eggs and meat produced by poultry and goats are staple foods.[190] Poultry is also bred commercially (often financed in the suburbs by wage-earners as a second gainful activity), and on an industrial scale. Poultry breeding consumes about 50 per cent of national maize production (Table IV.1). The slaughter of chickens and their processing into meat remains a household activity, however, since the sector has no upstream investment (industrial slaughtering and processing, distribution). Sheep and bovine cattle breeders are mainly herdsmen who share forage, pasture and water resources, and suffer hardship in periods of low rainfall. The meat and milk yields are relatively low because of reliance on local species.

146. The most striking trend is that of industrial poultry breeding, which more than doubled between 2005 and 2008, owing to the ban on poultry meat imports from all sources without exception, which was imposed since November 2005 as part of the fight against avian flu.[191] In 2005, 11,287 tonnes of poultry meat were imported, compared to nothing in 2006. The ban, which was still in place in June 2009, covers all origins, including those not declared affected by the World Organisation for Animal Health (OIE), and it thus protects Senegalese poultry from all foreign competition.[192] With certain reservations, a repeal of the ban has been agreed for imports of hatching eggs and chicks for breeding (Chapter III(2)(vi)). Nonetheless, local production of broiler chicks more than doubled between 2005 and 2007, from 5.32 million to 11.15 million head.[193] Total production of eggs for consumption grew from 18.8 tonnes in 2007 to 22.2 tonnes in 2009. The share of imports in the total supply of meat from all species on the Senegalese market fell from 11.2 per cent in 2003 to 5.8 per cent in 2008, thus reflecting greater self-sufficiency, in line with Senegal's agricultural policy. Livestock breeding is still covered by the Livestock Breeding Development Policy Letter (LPDE), adopted in 1999, but this is set to be replaced during 2009 by a National Plan for Livestock Breeding Development (PNDE), which is currently being prepared.

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[190] According to the latest (2002) FAO data on annual meat consumption in Senegal, poultry meat has the largest share (41 per cent of the total), followed by bovine meat, with 26 per cent.

[191] Between 2000 and 2005, the production of chicken meat had been closely correlated with imports. FAO (2006). See also Embassy of France in Senegal (2008); *AllAfrica*, "Sénégal: La filière avicole retrouve ses plumes, selon des professionnels craintifs", 10 June 2008. Viewed at: http://fr.allafrica.com/stories/ 200806110534.html [11 June 2009].

[192] OIE online information. Viewed at: http://www.oie.int/downld/ avian%20influenza/f_AI-Asia.htm. *Statpub.com*, "Imports Threaten Senegal's Poultry Producers", 16 December 2005. Viewed at: http://www.statpub.com/ open/174415.html. For further information on the concerns of Senegalese poultry growers in relation to foreign competition, see Idrissa Kama, president of the National Union of Poultry Workers (UNAFA) quoted in the Economic Bulletin of the Dakar Chamber of Commerce, Industry and Agriculture. Viewed at: http://www.cciad.sn.

[193] National Agency for Statistics and Demography (ANSD) (2008).

Table IV.3
Annual national trends in the livestock population, 2002-2008
(Thousand head)

Species	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Bovine cattle	2,986	3,061	2,997	3,018	3,039	3,091	3,137	3,163	3,210
Sheep	4,542	4,678	4,540	4,614	4,739	4,863	4,996	5,109	5,251
Goats	3,879	3,995	3,900	3,969	4,025	4,144	4,263	4,353	4,477
Pigs	269	280	291	303	300	309	318	319	327
Horses	471	492	496	500	504	514	518	518	524
Donkeys, asses	399	407	400	400	412	413	415	438	442
Camels	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.6	5
Family poultry	18,900	19,543	20,207	20,549	20,960	21,527	22,078	22,141	21,889
Industrial poultry	5,595	6,115	5,174	5,100	5,285	6,135	7,533	12,787	13,633[a]

a Provisional figure.

Source: Senegalese authorities.

147. Senegal is above all a major importer of dairy products (2.4 per cent of total imports for the period 2000-2006). These imports remain at a high level, and in 2008 amounted to the liquid-milk equivalent of 58 per cent of the total supply this product on the domestic market. Total domestic production was estimated at 145.9 million litres in 2008, an 8 per cent increase on the 2007 figure, while 202.4 million litres were imported in 2008, down by 8.9 per cent from the 2007 level. Milk is mainly imported in powder form (88 per cent of the total volume of imported dairy products). It is either consumed in that form or else turned into dairy products (liquid milk, yoghurt, curd, cheese) in Senegal by companies such as SAPROLAIT (African Dairy Products Corporation), the Industrial Agri-food Company, and a multitude of SMEs and small-scale producers, for which the main challenges are sanitary quality control and then distribution. Hotels and restaurants obtain their supplies mainly from foreign markets to satisfy to tourist requirements. The authorities hope to encourage the substitution of fresh milk produced locally and transported directly to the factory over the cheaper imported powdered milk. Dairy product imports seem to be trending upwards overall, rising from CFAF 31 billion in 2003 to CFAF 50 billion in 2006, mainly as a result of population growth, since the average consumption of dairy products has been broadly unchanged for a decade.

148. Imports of livestock products are subject to sanitary measures aimed at protecting human and animal health (Chapter III(2)(vi)); and fresh meat is generally not imported, for health reasons. The MFN tariff applied to frozen meat of all species is 20 per cent, the same level as applied to fresh meats. Imports of live, pure-bred breeding cattle, subject to an MFN tariff of 5 per cent, have grown faster than those of other cattle, which face a 20 per cent rate. In general, the WAEMU CET provides differentiated tariff treatment to livestock products depending on whether they are inputs or finished products; the maximum tariff rate of 20 per cent is applied to the latter, while the former pay 5 per cent. Considered as an essential good, powdered milk imported in 25 kg. sacks is subject to a 5 per cent MFN tariff, while other processed dairy products pay the top 20 per cent rate. Nonetheless, under the GOANA subsidy law (Section (ii) above), livestock breeders can obtain exemption from customs duties and VAT on imports of agricultural material, bovine cattle and poultry feed, pure-bred breeding animals, hatching eggs and day-old chicks entering into an animal production cycle. In addition, revenues obtained from livestock breeding under the GOANA programme are exempt from income tax for five years.

(v) Fisheries and aquaculture[194]

149. Fishing in Senegal is either small-scale (52,000 fishermen, 13,903 units, mostly pirogues) or industrial, conducted with trawlers (5,200 fishermen). Senegal has considerable fishery potential; the total catch in 2005 was estimated at 405,263 tonnes. Overall, fishing provides a remunerated activity to nearly 15 per cent of the active population. With average per capita consumption of around 26.8 kg. equivalent of fresh fish per year, fisheries products contribute about 70 per cent of nutritional requirements in terms of animal protein.

150. The PRSP I (2003-2005) and II (2006-2010) identified fishing as one of the keys to "wealth creation", and accorded it a central role in poverty reduction. Moreover, the National Accelerated Growth Strategy (SCA), promoted by the PRSP II, is also based on the seafood and aquaculture products cluster, which is among the five sectors of high economic potential seen as the levers for rapid growth of the national economy. With an annual potential coastal catch of the order of 300,000 to 380,000 tonnes, Senegal is among the leading maritime fishing countries of West Africa, and also has underexploited aquaculture capacity. The country is, however, overexploiting some of its natural fisheries resources. To remedy this situation, Senegal is implementing a participatory fisheries policy in which the main aim is to ensure sustainable development by preserving fish stocks, promoting aquaculture development, and creating value added through industrial processing. Since 1998, fishing has been governed by a Maritime Fisheries Code, which manages access for national operators to fisheries resources.[195] A new inland fisheries and aquaculture code is also under preparation.

151. The major reforms undertaken in the subsector include the following: introduction of a small-scale fishing permit and a programme for registering small-scale fishing vessels; audit of the coastal demersal fishing fleet; introduction of co-management and implementation of local fishery boards; reinforcement of operational resources for fishery surveillance; implementation of measures for conservation and regeneration of the resource and the marine environment (establishment of biological fallow periods, sinking of artificial coral reefs, creation of protected maritime areas, creation of a national department with responsibility for community areas); creation of an industrial redeployment unit and preparation of a restructuring plan for the fishery industry; implementation of regulations on the segment's upstream activities; creation of a National Aquaculture Agency (ANA); and preparation of a priority programme for the development of inland fishing and aquaculture in Senegal. In addition, management plans are currently being prepared to address the problem of overexploitation of the main commercial species, particularly coastal and deep-water shrimp, hake, octopus, and cymbium abalone.

152. Fishery products (HS Chapter 3) contributed about 22 per cent of the country's total export earnings in 2007. The sector authorities have estimated the volume exported at 80,659 tonnes in 2007 (up by 2 per cent in relation to the 2002 figure), consisting essentially of frozen products (83 per cent) destined for European Union markets. A large number of Senegalese fish freezing enterprises and vessels are authorized to export to these markets, their output being certified as in conformity with current European regulations.[196] Fishery products produced by authorized units are the only Senegalese products of animal origin imported by the EU. The competent authority in Senegal performs technical inspection, control, and certification of fishery products destined for export, and of

[194] FAO (2008).

[195] Law No. 98-32 of 14 April 1998. Viewed at: http://www.droit-afrique.com/images/textes/Senegal/Senegal%20-%20Code%20peche%20maritime.pdf [15 March 2009].

[196] Online information from the Directorate-General of Health and Consumers, "Fishery products". Viewed at: https://sanco.ec.europa.eu/traces/output/FFP_SN_en.pdf [15 March 2009].

their production units, based on national and European regulations and international standards (Codex Alimentarius), and assures documentary traceability. The authority has three partner laboratories.

153. The total value of Senegal's fishery exports amounted to CFAF 179 billion in 2007, 1 per cent below the 2002 figure, partly because of the ending of deep-sea trawling by EU vessels in the ZEE since mid-2006 (of which part of the catch was unloaded in Senegal). Senegal has not had a protocol on deep sea trawling in force with the EU since 1 July 2006.[197] Since 2002, deep sea trawling by vessels flying the EU flag had been authorized in the ZEE, for a fee of €3 million per year, and payment of royalties and fishing permit expenses. Senegal is also seeking access to the fishing zones of neighbouring countries, and has reached agreements with Gambia, Guinea and Mauritania on pelagic fishing, upon payment of permits.

154. The main measures adopted thus far by the Government of Senegal to increase the value added of its fishery exports through agribusiness processing are the various incentives provided under the investment regime (Chapter II(4)). The simple arithmetic mean of MFN tariff rates (TEC) applied to fishery products (HS 03) is 16.6 per cent (Table AIII.2). A single VAT rate of 18 per cent is also levied on imports of fishery products, while exports are exempt. Supplementary duties (statistical fee, and levies) are imposed on imports from non-WAEMU member countries, while fishery products from WAEMU or ECOWAS benefit from preferences (joint report, Chapter III).

(3) MINING, ENERGY AND WATER

155. Senegal currently does not have significant known mining reserves. Nonetheless, various projects are currently under way to exploit deposits of iron ore, gold, and phosphates of lime and aluminium.[198] Extraction activities have a declining share of GDP: 0.9 per cent in 2008 compared to 1.1 per cent in 2004. In contrast, the sector as a whole is growing in value, from about CFAF 30 million in 2004 to over CFAF 65 million in 2007. The number of people employed full-time in the extractive subsector was estimated at over 33,000 in 2007, with an estimated annual production of 2 million tonnes, i.e. 15 per cent of exports.[199]

156. In 2006, final energy consumption was distributed as follows: 54 per cent by households; 34 per cent by transport; and 9 per cent by industry.[200] Over 65 per cent of consumption was supplied from conventional sources - petroleum products, coal and electricity.[201] The country has a very low level of independence in terms of modern energy sources: 4.3 per cent in 2004[202]; the Government wants to attain a rate of commercial energy independence of at least 20 per cent by 2015.[203] The energy subsector is important for the success of the Government's accelerated growth strategy, by contributing to the upgrading of infrastructure needed for a successful business environment and the

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[197] Online information from the European Commission,"Bilateral fisheries agreements between the EC and third countries". Viewed at: http://ec.europa.eu/fisheries/cfp/external_relations/bilateral_agreements_en.htm; and "Is Europe really giving Senegal a raw deal?". Viewed at: http://ec.europa.eu/fisheries/cfp/external_relations/bilateral_agreements/senegal_0808_en.pdf [15 March 2009].

[198] Ministry of Energy and Mines (undated).

[199] ANSD (2009b).

[200] Forum Changements climatiques, Dakar, 6-7 November 2008.

[201] Final energy consumption per person is low (0.2 tonnes petroleum equivalent (TPE)) compared to the ECOWAS average of 0.45 TPE and the average for Africa as a whole of 0.50 TPE. Ministry of Energy, Energy Information System of Senegal, 2007 Report.

[202] The rate rises to 43 per cent, however, if biomass is included. Electricity Sector Regulatory Commission (2008).

[203] Ministry of Energy and Ministry of the Economy and Finance (2008).

promotion of clusters with high growth potential.[204] The PRSP II complements the energy policy defined by the ECOWAS Heads of State.[205]

(i) Petroleum and gas products

157. Senegal has yet to discover reserves of oil in its subsoil, and it imports hydrocarbons both for refining and to produce other forms of energy. Since 2004[206], the price of crude oil for refining and the domestic prices of refined hydrocarbons have increased following the rise in the international price of a barrel of crude oil, which has reduced consumption.

158. The Petroleum Code has not changed since sector liberalization in 1998.[207] Since then, the activities of the subsector, from refining to retailing, have required a permit issued by the Minister of Hydrocarbons. All hydrocarbons reserves are the property of the State, which issues two types of title by decree. The prospection permit is issued for four years and is renewable twice for a maximum three-year duration. The operating permit is issued as a provisional authorization (for two years), or as a concession (for 25 years and renewable twice for a maximum duration of ten years). The State, acting through the public enterprise Petrosen, participates in all operations through association agreements with all prospection permit holders. Under the Code, holders of a prospection agreement only pay royalties on the value of hydrocarbons produced and an additional oil levy as from the fiscal year in which the global return of the project moves above a certain threshold. The Code also provides exemption from all duties and taxes on materials, equipment, and the goods and services needed for oil exploration and development operations. In the prospection and development period, an area rent and an oil well promotion subsidy, and training the staff of Petrosen and the Ministry responsible for energy, must be paid by the holders of the prospection permit each contractual year.

159. Senegal imports crude oil and then refines it locally. The latter is done by the African Refining Company (SAR), the country's only refinery, which holds a de facto monopoly on the production of diesel, gas oil, gasoline, jet fuel, fuel oil, kerosene and butane gas, obtained from imported crude oil.[208] This enterprise, which was closed down in April 2006 by its majority shareholders, Total and Shell, has since been taken over by the State, which has taken steps to alleviate cash shortages and lack of access to bank credit. Various measures have been adopted to improve the SAR's profit margins, including the following: the takeover of commercial losses; replacement of the reference market FOB MED by CIF NWE; implementation of the Petroleum

[204] The five clusters are: tourism, artistic craftwork and cultural industries; agriculture and agribusiness; seafood products and aquaculture; textile and clothing industries; and information communication and teleservice technologies.

[205] Decision A/DEC.24/01/06 of 12 January 2006 sets an overall target of providing at least 50 per cent of the rural and suburban population with access to modern energy services by 2015.

[206] Ministry of Energy (undated)

[207] The hydrocarbons sector is governed by Law No. 98-05 of 8 January 1998, while Law No. 98-31 of 14 April 1998 sets new rules for the activities of importation, refinery, storage, transport and distribution of hydrocarbons. Several decrees have been implemented in application of this law, specifying the following: modalities for granting and withdrawing permits; conditions governing importation, distribution and storage; modalities for calculating retail prices for all products, and their periodicity - all of four weeks; and petroleum product specifications (quality, standards, etc.). This law has ended the SAR monopoly on the refining, storage, distribution and export of petroleum products. Since then, the activities of the subsector have been liberalized, from the upstream to the downstream segment, each requiring a permit issued by the Minister of Hydrocarbons. See also WTO document WT/TPR/S/119 of 30 June 2003.

[208] The SAR is a small-scale refinery equipped with facilities that only allow it to process crude oil of low sulphur content. Energy Information System of Senegal. Viewed at: http://www.sie-energie.gouv.sn/spip.php?article8.

Product Import Security Fund (FSIPP)[209]; and the granting of a temporary margin of support for refining financed by the FSIPP.[210] The State has also increased its stake in SAR equity to 65.4 per cent, through Petrosen, although it would like to reduce its share to around 15 per cent before the end of 2009, by selling to a strategic partner that will finance a refinery expansion and modernization programme, to turn it into a profitable industrial tool.

160. Hydrocarbons imports require a permit from the Ministry responsible for energy. The State has given SAR responsibility for importing the crude oil needed for the refinery, which has refining capacity of 1.2 million tonnes per year, serving a domestic market of 1.6 million tonnes in 2008. With amounts in transit to neighbouring countries, particularly Mali, estimated at 200,000 tonnes, the natural market for SAR is globally 1.8 million tonnes. Up to 600,000 tonnes of petroleum products thus need to be imported to cover the SAR production deficit in relation to its natural market. Import needs for the following two months are reviewed every 15 days at a meeting chaired by the National Hydrocarbons Committee (CNH) in the presence of the SAR and import permit holders. The needs identified are distributed among import permit holders during these meetings.[211] In the case of exports to Mali, a monthly quota of 15,000 tonnes of gasoil is granted to Shell and another 10,000 to Total.

161. In the case of butane, a forthcoming investment should allow for the following: additional 22,000-tonne storage capacity and a longer sea-line making it possible to receive tankers of 12,000 to 15,000 tonnes; modernization of the dispatch system; and extension of refinery capacity to 3 million tonnes. The construction work is expected to be undertaken by private operators and the State (through Petrosen and the SAR). Petrosen[212] has signed a memorandum of understanding with DIPROM (a metal products distributor), making it possible to create the Senegalese Petroleum Product Storage Company (Senstock) in June 2009, which is owned 66 per cent by Petrosen and 34 per cent by DIPROM. Petrosen and DIPROM have agreed to transfer to Senstock the 167,000 m.^{3} capacity storage facility (of which 29,000 m.^{3} are currently operational) that DIPROM built at Mbao, not far from the refinery. Senstock holds a storage permit, but does not have exclusive storage rights. It should be fully operational - on all of the 167,000 m.^{3} - before the end of 2009. The depot will be managed by the refinery to ensure better access for all distributors. Petrosen is currently in the process of selling 49 per cent of its stake to other actors in subsectors with distribution permits, as well as to the SAR.

162. In the long run, this storage capacity could be expanded to 500,000 m.^{3} following the construction of 330,000 m.^{3} of additional capacity at the Bargny/Sendou mining port, thereby making Senegal a hub.[213] The creation of Senstock should make it viable to require distribution companies to maintain a 35-day security stock[214] pursuant to current regulations. It should be noted that the storage depots are old and exclusively located within agglomerations, which poses safety problems. The

[209] Decree No. 2006-953 of 26 September 2006.

[210] CFAF 25/kg. for black products and CFAF 35/litre for white products.

[211] By way of example, SAR production amounted to 886,000 tonnes in 2005, whereas imports were 626,000 tonnes, of which just over half was channelled to SAR for resale on the domestic market.

[212] Petrosen engages in exploration; gas and oil production; marketing and supply; storage; refining and distribution.

[213] *The Dakar Times*, "Pour ses besoins urgents d'investissement, la SAR cherche 80 milliards de FCFA", 21 April 2009. Viewed at: http://the.dakartimes.com/francais/article/pour-ses-besoins-urgents-d-investissement-la-sar-cherche-80-milliards-de-fcfa.

[214] *Le Quotidien,* "Senstock - Création de la société de stockage d'hydrocarbures liquides", 10 April 2009. Viewed at: http://www.lequotidien.sn/index.php?option=com_content&task=view&id=6069&Itemid=10.

Petrosen depot should make it possible to resolve these problems, since all currently existing depots will be closed. The cost of maintaining the security stock will be built into the price structure. Apart from creating the security stock, raising the State's stake in the SAR and increasing storage capacity, a reform of pricing structures is under way, and a decree is expected to be issued to create a regulatory authority downstream.[215] The latter should be operational before the end of 2009. In late May 2009, a contract was signed between Senelec and FORTESA, an enterprise that has discovered a gas deposit large enough to keep Senelec facilities operating at 50 MWh for 10 years.

163. Rights of way, distribution margins and transport equalization have all been increased. As from 13 June 2009, an order issued by the Minister of Energy and Biofuels sets a ceiling price for hydrocarbons in the consumer market as from 6 p.m. Prices are uniform throughout national territory (thanks to the equalization system), except in the case of butane gas. The sale price to the consumer was set at CFAF 667 per litre for premium gasoline; CFAF 634 per litre for regular gasoline; CFAF 487 per litre for pirogue motor fuel; CFAF 392 per litre for kerosene; and CFAF 505 per litre for diesel fuel.[216] The sale price to the consumer is CFAF 370,998 per tonne of diesel oil and Senelec diesel; CFAF 259,504 per tonne of Senelec fuel oil; CFAF 292,115 per tonne of fuel oil 180 and CFAF 287,658 per tonne of fuel oil 380.[217]

164. Gas is supplied by the SAR at a rate of 10,000 tonnes per year from refinery output, while the remainder, about 120,000 tonnes, is obtained through from imports based on tenders launched by the SAR. The SAR sells to distributors holding the storage permit and possessing gas bottling centres. The distributors sell to wholesalers which maintain depots of full gas bottles and these, in turn, sell to retailers. Ceiling prices for gas are set by order of the Minister of Energy. The State subsidizes butane gas in 2.7 kg. and 6 kg. canisters (95 per cent of consumption). In fulfilment of Senegal's commitments with its development partners, the gas subsidy was discontinued on 13 June 2009.[218] A single ceiling price has been applied since 13 June 2009 for butane gas in 2.7 kg., 6 kg., 9 kg. and 12.5/38 kg. canisters.

165. A customs duty rate of 10 per cent on "white products" (gasoline, gas oil), and 5 per cent on "black products" (diesel, fuel 180 and fuel 380) was charged in 2009, in addition to other import duties and taxes and domestic charges.[219] The average tariff on crude oil and natural gas is 3.8 per cent (joint report, Tables AIII.1 and AIII.2), and that on refined products is 7.4 per cent (branch 353 of the SITC), compared to 12.1 per cent on average in the manufacturing sector (joint report, Chart III.1).

(ii) Mining products

166. A new Mining Code was adopted by Senegal in 2003, to respond to the objectives of the PRSP II (particularly in terms of environmental management)[220] , and provide general guidance on

[215] The CNH does not have decision-making and sanctioning power.

[216] Decree No. 06384/MEB/CNH of 10 June 2009. The ex-depot and consumer prices, together with the distributor and transporter margins, are their ceiling values (Article 2).

[217] The list is not exhaustive. The complete structure of prices of petroleum products is annexed to Decree No. 06384/MEB/CNH of 10 June 2009.

[218] The butane gas subsidy amounted to CFAF 30 billion in 2006. Electricity Sector Regulatory Commission (2008).

[219] The specific tax on petroleum products is: CFAF 206,650/m.³ for premium gasoline; CFAF 188,470/m.³ for regular gasoline; CFAF 38,560/m.³ for canoe motor fuel; and CFAF 93,950/m.³ for gasoil. Ministry of Infrastructures, Land Transport and Air Transport (2009b).

[220] The exploitation of classified forests is prohibited by the new code. US Geological Survey (2003).

mining rights both internationally and under WAEMU. Any Senegalese or other natural or legal person demonstrating technical and financial capacities can have access to mining resources of which the State is the sole owner. By granting mining rights, the State can transfer its property right over mining resources, for a given period. In all mining projects, the State can negotiate for itself and for the domestic private sector a supplementary share of up to 25 per cent of the equity of the mining company in question for a consideration (at cost price), in addition to its 10 per cent of free shares.

167. The conditions governing mining operations undertaken by one or more natural or legal persons are specified in single mining agreements signed between the State, represented by the Minister responsible for matters relating to mining, and applicants for mining rights. Mining agreements, attached to all prospection or exploitation permits or mining concessions, guarantee their holders stability of conditions, specifically in relation to taxation and financial and exchange-regulation issues. The Code establishes two regimes for the various mining resources: the regime governing quarries, which covers construction materials, i.e. substances not subject to concession (sands, ceramic clays, basalts, limestone, sandstone, marbles, silexites, etc.); and the mining regime governing substances subject to concession (gold, iron, phosphates, industrial limestones, industrial clays, uranium, copper, chromium, molybdenum, tin, peat, coal, etc.).[221]

168. Prospecting rights, which are valid for a maximum of six months and are renewable once, grant the holder a non-exclusive right to use the substances discovered for commercial purposes; this right may not be assigned or transferred. The prospecting permit, issued initially for three years and renewable several times[222], gives the right to sampling of the mineral substances extracted; to an exploitation permit or a mining concession; and also to priority access to a prospecting permit for all new substances discovered. The agreement relating to these permits can be amended[223] through a codicil allowing the holder to move from the prospection phase to exploitation - drawing on data from feasibility and environmental and social impact studies - with an exploitation permit issued by decree. The exploitation permit specifically grants the following rights: occupation of a part of national land; and free use of the mineral substances exploited on exclusive basis. The exploitation permit can be turned into a mining concession, which is granted for between five and 25 years, and is renewable until the ore deposit in question is exhausted.

169. Fees are payable upon the granting, renewal, extension, transformation, transfer, assignment or sublease of a mining title.[224] The new Code provides for a single mining royalty for all mineral substances, at a rate of 3 per cent of the pit-head value of the mineral substances extracted. Tax advantages include exemption from corporation tax for a seven-year period and up to 15 years in the case of large-scale projects; and a reduction in *ad valorem* royalty rates for products processed on site. Special advantages departing from the provisions of the Investment Code and the Mining Code have been granted since 2007 for capital investments in excess of CFAF 250 billion.[225]

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[221] Law No. 2003-36 of 24 November 2003; and enabling Decree No. 2004-647, promulgated on 17 May 2004.

[222] This is renewable twice for consecutive periods of up to three years.

[223] The review involves replacing, updating or completing certain clauses of the mining agreement.

[224] Prospection permit: CFAF 500,000; Mining concession: CFAF 7.5 million; other mining exploitation rights: CFAF 1.5 million. These amounts may be reviewed every five years by decree (Article 56 of the Mining Code).

[225] The line Minister negotiates tax and customs advantages with the investor, and submits the conclusions to the Prime Minister for opinion and no objection. Article 2 of Law No. 2007 adopted on 11 May 2007.

170. Senegal has a variety of mineral resources and exploration has soared since 2004 as a result of the growth in demand and the rise in prices of mineral raw materials worldwide. The main minerals subject to concession undergoing prospection and exploitation in Senegal are: gold, iron ore, phosphates, industrial limestones, industrial clays, zircon, titanium, uranium, copper, chromium, etc.[226] In 2008, four companies held four uranium exploration permits; two companies held exploration permits for zircon and titanium; and two companies held phosphate exploration permits. There is significant potential for marble mining in the Kédougou and Tambacounda regions; the Segimar company has started exploitation at Ndébou-Ibel and is exporting four varieties.[227] The main constraints on the subsector stem from rail and port infrastructure deficits.

171. In Senegal, trade in gold is unregulated, and gold panning is open to foreigners and nationals alike. Imports and exports of gold are subject to an annual authorization issued by the Ministry responsible for trade.[228] Twenty-four gold prospection permits have been issued to 12 companies;[229] and seven permit applications are currently being processed. Two mining concessions for gold and related substances have been granted (for the Sabodala and Niama mines); and 15 small-scale exploitation authorizations have been given to 14 GIEs or companies established under Senegalese law; one application is currently being processed. Gold production is estimated at 700 kg. per year. Metallic gold reserves from the Sabodala mine are estimated at 68 tonnes; average annual gold production until 2018 is estimated at 4.2 tonnes. Ongoing exploration permits and recent discoveries by Randgold in Massawa and Oromin Explorations in Golouma, Masato and Kérékounda should lead to development of the country's gold sector.[230] In the framework of the mining sector support project (PASMI, 2005-2012), financed by the European Union under the ninth EDF[231], the project in support of gold panning[232], completed in March 2009, has provided Senegal with a databank on this sector which is an important socioeconomic asset in the Kédougou region where a small-scale mining exploitation permit was granted in 2008. This activity provides direct employment for 20 per cent of the region's population and has a direct or indirect impact on half of its inhabitants.

172. The start of production by the Falémé iron ore mining concession, granted to Arcelor-Mittal in 2007[233], for an investment of US$2.2 billion, has been delayed owing to cyclical factors. Production should reach a level of 25 billion tonnes per year for 25 years, and the corresponding mining royalties are expected to generate CFAF 75 billion per year. To support this operation, a railway line is to be built between the exploitation area and the city of Tambacounda, where it will

[226] These substances are subject to prospection and exploitation permits, mining concessions, authorization for small-scale exploitation, or small-scale mining activities.

[227] Ministry of Mines, Industry and SMEs (2008), and Senate Committee on General Economic Affairs, Finance, Planning and Economic Cooperation (2008).

[228] Ministry of the Economy and Finance (2002). Since 2009, gold ingots have been included among products subject to excise duty, see WAEMU Council of Ministers, Directive No. 03/2009/CM/UEMOA of 27 March 2009.

[229] Ministry of Mines, Industry and SMEs (2008), and Senate Committee on General Economic Affairs, Finance, Planning and Economic Cooperation (2008).

[230] With a potential (currently under review) of over 90 tonnes of gold for exploration/exploitation projects in Sabodala and Massawa. The current feasibility study regarding the Sored Mine project identifies 17 tonnes of likely resources for the Niamia permit.

[231] Under the ninth EDF, the European Union has granted Senegal a subsidy amounting to €12.5 million. Ministry of Mines, Industry and SMEs (2008a).

[232] The project's aims are: (1) assistance to improve gold production; (2) sustainable improvement of people’s living conditions by protecting the environment and providing better health conditions in gold-panning areas; (3) provision of legal status for gold panners and setting up of organizational systems to improve work performance and raise incomes.

[233] Arcelor-Mittal holds mining, railway and port concessions.

connect with the existing rail network, although the latter needs to be reconditioned and strengthened to bear the load of goods wagons. A deep-water mineral port will also need to be built in Sendou, for maritime transport of the mineral ore.

173. Since 2004, sustained efforts to promote mining activity have attracted a substantial flow of investment for both exploration and exploitation of gold, iron and zircon ores, as well as in the cement industry, for a cumulative amount estimated at close to US$3 billion in the period 2005-2012. Geological infrastructure has been acquired under the PASMI in order to attract further mining investment in Senegal. A number of mining projects are currently ongoing, such as the mining concession granted to Mining Development Lease (MDL) to exploit zircon ore on the "Grande côte", where production should come on stream in 2011.

(iii) Electricity

174. The generating facilities of the national electricity company (Senelec) are entirely thermal powered. Senegal also owns 33 per cent (i.e. 66 MW) of installed power of the Manantali hydroelectric dam (200 MW), which is part of the Senegal River Development Organization (OMVS), according to the distribution scheme among OMVS members relating to the dam. Electricity accounts for only 8.8 per cent of the final energy balance, but it absorbed 35 per cent of hydrocarbons consumption in 2004.[234] Legislation is expected to be passed on the purchase of electricity produced from renewable energy sources (wind power, biomass, solar power, wave power).[235]

175. The withdrawal of the State from the electricity subsector, scheduled in the policy letter on development of the energy sector since 2003, has not yet occurred.[236] Electricity production is shared between Senelec and independent suppliers. Senelec holds a monopoly on the transport and distribution of electricity within its area, as was the case before 1998. It also holds a monopoly on wholesale electricity purchases, and independent operators are required to sell their surpluses to Senelec. Rural areas are served by independent distributors selected by the Senegalese Rural Electrification Agency (ASER). Outside the Senelec area, rural zones are operated under concessions awarded through competitive tenders: 11 distribution concessions (zones) have to be assigned through tenders organized by the ASER, each one granting a distribution monopoly in the concession area in question. Two concessions have been allocated - one is operational and the other is at the contract award stage - and three have to be awarded before the end of 2009 to achieve the Government's goal of a 50 per cent electrification rate of by 2012 (compared to 21 per cent at the present time).

176. The Senelec concession contract envisages two types of scheduled reviews; the first, an interim assessment, is done upon Senelec's request; while the second, every five years, relates to the revenue control formula. The Electricity Sector Regulatory Commission (CRSE) regulates charges based on the price ceiling principle.[237] Senelec activities are set to be broken up into three subsidiaries responsible for production, transport and distribution, respectively, in a holding company framework, with national and foreign private sector participation[238]; and a code for

[234] Ministry of Energy and Ministry of the Economy and Finance (2008).

[235] Ministry of Energy (2008).

[236] Following two attempts at privatization, the most recent of which was suspended in June 2002, Senelec remains a joint-stock corporation under majority public-sector ownership. Electricity Sector Regulatory Commission (2008).

[237] For 2005-2009, Decision No. 2005-02 of 10 August 2005, on Senelec pricing conditions.

[238] Summary of the work of the ad hoc technical workshop on the institutional development of Senelec, 27-28 October 2008.

independent production is under preparation.[239] Private production is used through tenders launched by the Electricity Sector Regulatory Commission, and Senelec signs an energy purchase contract with the independent producer selected as a result.

177. The Government has intervened to restrict price increases caused by the sharp fall off in independent producers deliveries to Senelec. Since 1 August 2008, the new electricity pricing scale[240] - unchanged since 1986, despite a sharp rise in production costs[241] - includes progressive tariff tranches and binomial rates for large consumers. The exploitation of coal-fired, hydroelectric, biofuel, solar and wind-turbine power plants, should permit a structural reduction in electricity prices.[242]

(iv) Water

178. The water subsector is governed by two contracts and two subcontracts under a government-private sector partnership. The national water company (SONES), which holds the public concession for water infrastructure, is bound to the State by a concession contract. SONES is accountable for the activities of Sénégalaise des eaux (SDE), a private company,[243] to the Ministries of Water Services and Finance, which govern the subsector. This arrangement also comprises a contract (*contrat-plan*) between the State and SONES that sets out the details of investment planning. The second is the ten-year leasing contract (*contrat d'affermage*) between the State and the SDE, which was extended by five years in 2006. This is complemented by a three-year performance contract. The SDE and the National Sanitation Office of Senegal (ONAS)[244] are responsible for exploitation and sanitation, respectively.[245] A law on public drinking water and sanitation services is envisaged, as well as preparation of a sanitation code.[246]

179. Non-household customers are invoiced for their 30-day consumption at a flat rate. Market garden producers benefit from a preferential rate on consumption up to an allowed daily quota.[247]

(4) MANUFACTURING

180. Senegal's manufacturing sector is small, dominated by the processing of local resources (mainly agricultural, but also mining) and the refining of imported crude oil. The sector mainly consists of small and medium-sized industries/enterprises. Manufacturing activities are concentrated in the Dakar region and consist of: chemicals production; meat and fish canning; production of tomato concentrate, sugar and edible oils; cotton ginning and textile manufacturing; cement production; oil refining; and glass and pottery manufacturing.[248] Small-scale manufacture is

[239] The breakup is provided for in the Energy Sector Recovery Plan for 2007-2012.

[240] The new price scale can be viewed at: http://www.senelec.sn/content/blogcategory/17/81.

[241] *Lumière*, Trimestriel d'information interne de Senelec Nº 13, December 2008.

[242] *Sud Quotidien*, "Baisse de la facture d'électricité dans les ménages en 2010", 29 January 2009. Viewed at: http://www.sudonline.sn/spip.php?article16324.

[243] SDE online information. Viewed at: http://www.sde.sn/securbaine.htm.

[244] ONAS is a public establishment responsible for managing the sanitation sector.

[245] IMF (2007c).

[246] Government of Senegal (2006).

[247] Market gardeners are invoiced for a 30-day consumption on the basis of three tranches corresponding to the following consumption levels: amounts below the quota invoiced at the preferential rate; amounts under twice the allocated quota invoiced at the average target rate for water during the current year; and amounts above twice the allocated quota, invoiced at the rate in effect for non-household customers. Details supplied by the SDE were viewed at: http://www.sde.sn/h2otarif.htm.

[248] Figures provided by the Senegalese authorities for 2008.

generally informal, albeit fairly developed, with production mainly targeting the local, hence informal, market.

181. Following a slight slump in 2006, industrial activity rebounded in 2007 with 3.1 per cent growth, fuelled by strong performance in the following sectors: chemicals (19.3 per cent growth); textile and leather (9.3 per cent); paper and paperboard (7.5 per cent); energy industries (5.9 per cent); and construction materials (9.4 per cent). The growth of industrial production in 2007 marked the end of a decline in activity since 2005: apart from the production of cosmetics and rubber, which fell by 11.8 per cent and 3.4 per cent, respectively, all other subsectors have posted positive growth. Phosphoric acid production has increased by 29.9 per cent, and fertilizers by 146.1 per cent. The construction material industries are expanding strongly, recording expansions of 10.8 per cent in 2005, 15 per cent in 2006 and 10.7 per cent in 2007, thanks to a structural boom in the real estate sector, and the Government's major public works policy introduced in 2004.[249] The output of other manufacturing industries declined by 2.4 per cent in 2007 compared to the previous year, as a result of a slackening of demand for foam rubber mattresses and household candles. Industries whose activities slackened between 2001 and 2007 include, among others, wood (-94.9 per cent); food products (-3.4 per cent); and mechanical machinery (-3.1 per cent).[250] The weak performance of these industries reflects the impact of the energy crisis and the difficulties facing Industries chimiques du Sénégal (ICS) before 2007.

182. Phosphate, phosphoric acid and fertilizer are also produced in Senegal, mainly by Industries chimiques du Sénégal (ICS).[251] This enterprise was majority State-owned until 2007[252], when the State signed a recapitalization agreement with the Indian Farmers Fertilizer Cooperative (IFFCO)[253] making it a minority shareholder in the ICS.[254] Following this recapitalization, amounting to US$100 million, a programme of revision, modernization and upgrading of ICS production facilities, embarked upon in 2008, should enable the company to regain full capacity by the end of 2009. In September 2008, the ICS reported profits of CFAF 15 billion. Completion of this programme should have a substantial impact on the fundamentals of the Senegalese economy, given the size of the ICS and the contractions in GDP and export earnings recorded during the crisis period between 2005 and 2007.[255] In addition, a small-scale mineral exploitation permit was granted in 2008 for the Matam phosphate deposits.[256] Industrial production in Matam involves phosphoric acids and chemical fertilizers; small-scale mining is aimed at the production of simple natural or mechanically composed fertilizers, rather than chemically composed fertilizer as is the case at the ICS.[257]

183. Calcium deposits feed a booming industry consisting of two cement factories, *Société ouest africaine des ciments* (SOCOCIM) and Cimenteries du Sahel (CDS), which have received support from institutional donors. Ninety per cent of cement production is absorbed by the local market. To restrain excessive increases in rice and cement prices by intermediaries, regulatory measures have

[249] In January 2009, the output of the construction material industries was up by 1.5 per cent, compared to the previous year's figure. ANSD (2009b).

[250] ANSD (2008).

[251] ANSD (2009b).

[252] For ownership of ICS shares see: http://www.ics.sn/profile.html.

[253] IMF (2007c).

[254] IFFCO now has an 85 per cent stake and enjoys full concession of the Taïba phosphate mines and the phosphoric acid factories at Darou. Council of Ministers communiqué dated 19 July 2007.

[255] Ministry of Mines, Industry, Agrifood Processing and SMEs (2009).

[256] Ministry of Mines, Industry and SMEs (2008a).

[257] Ministry of Mines, Industry and SMEs (2008b), and the Senate Commission on General Economic Affairs, Finance, Planning and Economic Cooperation (2008).

been adopted to set ceiling prices. In July 2007, the Thiès Regional Consumption Commission set ceiling prices for rice and cement, following a study of the transport differential between Dakar and Thiès. For the department of Thiès, the Commission retained the sum of CFAF 66,860 per tonne of SOCOCIM cement, or CFAF 3,350 per sack, and in the case of Ciments du Sahel, CFAF 60,180 per tonne, or CFAF 3,285 per sack.[258] In the Dakar region, a margin of CFAF 3,000 per tonne of cement is applied. There are currently three cement projects ongoing and another two are being considered.[259] In addition to these, the following projects are also in the pipeline: extension and modernization of the SOCOCIM cement factory at Bargny-Rufisque, which will raise its production capacity from 2 million to 3.5 million tonnes per year - by year's end 2008 the factory's compliance with environmental standards on particulate emissions was already below the threshold of international standards; and expansion of the *Ciments du Sahel factory at Kirene*, which will increase its output from 1.2 million tonnes to 3 million tonnes as from 2010. These projects will give CDS and SOCOCIM a joint capacity equivalent to 200 per cent of the Senegalese market, and should lower cement prices for consumers and lead to an expansion of exports.

184. According to the competitive industrial performance (CIP) index[260], Senegal ranked 63rd out of 122 countries in 2005, with a CIP of 0.231, gaining 18 places compared to its index of 0.188 in the 2000 ranking. Manufacturing value added per capita rose from US$60.5 in 2000 to US$69 in 2005. The value of goods exports per capita also experienced a strong upward trend, from US$36 in 2000 to US$88 in 2005. The contribution of exports of manufactured goods to total exports increased significantly as well (Chapter I(3)(i)).

185. An SME charter was signed on 2 December 2003, to make the institutional, tax and financial environment more favourable to SMEs. On the financing front, the charter provides for loans at subsidized rates, and sets up the following institutions: a guarantee fund partly financed from State budgetary appropriations[261]; regional development funds, assistance for transport and export; venture capital organizations or credit lines; and specific assistance for "innovative" SMEs and key sectors (handicrafts, agriculture, fruit and vegetable processing, fishery products, garments, textiles, and new information and communication technologies).[262] A total of 1,360 establishments were created during 2007, mainly in the regions of Dakar (65.4 per cent) and Thiès (11.6 per cent) followed far behind by the regions of Saint-Louis and Kaolack.

186. The textile and clothing industry is one of the clusters identified in the SCA framework. Measures to promote its development include the following: the creation of a Clothing and Textile Promotion Centre (CPTH) and a purchasing exchange for the material and inputs used by small-scale textile businesses; establishment of a national preference for local manufacturers in government and military procurement processes; definition of terms and conditions for a zone dedicated to cluster

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[258] *Allafrica.com*, "APS, Sénégal: Les prix du riz et du ciment fixés par la commission régionale de la consommation", 24 July 2007. Viewed at: http://fr.allafrica.com/stories/200707240957.html.

[259] Respectively, DANGOTE and Xewell Cimenteries at Pout, SDI at Bandia, and Cimenterie ABSA and ICS.

[260] This index, established by the United Nations Industrial Development Organization (UNIDO), takes into account such factors as industrial capacity, manufactured exports capacity, industrialization intensity, and export quality.

[261] The fund guarantees 75 per cent reimbursement of the loan principal agreed upon by the participating establishments, plus normal interest and arrears interest, where applicable. This guarantee is afforded in the form of a surety.

[262] Ministry of Small and Medium-Sized Enterprises and Microfinance (2003).

industries; implementation of a specific programme to attract foreign direct investment in the garment-making sector; and a review of indicative values applied to imports of textile products.[263]

187. The Industrial Redeployment Policy (PRI) is being implemented pursuant to the PRSP II guidelines and the SCA. Completion of PRI implementation was set for 2008[264], coinciding with the date of entry into force of the EU/ACP Economic Partnership Agreement, which should expose the sector to greater international competition (joint report, Chapter II(5)). The PRI is articulated around two hubs: upgrading and industrial development at domestic level.[265]

188. Senegal was already upgrading before the upgrading process was adopted at Community level (joint report, Chapter I(3)). The pilot phase of the Upgrading Programme (PMN) was financed in Senegal by the French Development Agency (AFD) with technical assistance from UNIDO. The Upgrade Office (BMN) was established in 2007.[266]

189. The second phase of the PMN, financed by the AFD and the EU, is due to start in the second half of 2009 and is scheduled for completion in 2013. It should consolidate achievements in the initial phase and potentially lead to extension of the scope of the programme to cover environmental aspects and energy efficiency, whilst more effectively targeting the supply of services to SMEs.[267] The second phase aims to complement the Framework Law of July 2008[268], which is designed to support SMEs through deductions from the corporation tax (IS) base[269]; specific measures to promote migration from the informal to the modern structured sector[270]; and measures aimed at reserving part of government procurement for SMEs.[271] SMEs account for 90 per cent of Senegal's enterprises, 30 per cent of the country's employment, 25 per cent of Senegal's turnover, 20 per cent of national value added, and 60 per cent of the active population. The energy efficiency problem - particularly the replacement of traditional energy sources with biofuels - will also be addressed in the second phase, which should lead to the creation of an Upgrading Fund with participation from the State and institutional donors (EU/AFD). The latter provide concessionary financing managed by the Public Treasury; in addition, certain direct interventions are fully financed by the State. BMN operating expenses[272] are also absorbed by the Senegalese State. The funds provided and the costs arising from studies will, however, be charged to the Upgrading Fund.

190. In Senegal, 12 enterprises were eligible for the PMN in 2008; and ten new applications were approved by the Steering Committee for an expected total amount of nearly CFAF 8 billion in investments and CFAF 1.28 billion in funds granted. Between September 2004 and September 2008, 227 enterprises were declared eligible, and 42 applications were approved by the Steering Committee, for a global investment on the order of CFAF 36 million, and CFAF 5.6 billion in funds granted, of

[263] Government of Senegal (undated).

[264] The first phase had been set for the period 2004-2006, and the second phase for 2006-2008.

[265] Ministry of Industry and Handicrafts (2004).

[266] Decree No. 2007-1489 of 11 December 2007 creates and sets rules for the organization and functioning of the BMN. The BMN is an administrative structure with autonomous management, which is answerable to the Ministry of Industry.

[267] Ministry of Mines, Industry and SMEs (2008a).

[268] Framework Law No. 2008-29 on the promotion and development of SMEs.

[269] Article 25 of the Framework Law.

[270] These will be implemented by the Government through the SME Department and the SME Development and Supervision Agency (ADEPME), which provide the necessary follow-up (Article 27).

[271] Following enactment of the law, a portion of government procurement will be reserved for SMEs. Specific measures are aimed at encouraging the emergence of women entrepreneurs: 15 per cent of government procurement reserved for recognized SMEs will be awarded to enterprises belonging to women (Article 33).

[272] The BMN consists of a dozen experts.

which CFAF 832 million have already been disbursed.[273] Upgrading efforts undertaken by Senegalese industry involve both production and management tools; and although all enterprises are concerned by the PMN, and not just manufacturing industries, the subsectors that have benefited most from the Programme are the agri-food industry, building and public works (BTPs), and the chemicals industry, with respective weights of 24 per cent, 13 per cent and 9 per cent of all enterprises eligible for the PMN.[274]

191. As regards the country's industrial development component, which adds value to national resources in a decentralized way, several regions have been identified to create industrial development poles, namely Thiès, Saint-Louis, Matam, Ziguinchor, Kolda, Kédougou and Touba. Adding value to a product involves implementing business "incubators", to select and bring together project stakeholders, and provide them with training in business management and the production and marketing of a product. "Incubators" are located in the regions where a specialization process has already been embarked upon, thanks to the presence of pace-setting enterprises - such as the ICS in the Thiès region. The State serves as a catalyst regarding this component, creating conditions conducive to the emergence of microenterprises and SMEs, targeting new industrial activities that have been made more competitive by a strengthening of their productive and managerial capacities.

192. New organizations have also been created, including the National Subcontracting and Partnership Exchange (BNSTP); the Handicrafts Promotion and Development Agency (APDA), responsible for speeding up the rationalization of operators in the informal sector; the Senegalese Technological Innovation Agency (ASIT); the Senegalese Standardization Association (ASN), to alleviate the risk of long-term shortage of qualified technical personnel; and the Industrial Sites Development and Promotion Agency (APROSI), through which the State is making developed sites available to industry promoters. The Agency plays a particularly important role since availability of industrial sites is still an obstacle for new industrial enterprises.

193. In 2009, tariff protection in the manufacturing sector is, on average, 12.2 per cent, slightly higher than the overall average of 12.1 per cent. The most protected industries include the beverages, garments, building materials and certain agri-food industries (joint report, Chart III.1 and Table AIII.2). However, the mixed tariff escalation in industries such as chemicals, and articles of metal, machinery and equipment is unlikely to reduce production costs in these industries or encourage their fall, particularly the costs of semi-finished products. Moreover, the sharp (positive) tariff escalation in the other industries (joint report, Chart III.2), in view of the high level of effective protection to which it leads, will not make it easier to achieve international competitiveness of the finished products concerned.

(5) SERVICES

(i) Overview

194. Over the last few years, GDP growth in Senegal has been driven by the services sector, which is largely dominated by informal activities and public administration, which posted growth rates of 3.5 per cent and 6.7 per cent respectively in 2006, and 6.5 per cent and 3.1 per cent in 2007.

[273] Ministry of Mines, Industry and SMEs (2008a).

[274] The business services subsector represents 13 per cent, and the tourism, hotels and restaurants subsector accounts for 9 per cent; the information and communication technologies sector and the mechanical and electrical sector each represent 7 per cent; the textile and clothing industry 4 per cent; and the transport and handling sector accounts for 3 per cent. Figures obtained from: http://www.pmn-senegal.org/spip.php?page=article&id_article=154.

Nonetheless, the growth of the service sector, estimated at an average of 7 per cent per year in the period 2006-2010, was largely the result of the fine performance of transport and telecommunications.[275] Distribution services are liberalized in the wholesale and retail segments.[276]

195. In the GATS framework, Senegal has undertaken commitments in several services categories, including financial services, telecommunications, transport and tourism.[277]

(ii) Telecommunications and postal services[278]

196. Senegal sees information and communication technologies (ICTs) as particularly important in forming value added and promoting service exports. Given the dynamism of this activity in Senegal, as a result of strong demand for mobile telephone services (even among low-income population groups), the GDP share of ICTs is expected to rise from 7.3 per cent in 2005 to 10 per cent in 2010, according to the PRSP II.[279]

197. The telecommunications subsector currently consists of the national telephone company (SONATEL), partly privatized in 1997[280], which holds a "global" telecommunications licence and has provided fixed-line services (high-speed Internet, VoIP, TV via ADSL and video on demand) and mobile voice services under the Orange brand name since 2006. Sentel, the holder of a GSM licence, provides mobile phone services under the Tigo brand[281]; and Sudatel, holder of a "global" telecommunications licence since September 2007 (for which it paid US$200 million), has been providing prepaid mobile phone services under the Expresso brand since early 2009. This latter awarding of a "global" licence in principle eliminates the SONATEL monopoly in the fixed-line network, but SONATEL still has a de facto monopoly. Senegal thus considers it has fulfilled its specific commitments under the GATS, undertaken at the conclusion of the WTO negotiations on basic telecommunications services in 1997.[282]

198. Senegal had also undertaken a commitment to implement a suitable regulatory framework for opening of the subsector to competition and issue licences to other operators, which was done under

[275] Government of Senegal (2006).

[276] WTO document GATS/SC/75 of 15 April 1994, and D. Ruiz (2009).

[277] WTO document GATS/SC/75 of 15 April 1994.

[278] Telecommunications and Postal Services Regulatory Authority (ARTP) (2008).

[279] PRSP documents were consulted at: http://www.finances.gouv.sn/espace_secteur_privetest.php?id=6&smnu=59&file=Stratégie%20de%20Réduction%20de%20la%20Pauvreté [20 February 2009].

[280] SONATEL shareholders are: France Télécom (43 per cent); the State (27 per cent); the public (20 per cent); and SONATEL employees (10 per cent). SONATEL shares were listed on the stock exchange in 1998.

[281] Sentel GSM had obtained a GSM licence in 1998 (without paying a fee) for a 20-year period. On 30 October 2008, Sentel's parent company, Millicom International Cellular (MIC), announced that the Senegalese government had notified it of the withdrawal of that licence. (*Telegeography*, "Senegal government to revoke Sentel GSM's licence", 31 October 2008. Viewed at: http://www.telegeography.com/cu/article.php?article_id=25883 [1 May 2009]). This revocation led to a complaint filed by Millicom International Cellular (MIC) to the ICSID (Chapter II(4)(i)). Following the adoption of the new Telecommunications Code in 2001, the license was renegotiated, with payment of a financial consideration by the company. Nonetheless, SONATEL Mobile had also obtained a GSM licence in 1996 without payment.

[282] WTO document, GATS/SC/75/Suppl.1. In particular, this includes a commitment to end the exclusive SONATEL monopoly on fixed telephony (local and long-distance calls) by 31 December 2003 at the earliest and 31 December 2006 at the latest.

the Telecommunications Code adopted in 2001 and the liberalization plan introduced on 19 July 2004.[283] The Telecommunications and Postal Services Regulatory Authority (ARTP)[284] manages frequencies, awards licences to operators of public telecom networks (in principle through competitive tenders)[285], grants authorizations for equipment (including terminals under ITU standards), settles disputes, regulates interconnection, and deals with complaints from consumer associations. The ARTP also processes licence applications from telecom network operators, which are selected in principle through competitive tenders.[286] Licences are awarded by a decree issued by the President of the Republic. The declaration regime governs Internet access providers and value-added services. A number of amendments to the regulatory framework are expected as part of the implementation of a standard legal framework for telecommunications, adopted in January 2007 by ECOWAS, with a view to creating a common ICT market within its area.[287] Consumer prices are unregulated in competitive segments of the market (subject to 48 hours notice to the ARTP for information purposes), whereas segments supplied exclusively by SONATEL are regulated.

199. SONATEL's fixed line infrastructure consists of a 2,200 km-long fibre optic network, linking Dakar to the main regional centres; and this, in turn, is connected to international networks by two submarine cables (Atlantis II and Africa-Europe-Asia SAT 3/WASC/SAFE) and by satellite. The local fixed loop is equipped to provide high-speed ADSL Internet access. Senegal has one of Africa's largest Internet transmission bands, at 1.7 Gbit/s. The ARTP considers that SONATEL still has a de facto monopoly in several market segments, since it is the only fixed network operator thus far; the regulator also considers that SONATEL has a dominant position in the mobile network terminal traffic segment, despite the presence of Tigo, since it accounts for 79 per cent of traffic volume. Compulsory regulations on SONATEL relate to interconnection (negotiated between operators), the catalogue for which must be published annually, and prices must be submitted to the ARTP for approval.[288] Leased lines are subject to cost-based pricing.[289] Fixed and mobile network operators collect a fee on behalf of the Government for accessing or using public telecommunications networks (RUTEL), as well as taxes, such as VAT, applicable to the consumption of these services.[290] To enable SUDATEL to provide high-speed Internet services across the country, the ARTP is studying the possibility of providing bitstream-type access.

200. Another sphere of ARTP action concerns universal service, since household access to telecom services in rural areas is very weak.[291] The terms and conditions for each supplier-operator will be set by the ARTP. Service provision will be financed by a special fund, the Universal Telecom Service Development Fund (FDSUT), to be financed mainly by a 3 per cent levy on the annual pre-tax sales,

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[283] Law No. 2001-15 of 27 December 2001.

[284] This became the Telecommunications and Postal Services Regulatory Authority (ARTP) following the adoption of the Postal Services Code in 2006 (Law No. 2006-01 of 4 January 2006), and the revision of the Telecommunications Code (Law No. 2006-02 of 4 January 2006). The ARTP is financed by internally generated resources, consisting partly of licence fees payable to the State and various fees linked to authorization and approval regimes. Its website (www.artp-senegal.org) provides full information on the relevant legislation and the regulations that have been adopted.

[285] The authorization regime applies to the installation and/or exploitation of independent networks.

[286] *Idem*.

[287] Additional Acts A/SA1/01/07 (Harmonization of ICT policies and regulatory framework), A/SA2/01/07 (Network access and interconnection), A/SA3/01/07 (Legal regime applicable to network operators and service providers), A/SA4/01/07 (Management of the numbering plan), A/SA5/01/07 (Management of the frequency spectrum, A/SA6/01/07 (Universal service).

[288] Decree No. 2005-1183 of 5 December 2006.

[289] Decree No. 2005-1184 of 6 December 2006.

[290] Law No. 2008-46 of 3 September 2008.

[291] Decree No. 2007-593 of 10 May 2007.

net of interconnection charges, of all licensed operators in the fixed and mobile segments, supplemented by contributions from the ARTP or the State budget. The proceeds of the levy are paid into an account managed by the ARTP pending the establishment of the FDSUT. On 10 December 2006, a call for tenders was launched to award a licence to set up a wireless telecommunications network to supply universal service in the Matam region.

201. Thanks to the momentum of mobile telephony, teledensity has increased greatly in Senegal since its second TPR (Table IV.4). Senegal now has over 4 million mobile lines (nearly all using the prepaid mode rather than subscription), and the penetration rate was 39 per cent as at end 2007. Internet access, which still uses fixed lines (around 39,000 in 2007) or a satellite link, remains weak, although coverage through cybercafés is relatively high in urban areas. Telecentre activity in Senegal is also quite strong, and it is estimated that cybercafés and telecentres have created employment for about 26,000 people, on top of the 1,815 direct jobs reported by telecom operators in 2005.[292]

Table IV.4
Indicators of telecommunications services, 2003-2007

	2003	2004	2005	2006	2007
Number of fixed-line subscribers	228,844	244,948	266,612	282,573	269,088
Fixed-line penetration (number of lines/100 inhabitants)	2.2	2.3	2.5	2.7	2.5
Number of Internet subscribers	15,275	19,351	20,207	30,360	39,113
Value of fixed-line services (CFAF billion)	135	175	200	237	247
Number of mobile lines	782,423	1,121,314	1,730,106	2,982,623	4,133,867
Mobile penetration (number of lines/100 inhabitants)	7.6	10.6	16.4	28.4	39.0
Value of mobile services (CFAF billion)	76	110	158	202	282

Source: Senegalese authorities.

202. The national postal services company, La Poste, has not had a monopoly of postal services in Senegal since June 2007, when market access was liberalized for the distribution of mail weighing over 500g., and for all items for which an acknowledgement of receipt or deposit is required. Provisional authorizations were granted in 2007 to private operators in the sector that did not hold the licence required by the Postal Services Code[293], pending validation of licence models by the Ministry of Telecommunications, Postal Services and Information and Communication Technologies.[294] Nonetheless, La Poste retains a monopoly on the collection, sorting, transport and distribution of postal packages up to 500g., or up to a price equivalent to five times the first segment of the postal rate, registered mail (with declared value), as well as on the universal postal service, and postal financial services, i.e. the postal current account and savings account.[295]

(iii) Transport

203. Senegal has signed various agreements on transport services (including transit)[296], and it has accepted trade facilitation instruments under the International Maritime Organization (IMO),

[292] ARTP (2006).

[293] Law No. 2006-01 on the Postal Services Code, of 4 January 2006.

[294] The State pays La Poste an annual subsidy of the order of CFAF 1.3 billion. *Infostrat*, "Régulation des services postaux au Sénégal: L'Artp casse le monopole de La Poste", 17 July 2007. Viewed at: http://infostrat.numeriblog.fr/mon_weblog/2007/07/rgulation-des-s.html.

[295] Online information from the Ministry of Telecommunications, Postal Services and Information and Communication Technologies, "Le service postal". Viewed at: http://www.telecom.gouv. sn/poste.htm.

[296] The International Convention relating to the Simplification of Customs Formalities (1923); the Convention on the Contract for the International Carriage of Goods by Road, the Geneva Convention (CMR),

EEC-UNO, the International Civil Aviation Organization (ICAO), and the World Customs Organization (WCO).

(a) Road transport

204. Structural reforms have made it possible to involve private operators in decision-making on the management boards of road transport institutions. On the legislative front, the Build, Operate and Transfer (BOT) Law and the Road Transport Framework Law[297] aim to improve and modernize the legal environment for transport services, in particular by facilitating access for private operators to tenders and the financing of transport infrastructure, while regulating their operation.[298]

205. The two transport programmes that have been implemented (Second Transport Sector Programme (PST2) and the Programme to Improve Urban Mobility (PAMU)) have introduced significant institutional reforms which, in practice, mean a framework that is more conducive to healthy competition, strengthening of investments and, generally, sustained development of the various road transport subsectors. Various agencies coexist in this subsector in addition to the Dakar Executive Council for Urban Transport (CETUD), created in 1997[299]; these include the Senegal Autonomous Road Maintenance Fund (FERAS), set up in 2007, which will be financed through the parafiscal tax on the sale of petroleum products[300], based on the principle of maintaining roads through user charges.[301] Oversight of the work, along with responsibility for infrastructure upgrading, has been delegated to the Autonomous Roadworks Agency (AATR).[302] Maintenance of the network is provided for under the three-year rolling programme (PTG) 2007-2009 amounting to CFAF 147 billion. At the WAEMU level, one of the main components of the Regional Economic Programme (PER) 2004-2008 concerned development and maintenance of the road network, for a global amount of CFAF 480 billion.

206. To be able to provide transport services, it is necessary in principle to set up a company. In the case of foreign nationals various conditions[303] have to be met to obtain authorization to provide

1956; the Customs Convention on Containers (1956-1972); the Convention on Facilitation of International Maritime Traffic (FAL Convention) 1965; the Convention on Transit Trade of Land-Locked States (New York) 1965; the International Convention on the Simplification and Harmonization of Customs Procedures, the Kyoto Convention (1973); the Convention on International transport of Goods under Cover of TIR Carnets, the TIR Convention (1975); the United Nations Convention on International Multimodal Transport; the Cotonou Convention A/P2/5/82 on the Regulation of Inter-State Road Transport (TIE); the Lomé Convention A/P4/5/82 on Inter-State Road Transport of Merchandise (TRIE); the Additional Convention A/SP/1/5/90 creating a mechanism to guarantee operations of inter-State road transport of merchandise.

[297] Law No. 2004-13 of 1 March 2004 on Build-Operate-Transfer contracts for infrastructure. Law No. 2003-04 of 27 May 2003 on the orientation and organization of road transport; its draft enabling decree, validated by the Council of State, is awaiting review and adoption by the Council of Ministers.

[298] Ministry of Infrastructure (2009a).

[299] Following the Transport Sector Policy Letter of 1996.

[300] Decree No. 2007-1277 of 30 October 2007. Ministry of Infrastructure, Road Transport and Air Transport (2009a).

[301] Ministry of Infrastructure, Road Transport, Telecommunications and ICTs (2008).

[302] Further details viewed at: http://www.aatr.sn.

[303] Certificate of entry in the commercial register, with the annotation "Road transport"; and photocopy of the updated vehicle registration document (*carte grise*) for a vehicle owned by the applicant, *inter alia*. Order No. 702/MET of 3 February 1999, on authorization to practise the profession of road transporter.

road transport services, including as a GIE or a company; one of the requirements is to produce statutes of legal entity showing that 51 per cent of the share capital is held by Senegalese nationals.[304]

207. Better management of existing infrastructure is essential to strengthen business competitiveness. According to surveys of the investment climate, 30 per cent of African enterprises view road transport infrastructure as a major constraint on the development of their activities; and the corresponding figure in Senegal is 36.5 per cent.[305] The repair of the Dakar-Bamako road corridor resulted in a doubling of the volume of cement and fuel transported, and a tripling of the volume of TC 40" containers circulating between 2004 and 2006.[306] The State is also participating in the toll highway project between Dakar and Diamniadio under the BOT law[307], with a view to encouraging the development of new investment zones. The overall cost of the project is estimated at CFAF 280 billion.[308] Another project should allow for the construction of a tolled highway between Dakar and Thiès.[309]

208. Senegal has signed a number of road and transit agreements with Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali and Niger. In addition, Senegal has signed a port agreement and a maritime agreement with Mali.

(b) Rail transport

209. The rail network mainly provides freight services between Dakar and Thiès, thus ensuring links between Dakar, Thiès, Diourbel, Tambacounda and Bamako (Mali). The volume of national rail freight slumped from 133,393 tonnes to 26,240 tonnes between 2004 and 2007, after which overall freight traffic grew by 11.8 per cent between 2006 and 2007.[310]

210. In terms of rail transport infrastructure, a vast programme of priority actions is being planned to interconnect existing railways in Benin, Burkina Faso, Côte d'Ivoire and Togo, passing through Niamey in Niger; as well as the construction of new routes to interconnect the Bamako-Dakar and Abidjan-Ouagadougou railways.[311]

211. Passenger and merchandise transport by rail was provided by the National Railway Company of Senegal (SNCS) until October 2003. Since the SNCS was put out to concession in November 2003, the new company, Transrail SA, has provided international freight services between Dakar and Bamako, while passenger services in the suburbs have been handed over to the Petit Train

[304] There is also a supplementary requirement for a GIE: in addition to the articles of association, it is necessary to produce the minutes of the General Constitutive Assembly.

[305] N. Ponty (undated).

[306] Overall, 151 km have been rehabilitated, the last 68 km between Mbour and Fatick having been put into service in February 2005. Schematic analysis of major transport flows, Transport Policy Unit, PST2Coordination cell, November 2007.

[307] Having encountered difficulties, the BOT law has hardly been applied at all for four years. Draft Law No. 13/2009, amending the provisions of the BOT law, was adopted in April 2009 to address three key aspects: greater involvement by the Ministry of the Economy and Finance in the procedure for selecting, signing and executing BOT contracts; strengthening of the arbitration function of the Infrastructure Council; and adaptation of the Law on International Arbitration Standards.

[308] APIX (2007).

[309] The cost of the project, equivalent to about 3 per cent of GDP, will be co-financed by the World Bank. IMF (2007c).

[310] ANSD (2008).

[311] Decision No. 01/2004/CM/UEMOA on the adoption of the Regional Economic Programme (PER) 2004-2008. Viewed at: http://www.izf.net/upload/Guide/per_uemoa.pdf.

Bleu S.A. (PTB) company.[312] Transrail holds a 25-year concession, with responsibility for the maintenance, renewal and development of railway infrastructure. Nonetheless, the company has had cash flow difficulties since its creation, and there have been delays in track refurbishment routes and the modernization of rolling stock. The low level of rail-road competition on the Dakar-Bamako corridor reveals a major imbalance in favour of road transport, which accounts for 75 per cent of traffic along this axis and thus causes operating difficulties for Transrail. Yet rail-road complementarity is essential to strengthen the competitiveness of the port-rail-road multimodal system. Steady conversion of the current metric gauge network to a standard gauge system should facilitate exports to WAEMU markets and more effective exploitation of Senegal's mineral resources. Privatizations notwithstanding, the competitiveness of the port-rail-road system as a whole would seem to depend mainly on restoration of the rail mode.[313]

(c) Air transport

212. Senegal has a network of 14 airports open to public air traffic: a main hub, the Léopold Sédar Senghor airport; four secondary aerodromes; and nine aerodromes of minor importance but also open to traffic. Following a rising trend since 2002, a subsequent reduction in overall passenger traffic meant that aircraft movements declined slightly by 3.17 per cent in 2007. Despite 13.21 per cent growth in passenger departures in that year[314], arrivals dropped by 15.29 per cent.[315] The combined effect of merchandise departures and arrivals, which rose by 17.71 per cent and 15.28 per cent, respectively, in 2007[316], boosted air freight activity by 16.21 per cent in that year.

213. Community mechanisms to coordinate air safety have been implemented at the WAEMU level, and various regulations have been adopted to harmonize air transport policies among WAEMU members (Chapter I(3)(ii)(a)).

214. Senegal is one of the member States to have implemented the Directive on the Legal Status of Civil Aviation Directorates (DAC).[317] The Senegal National Civil Aviation Agency (ANACS) was created on 24 December 2002[318]; and its Air Transport Department is responsible for processing applications to issue, renew or withdraw authorization to provide air transport services. The Senegal Airports Agency (ADS), created in May 2008[319] is responsible for maintaining the airport network, and for defining and implementing investment programmes to expand the capacity of passenger reception and freight facilities; upgrade safety provisions and facilities to obtain authorization from the United States Federal Aviation Administration; and classification of the Léopold Sédar Senghor international airport (LSS) as category 1, to permit direct flights to and from the United States. Most of the funds needed undertake these investments come from LSS operating revenues.

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[312] A renewable three-year agreement has been signed between the PTB and CETUD, specifying operating conditions for the railway line; this is based on the principle of public service in return for public payment, and defines the modalities for paying a fee for the use of Transrail SA infrastructures of which it is the concession holder.

[313] Ministry of Infrastructure, Road Transport and Air Transport (2009a).

[314] Passenger numbers rose from 726,813 in 2006 to 822,860 in 2007.

[315] The Dakar hub is served by some 30 regular airlines, charter companies, and one freight company. Information provided by the Senegal Airports Agency (ADS).

[316] ANSD (2008).

[317] Directive No. 01/2004/CM/UEMOA on the Status of Civil Aviation Administrations in WAEMU member States. Other WAEMU member States that have implemented the directive are: Benin, Guinea-Bissau, Mali and Togo; implementation is under way in the other member States.

[318] ANACS is an autonomous administrative body created by Law No. 2002-31 of 24 December 2002. It is under the hierarchical authority of the Minister responsible for civil aviation.

[319] Decree No. 2008-460 of 9 May 2008.

215. Construction of the Blaise Diagne de Diass international airport, with a capacity for 1.5 million passengers per year, began in 2007. A new company, 55 per cent privately owned, was set up in March 2006[320] to take on the work. The State has undertaken not to provide any guarantee or financial assistance to this company, apart from certain specified interventions. To finance the project, forecast to cost CFAF 235 billion[321], an airport tax of €30 per passenger on international flights has been collected since 2005.[322]

216. Since 2001, Air Sénégal International (ASI) has been 51 per cent owned by Royal Air Maroc (RAM) and 49 per cent by the State of Senegal.[323] As at July 2001, ASI had a deficit of around CFAF 12 billion. In October 2007, the Senegalese Ministry responsible for air transport had announced the Government's decision to alter the company's shareholding to allow the State to hold a majority of ASI shares and refloat the company with a capital of between CFAF 20 and 24 billion.[324]

217. Under the Yamoussoukro Decision, the numerous bilateral agreements to which Senegal is a party impose no restrictions on frequency or capacity, provided security and safety measures are respected. In contrast, internal air transport is reserved exclusively for domestic companies, except in the case of special authorization from Civil Aviation, pursuant to the Chicago Convention. According to the authorities, there are no restrictions on frequencies or capacities, provided security and safety measures are respected.

(d) Maritime transport

218. Under the GATS, Senegal has bound measures on the provision of supporting services for maritime transport without restriction, except for market access modes 1 and 4, and mode 4 in the case of national treatment.[325]

219. All four Senegalese ports belong to the State. The Autonomous Port of Dakar (PAD) is a national company wholly owned by the State, but with management autonomy.[326] Nearly 10 million tonnes of merchandise and about 23,000 vessels pass through the port each year. Senegal's main secondary ports are the ports of Ziguinchor[327] and Kaolack - which has little traffic. These ports are governed directly by the National Agency of Maritime Affairs (ANAM). In contrast, the platforms and hangars used to receive merchandise are managed by the regional Chambers of Commerce. Each of the ports is operated under concession agreement by the regional Chambers of Commerce. The port of Saint-Louis includes a commercial and a fishing port that has been operated

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[320] The company has capital of US$200,000. IMF (2007c).

[321] Online information from African Economic Outlook. Viewed at: http://www.africaneconomicoutlook.org/.

[322] Of this amount, €12 are used as collateral for loans on capital markets to finance the project. The tax is levied by the International Air Transport Association (IATA) and transferred to a blocked account in an international commercial bank; it is used exclusively to repay loans granted to the new enterprise. The annual revenue, which is off-budget, is estimated at around 0.4 per cent of GDP. IMF (2007c).

[323] The agreement between RAM and Senegal, signed in 2000, is scheduled to end in 2010. Viewed at: http://www.air-senegal-international.com/index.php?pg=compagnie&m=3.

[324] *Radio France internationale*, "Air Sénégal international dans la tourmente", 10 April 2009. Viewed at: http://www.rfi.fr/actufr/articles/112/article_80024.asp.

[325] WTO document GATS/SC/75 of 15 April 1994.

[326] The PAD has been operated under private law management since 1987. Its capital increased from CFAF 5 billion to CFAF 20 billion following a capital expansion authorized by its Board of Directors in 2005. Further details viewed at: http://www.portdakar.sn/spip.php? article5.

[327] A safety assessment is currently under way to bring the port of Ziguinchor - which is becoming a national and regional hub - into line with International Ship and Port Facility Security (ISPS) regulations.

under concession by the regional Chamber of Commerce since 1992. Although the agreement has expired, the Chamber of Commerce continues to rent the space. The three regional Chambers of Commerce collect fees but do not appear to abide by the terms and conditions in practice. In summary, the main secondary ports are 100 per cent owned by the State, under two different regimes (State, and private through the Chambers of Commerce).

220. The PAD plays a key role, not only as the only access route to the large international markets, but also because it handles a large part of the rail-route modal split in "long-distance" traffic destined for Mali.[328] Port administration operates harbour-master services and all port commercial services: piloting services, berthing, provisioning of ships with water, and merchandise stop-over services (rental of covered and uncovered storage units). Private companies approved by a Commission are in charge of activities such as consignment, handling, transit, towing and other provisioning. Harbour-master services in the secondary ports are provided by the ANAM, while other services are the responsibility of the Chambers of Commerce.

221. Given the competition that exists between ports in the subregion[329], the Government wants to bring reception infrastructure and service costs in the PAD up to international standards and turn it into a port of which only the basic port infrastructures belong to the State and long-term concessions are offered to private operators to operate and modernize them. Under this scheme, the PAD would maintain all of its price-setting and service quality functions. Major works to expand reception capacity and modernize infrastructure are already under way. With regard to the concession of container terminals in the north zone, the first phase aimed to extend the container terminal and build a third dockside unit, which was done in 2008. The second phase, in which the concession holder is to build the "port of the future", is scheduled for 2012. Work on rehabilitation and extension projects for pier 2 and to construct a 20 ha. distribution platform close to the port, along with a maritime station, was completed in 2008; procedures to implement the concession have begun. Senegal also wants to move towards more economical mass transport, by using river and river-maritime barges, a 900-tonne barge being equivalent to thirty 30-tonne trucks. This mode of transport also makes it possible to operate at night, which is an additional advantage over road transport.

222. At the international level, Senegal's maritime transport is governed by the Convention on Facilitation of International Maritime Traffic (FAL); nationally, companies are free to transport merchandise of all types to and from Senegal. In addition, companies providing ancillary maritime transport services are free to set up in the country, provided they obtain an authorization generally granted upon filing of an application, without nationality conditions. There are no longer any Senegalese-owned vessels, although vessels engaged in cabotage must be registered in Senegal. A specific exception for oil transport by foreign vessels was agreed upon but has now expired. The only company authorized to engage in national cabotage is Transport maritime côtier (TMC), which has two ships.

223. Various instruments adopted in the WAEMU framework set conditions governing domestic, intra-Community and international maritime transport within the Union, and aim to harmonize maritime transport policy among member States (joint report, Chapter I(3)(ii)(a)).

224. Following a 9.2 per cent fall to 9.93 million tonnes in 2006, total merchandise traffic in the PAD rose by 11.9 per cent in 2007 to reach a level of 11.109 million tonnes. This growth was driven

[328] About 10 million tonnes of freight, and 2,500 ships pass through the PAD each year.

[329] One third of imports destined for Mali pass through the PAD, and the rest go through the other ports (Lomé, Cotonou, Abidjan, Téma), although Bamako is only 1,275 km from Dakar and 2,200 km from two other ports. Schematic analysis of major transport flows, Transport Policy Unit, 2007.

by a sharp increase in oil shipments (+101.8 per cent) and miscellaneous merchandise (+14.63 per cent), despite a 10.32 per cent reduction in shipments of refined hydrocarbons, following the resumption of production by the SAR. The volume of merchandise unloaded at the PAD has fluctuated since 2004: +12.3 per cent in 2005; -4.7 per cent in 2006; and +14.8 per cent in 2007. The number ship stopovers decreased by 0.58 per cent in 2007. Overall, between 1997 and 2007, port traffic grew by 11.88 per cent.[330] The total volume of merchandise shipments varied around 2 million tonnes per year between 1999 and 2007, with a peak of 3 million tonnes in 2003. Phosphate shipments have grown strongly since 2006, following the steady resumption of activities by the ICS: shipments in 2007 were up by 33.77 per cent.

(iv) Tourism

225. Tourism is Senegal's second leading source of export earnings after fisheries, but ahead of groundnut and petroleum products. The sector directly contributes up to 4.6 per cent of GDP, and around 6.8 per cent overall (directly and indirectly); it also employs 75,000 people directly and a further 25,000 indirectly.[331] Accommodation infrastructure increased by 10.4 per cent in 2002 and by 14.1 per cent in 2003. Thanks to its cultural and natural assets and the strong competitiveness of its tourist products, Senegal receives about 700,000 tourists a year, with accommodation capacity of 20,000 beds distributed among 320 hotels.[332] The strategy for safeguarding and making the most of national tourism potential, set out in the Tourism Development Sector Policy Letter (LPS) of September 2005, aims to attract 1.5 million tourists in 2010, and 2 million in 2015, compared to the current level of 900,000.[333] In 2007, tourist arrivals at the LSS airport were up by 5.1 per cent in relation to the 2006 figure.[334] Arrivals by non-residents accounted for 68.3 per cent of the total in 2007, while residents represented 25.4 per cent, and passengers in transit 6.4 per cent. This situation generated foreign exchange inflows estimated at CFAF 138.7 billion in 2007, compared to CFAF 130.8 billion in 2006.[335]

226. Under the GATS, Senegal has undertaken commitments on the provision of hotel and restaurant services (cross-border supply and presence of natural persons are unbound); travel agency and tourism organization services (presence of natural persons is unbound); sports and other recreational services (cross-border supply and presence of natural persons are unbound as regards market access, and presence of natural persons is unbound in terms of national treatment); and gambling and betting services (cross-border supply is unbound in terms of market access, and presence of natural persons is unbound for market access and national treatment). In the case of market access, commercial presence requires a permit to supply each of these services categories, except for gambling and betting, where "Lonase" is the exclusive concession holder.[336]

227. The Government wants to turn tourism into a development pillar, and the sector is listed as essential in the Private Sector Development (DSP), Poverty Reduction (PRSP), Export Development (STRADEX), and Accelerated Growth (SCA) strategies. The Tourism Development Sector Policy Letter (LPS) adopted in September 2005, defines three specific objectives: increase the range of Senegalese beach tourism products; make Dakar the international business tourism pole in West Africa, for African-based Congresses and international meetings; and develop top-of-the-range

[330] ANSD (2008).
[331] Government of Senegal (2009).
[332] APIX online information. Viewed at: http://www.investinsenegal.com.
[333] Government of Senegal (2006).
[334] The number of passengers rose from 726,813 in 2001 to 822,860 in 2007.
[335] ANSD (2008).
[336] WTO document GATS/SC/75, of 15 April 1994.

niche tourism, in the cultural and eco-tourism areas. This goal should be achieved on two strategic fronts - an upgraded beach tourism product and top-of-the-range business, cultural and eco-tourism products - involving five key objectives.[337]

228. Tourism administration has also been reformed by the adoption of a National Tourism Charter in April 2003.[338] This provides responses to the infrastructure deficit; lack of involvement by Senegalese nationals; quality of accommodation; conservation of the environment; and weakness of tourism promotion media.[339] The Charter also stresses the protection of tourists and cultural or natural heritage, and requires local labour to be preferred in conditions of equal skill. In addition, tourism promotion is the responsibility of the National Tourist Promotion Agency (ANPT)[340], created in 2004, which is required, among other things, to provide technical assistance as needed to the public or private partners involved in the subsector. The Ministry of Tourism plays a chiefly administrative role.[341]

229. The scope of the Senegalese Coasts and Tourist Zone Development and Promotion Company (SAPCO) has been extended to cover the entire coast and zones of tourist interest (ZIT). The Dakar, Thiès and Ziguinchor regions account for nearly 80 per cent of the supply of national tourism services, while certain regions such as Saint-Louis, despite having potential, account for less than 5 per cent.[342] With full jurisdiction over upstream and downstream land management on tourist sites[343] SAPCO will develop three new tourist zones at Joal Finio, Mbodiène and Pointe Sarène, and upgrade existing sites.[344] Opportunities for hotel investment in Senegal are highly dependent on these tourist zones. The Investment Code sets a minimum eligibility threshold of CFAF 100 million for the granting of customs duty, fiscal and social incentives to undertake a tourism project (Chapter II).[345]

(v) Financial services

(a) Banking

230. Between 2004 and 2009, the density of the banking network in Senegal increased following the approval of six new banks, bringing their number to 17. This figure takes account of the ATTIJARI BANK/BST and ATTIJARI BANK/CBAO mergers, without which the country would

[337] Namely: develop Senegal's visibility and enhance its image abroad; facilitate access to land and make Dakar the air hub of West Africa; undertake development and investments in tourism poles; develop a legal and fiscal framework conducive to investment and competitiveness; and develop activities and production among local populations to support tourism activities as such.

[338] The Charter also establishes the Higher Council for Tourism, chaired alternatively by a representative of the Ministry of Tourism and from the private sector, for one-year terms. The Charter was signed for a five-year period, with tacit renewal. The text of the Charter was viewed at: http://www.tourisme.gouv.sn/IMG/pdf/charte-tourisme.pdf.

[339] Government of Senegal (2006).

[340] Decree No. 2004-1211 of 6 September 2004. Viewed at: http://www.anpt.sn/.

[341] Planning, regulation, oversight and training of human resources. Decree No. 2004-103, of 6 February 2004, creating and establishing rules of organization and operation of the ANPT.

[342] Ministry of Infrastructure, Road Transport, Telecommunications and ICTs (2008).

[343] It is also required to mobilize private domestic and foreign investment; increase hotel accommodation capacity; create a quality and urban development standard; and ensure respect for the environment.

[344] Financing will be obtained from the sale of developed land plots at CFAF 25,000/m.², from networks of public, private and international partnerships; and by means of a bond issue to develop the plots. Works completion is scheduled for 2009 in Joal Finio and Pointe Sarène and for 2011 in Mbodiène.

[345] APIX (2008).

have 19 banks. The increase in the number of bank branches (from 158 to 260) has been matched by the market shares of credit institutions. The total balance sheet of credit institutions in 2008 was CFAF 2,440 billion, and they held 24 per cent of the WAEMU market in that year, in second place behind Côte d'Ivoire.[346]

231. Banking activities in Senegal are governed by the WAEMU common banking regulations (joint report, Chapter I(3)). With a view to implementing reforms to strengthen the banking culture in WAEMU countries, a directive[347] adopted in 2002, was incorporated into Senegalese legislation by Law No. 2004-15, of 4 June 2004, on measures to promote use of the banking system and of bank money as a means of payment. The law provides incentives targeting States, private individuals and economic operators. Its provisions include the obligation to pay by cheque or bank draft all financial operations of CFAF 100,000 or more (this threshold is set by an instruction from the BCEAO), between the State and its agencies on the one hand, and private individuals, enterprises, and other private persons on the other, concerning: wages, allowances and other cash benefits paid by the State; and duties, taxes and other provisions (against payment) owed to the State. Water, electricity and telephone bills, and the execution of all monetary liabilities are exempt from stamp duties provided they are paid using a bank instrument or bank money. The law also entitles any private individual or legal entity established in a WAEMU member State to open an account in the bank of their choice, subject to evidence of a regular income of CFAF 50,000 or more, offering the use of at least one payment instrument, subject to the necessary guarantees.[348]

232. Under the GATS, in 1998 Senegal bound its commitments on market access, with limitations on commercial presence, for the provision of services relating to the acceptance of deposits and other repayable funds from the public; lending of all types; and all payment and money transmission services.[349]

233. In 2007, the number of microfinance institutions (MFIs) that are authorized, recognized or signatories to framework agreements (SCCs) increased by 6.2 per cent in relation to the 2006 figure; the number of mutual companies also grew by 13.1 per cent in 2007. The same trend can be seen in apex institutions and in SCCs. In contrast, the number of savings and loan groupings plummeted in 2007. MFIs are under-represented at the local level owing to distance, remoteness, and the difficulty of absorbing the administrative costs generated by a vast geographic coverage and problems caused by the generally high charges on MFI products.[350]

234. A plan of action and national coordination on credit was introduced in November 2003, to facilitate access to financial services for SMEs and disadvantaged segments of the population. An evaluation chart makes it possible to measure the solvency of SMEs over a three-year period, as well as their credit risk.[351] Certification *(labellisation),* which began in 2005 on a sample of 80 SMEs, of

[346] Online information from the Ministry of the Economy and Finance. Viewed at: http://www.finances.gouv.sn.

[347] Directive No. 8/2002/CM/UEMOA, complementing Regulation 15/2002/CM/UEMOA on payment systems in WAEMU member States, adopted on 19 September 2002.

[348] Online information from the Ministry of the Economy and Finance. Viewed at: http://www.finances.gouv.sn/espace_secteur_prive.php?id=8&file=Système%20Financier%20et%20Bancaire&smnu=40.

[349] WTO document GATS/SC/75/Suppl.2, of 26 February 1998.

[350] ANSD (2008).

[351] Non-performing loans accounted for 16.8 per cent of total credit in 2006, and 16.7 per cent in 2007, compared to 11.9 per cent in 2005. The situation, related to the difficulties faced by Senelec and the ICS, and the heavy concentration of bank credits, does not however seem to have had specific repercussions on exchange reserves (joint report, Chapter I).

which 60 were funded by the bank network, now has a more favourable institutional environment following the creation of Caisse des dépôts et consignation (CDC), one of whose main objectives is to allow easier access to financing for SMEs and small and medium-size industries.[352] At 31 December 2008, CFAF 33.2 billion had been raised, mostly from the Public Treasury and public-utility concession-holders. The forthcoming transformation of the Economic Promotion Fund (FPE)[353] into an SME development bank, and the implementation of programmes to guarantee bank loans or risk insurance, complete its institutional set-up.

235. The State holds stakes in several banks and other financial establishments: 25.9 per cent of *Caisse nationale de crédit agricole du Sénégal* (CNCAS); 25 per cent of SONAC; 29.40 per cent of *Banque internationale pour le commerce et l'industrie du Sénégal*; 22.10 per cent of *Banque islamique du Sénégal*; 8.80 per cent of the *Compagnie bancaire de l'Afrique occidentale* (CBAO); and 5.26 per cent of *Crédit du Sénégal*.

236. The direct effects of the global financial crisis on Senegal's banking and financial system are limited overall. Banks established in Senegal are not involved in high-risk financial products; their assets and those of other WAEMU banks held in foreign financial institutions are modest as a whole, since the current regulations restrict such holdings to the payment of current operations; and financial flows between Senegal and the rest of the world continue to be those traditionally recorded. Compliance with Community regulations has helped to ensure this. Nonetheless, the regional financial market has been worse hit, with falling indicators on the regional stock market (BRVM) during the second half of 2008.[354]

(b) Insurance

237. Senegal had 23 insurance companies in 2008, of which 17 provided non-life insurance and six provided life insurance; the subsector's provisional turnover in 2008 amounted to CFAF 81.43 billion, representing 13 per cent growth. Insurance company revenues have grown steadily over the last few years, rising to CFAF 71.5 billion in 2007 compared to CFAF 64.8 billion in 2006, with non-life insurance contributing 82 per cent of the increase. The life insurance market share has been stable in recent years - 17.2 per cent of the total sales of insurance companies in 2005, 18.8 per cent in 2006 and 18.7 per cent in 2007.[355] In 2008, non-life insurers had a turnover of CFAF 60.24 billion and life insurance companies recorded sales of CFAF 21.19 billion. Non-life insurance has grown by 3.03 per cent, and life insurance by 56.03 per cent.

[352] Law No. 2006-03 of 4 January 2006, creating a public establishment under a special statute, known as "Caisse des dépôts et consignations" (CDC) (Deposit and Consignment Fund), under the authority of the Minister responsible for economic affairs and finance, and enjoying legal status and financial autonomy. The CDC has responsibilities of general interest that contribute to economic and social development; and it acts on behalf of the Treasury in accepting and managing deposits and consignments from organizations and private individuals, and custody for the disposable funds held by the national savings bank (Caisse nationale d'épargne). This enables the State to implement a stable and low-cost strategy for collecting financial resources in order to achieve its objective. The CDC has recently joined the World Savings Bank Institute and the International Organization of Pension Supervisors (IOPS). Viewed at: http://www.cdc.sn.

[353] The FPE is an autonomous institution whose responsibility is to raise funds from bilateral and multilateral donors, and make them available to commercial banks and other intermediaries, for the purpose of SME financing. Viewed at: http://www.fpe.sn.

[354] Ministry of the Economy and Finance (2009).

[355] ANSD (2008).

238. Under the GATS, Senegal has undertaken commitments on the supply of insurance and reinsurance services, and services auxiliary to insurance, under most of the different modes, with limitations on market access; no commitment was made on national treatment.[356]

239. Senegal belongs to CIMA, whose code governs the supply of insurance services in member countries (joint report, Chapter I(3)). Under Senegalese law, the premiums and the business of insurance companies incorporated in Senegal and the premiums of foreign insurance companies are subject to a compulsory cession to the Senegalese Reinsurance Company (SENRE).[357] All insurance companies domiciled in Senegal are required to cede part of their reinsurance business, up to 13 per cent (and 15 per cent cumulative), to the national reinsurance company, of which the State is the majority owner with 25 per cent of the shares. An insurance company domiciled in Senegal cannot underwrite risks in another CIMA member State; but it can do so in non-CIMA countries.

240. Insurance premiums in Senegal are set freely by the insurance companies based on the respective loss record. Nonetheless, the Government sets a minimum rate for civil liability automobile insurance, which must be at least equal to the minimum approved by the supervisory commission for Senegal (Article 212 of the CIMA Code). The rate currently in force in Senegal dates from 1963, having been raised by 20 per cent on 5 September 1994. Work is currently under way in Senegal to implement a new rate consistent with Article 212 of the Code.

241. In Senegal, enterprises partially owned by the State that provide insurance services include: AMSA assurances, of which 20 per cent belongs to the State; *Compagnie nationale d'assurance agricole* (CNAAS), created in 2008, with State participation of about 37 per cent but open to various shareholders (specifically from the rural sector); *Société nationale d'assurance du crédit et du cautionnement* (SONAC), in which the State holds up to 25 per cent; and *Société nationale d'assurance et de réassurance* (SONAR), in which the State also has a 25 per cent stake. The State has withdrawn from a number of companies (e.g. AXA assurances) and plans to continue doing so progressively with regard to AMSA assurances, by gradually disposing of its shares between 2010 and 2012 at the latest.

(vi) Professional and business services

242. Little information is available on professional services in Senegal.

(a) Environmental services

243. The progressive withdrawal of the State from the various environmental services involves partial liberalization of sanitation services, the gradual privatization of waste management and treatment services, and the development of new jobs to address the issue of atmospheric pollution.[358]

244. In the framework of the ongoing multilateral negotiations, Senegal has proposed commitments on a list of environmental services, including non-hazardous waste collection, non-hazardous waste treatment and disposal, hazardous waste collection, and hazardous waste treatment and disposal.[359]

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[356] WTO document GATS/SC/75/Suppl.2, of 26 February 1998.

[357] This company was created in 1987 to promote the national retention of premiums, as a way of contributing to the country's balance of payments.

[358] Ministry of Trade (2006b).

[359] Respectively, subclasses 94 211; 94 212; 94 221; and 94 222. Ministry of Trade (2008).

(b) Other professional services

245. Medical, dental and architectural services, and rental/leasing services relating to ships are included in Senegal's schedule of specific commitments under the GATS. As regards market access, supply through the presence of natural persons is unbound, as is cross-border supply of medical, dental and architectural services and commercial presence for the provision of architectural services. Limitations on market access through commercial presence have been specified in the form of prior authorization for the supply of medical and dental services and rental/leasing services relating to ships.[360]

[360] WTO document GATS/SC/75 of 15 April 1994.

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APPENDIX TABLES

Table AII.1
Structure of imports, 2002-2008
(US$ million and per cent)

	2002	2003	2004	2005	2006	2007	2008
Total imports (US$ million)	2,031.0	2,398.6	2,839.1	3,497.7	3,671.0	4,871.4	6,527.6
				Percentage share			
Total primary products	64.7	52.5	51.0	54.8	51.9	54.5	57.3
Agriculture	27.9	31.4	30.2	29.8	25.0	26.5	27.2
Food	26.1	29.6	28.3	28.1	23.4	25.1	25.9
0423 Rice, semi-milled or wholly milled	9.1	9.1	8.4	10.5	5.7	7.4	9.9
0412 Other wheat (including spelt) and meslin, unmilled	2.3	2.2	2.8	1.9	2.1	2.7	2.4
0222 Milk and cream, concentrated or sweetened	1.3	1.8	2.1	2.1	2.3	1.9	1.9
4211 Soya bean oil and its fractions	1.3	2.3	1.6	1.1	1.6	1.9	1.7
0989 Food preparations, n.e.s.	2.3	2.5	2.6	2.2	2.2	2.1	1.6
4222 Palm oil and its fractions	0.2	0.6	0.8	1.2	0.7	0.6	0.9
1212 Tobacco, wholly or partly stemmed/stripped	0.8	1.0	0.5	0.5	0.6	0.5	0.7
Agricultural raw materials	1.8	1.8	2.0	1.6	1.6	1.5	1.3
2484 Wood of non-coniferous species, sawn, sliced, etc., of a thickness exceeding 6 mm.	1.0	1.0	1.2	1.0	1.0	0.9	0.8
Mining	36.9	21.1	20.8	25.1	26.9	28.0	30.0
Ores and other minerals	0.3	1.8	1.9	1.7	0.4	0.7	1.8
2741 Sulphur of all kinds (other than sublimed sulphur, precipitated sulphur and colloidal sulphur)	0.0	1.5	1.6	1.5	0.1	0.5	1.6
Non-ferrous metals	0.7	0.7	0.6	0.5	0.6	0.6	0.6
Fuels	35.9	18.6	18.3	22.9	25.9	26.6	27.7
3330 Petroleum oils and oils obtained from bituminous minerals, crude	20.5	11.6	11.7	10.9	4.4	8.3	11.8
3425 Butanes, liquefied	2.0	1.9	1.8	2.0	2.2	1.8	1.7
Manufactures	35.2	47.4	48.9	45.1	48.0	45.4	42.3
Iron and steel	2.4	3.1	4.8	3.4	3.2	4.8	4.0
6761 Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	0.9	1.1	1.9	1.6	1.5	1.9	2.0
Chemicals	9.4	10.7	11.4	9.2	9.4	8.7	7.3
5429 Medicaments (including veterinary medicaments), n.e.s.	2.7	2.8	3.0	2.5	2.6	2.3	1.9
Other semi-manufactures	6.2	7.1	6.8	6.3	6.7	6.6	6.0
6612 Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	0.5	0.9	0.4	0.8	0.9	1.1	0.8
6911 Structures and parts of structures, of iron or steel	0.1	0.3	0.4	0.3	0.6	0.6	0.6
Machinery and transport equipment	12.2	20.4	18.6	20.1	22.6	19.3	20.0
Power-generating machinery	0.3	0.8	0.5	0.8	2.0	0.7	0.8
Other non-electrical machinery	2.3	6.7	5.8	5.2	5.7	5.5	7.0
7413 Industrial or laboratory furnaces and ovens, etc., and parts thereof	0.0	0.1	0.1	0.1	0.1	0.0	0.9
7283 Machinery (other than machine tools) for sorting earth, stone, etc.	0.0	0.3	0.2	0.1	0.3	0.5	0.8
Agricultural machinery and tractors	0.1	0.1	0.2	0.4	0.3	0.2	0.2
Office machines and telecommunications equipment	2.5	2.9	3.7	3.8	4.0	3.6	2.9
Other electrical machinery	1.3	2.3	2.3	2.0	2.5	2.4	2.1
Automotive products	5.0	6.3	4.8	5.5	5.9	5.9	5.6
7812 Motor vehicles for the transport of persons, n.e.s.	3.0	3.5	2.5	2.7	3.0	2.8	2.8
7821 Motor vehicles for the transport of goods	1.3	1.5	1.1	1.0	1.4	1.4	1.4
Other transport equipment	0.8	1.3	1.5	2.9	2.5	1.2	1.6
Textiles	1.8	1.8	1.9	1.8	1.4	1.5	1.2
Clothing	0.3	0.5	0.5	0.4	0.4	0.5	0.4
Other consumer goods	2.9	3.9	4.8	3.8	4.2	4.1	3.4
Other	0.0	0.1	0.1	0.1	0.1	0.1	0.4

Source: UNSD Comtrade database (SITC Rev.3).

Table AII.2
Structure of exports, 2002-2008
(US$ million and per cent)

Description	2002	2003	2004	2005	2006	2007	2008
Total exports (US$ million)	419.2	1,154.5	1,315.4	1,470.8	682.4	1,546.3	2,170.5
				Percentage share			
Total primary products	30.2	64.1	61.0	54.8	54.9	63.1	60.1
Agriculture	20.8	40.6	37.8	30.9	48.1	39.7	21.9
Food	15.6	37.1	35.0	28.8	43.0	36.8	20.4
0341 Fish, fresh or chilled (excluding fillets and minced fish)	0.0	1.3	6.2	4.6	10.7	5.6	3.7
0342 Fish, frozen (excluding fillets and minced fish)	0.0	5.4	5.8	3.6	5.1	5.3	2.5
0363 Molluscs and aquatic invertebrates	0.0	8.8	5.6	3.6	6.0	5.3	2.3
1222 Cigarettes containing tobacco	1.4	1.5	0.5	0.6	0.0	0.9	1.4
0985 Soups and broths and preparations therefor	1.3	1.3	1.8	1.3	3.6	1.9	1.3
1223 Tobacco refuse	0.7	1.7	0.4	0.2	0.3	1.1	1.2
1212 Tobacco, wholly or partly stemmed/stripped	0.0	0.0	0.1	0.3	0.3	0.9	1.0
0361 Crustaceans, frozen	0.0	3.6	3.3	3.1	3.9	2.0	0.8
Agricultural raw materials	5.2	3.4	2.8	2.1	5.2	2.9	1.6
2631 Cotton (other than linters), not carded or combed	0.8	0.8	1.8	1.3	3.6	1.8	1.1
Mining	9.4	23.5	23.3	23.9	6.8	23.4	38.2
Ores and other minerals	9.3	3.2	3.6	2.5	6.7	3.4	3.7
2823 Other ferrous waste and scrap	0.4	0.4	0.7	0.6	2.3	1.2	1.2
Non-ferrous metals	0.1	0.2	0.2	0.3	0.1	0.7	0.5
Fuels	0.0	20.1	19.4	21.1	0.0	19.3	34.0
Manufactures	69.5	34.3	38.5	43.3	43.2	36.1	38.8
Iron and steel	0.8	1.1	1.7	1.5	2.2	2.7	4.3
6761 Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	0.0	0.2	0.3	0.2	0.0	0.5	1.3
6764 Other bars and rods of iron and steel	0.0	0.0	0.0	0.0	0.0	0.0	1.1
6762 Bars and rods (other than those of subgroup 676.1) of iron or steel, hot-extruded, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Chemicals	57.8	22.6	25.6	21.7	19.9	15.7	17.2
5223 Inorganic acids and oxygen compounds	40.6	12.0	13.6	12.7	11.3	6.4	10.2
5629 Fertilizers, n.e.s.	8.4	4.2	4.8	2.3	1.4	1.6	1.9
5532 Beauty or make-up preparations	1.6	1.2	1.4	1.5	1.6	1.6	1.2
Other semi-manufactures	4.8	2.8	4.1	5.4	13.9	8.4	7.4
6612 Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	2.7	1.1	2.1	3.5	11.6	5.9	5.7
Machinery and transport equipment	2.2	4.2	3.9	11.6	3.3	5.5	7.2
Power-generating machinery	0.2	0.3	0.2	0.7	0.1	0.2	0.5
Other non-electrical machinery	0.7	0.9	0.8	0.9	1.1	1.0	1.5
Agricultural machinery and tractors	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Office machines and telecommunications equipment	0.1	0.2	0.4	0.4	0.6	0.5	0.5
Other electrical machinery	0.6	0.6	0.5	0.5	0.4	0.9	0.7
Automotive products	0.2	1.4	0.8	4.6	0.3	1.7	1.7
Other transport equipment	0.3	0.8	1.1	4.4	0.8	1.2	2.3
7924 Aeroplanes and other aircraft (other than helicopters) of an unladen weight exceeding 15,000 kg.	0.0	0.0	0.0	1.2	0.0	0.0	1.3
Textiles	0.9	0.7	0.6	0.6	0.8	0.7	0.5
Clothing	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other consumer goods	2.9	2.8	2.6	2.4	3.0	3.0	2.3
Other	0.3	1.6	0.5	1.9	1.9	0.8	1.1
Gold	0.0	0.0	0.1	0.3	1.8	0.8	1.0
9710 Gold, non-monetary (excluding gold ores and concentrates)	0.0	0.0	0.1	0.3	1.8	0.8	1.0

Source: UNSD Comtrade database (SITC Rev.3).

Table AII.3
Structure of exports (including re-exports), 2002-2008
(US$ million and per cent)

Description	2002	2003	2004	2005	2006	2007	2008
Total exports (including re-exports - US$ million)	694.7	1,154.5	1,315.4	1,470.8	1,491.6	1,546.3	2,170.5
				Percentage share			
Total primary products	48.6	64.1	61.0	54.8	67.5	63.1	60.1
Agriculture	20.1	40.6	37.8	30.9	35.7	39.7	21.9
Food	16.8	37.1	35.0	28.8	33.2	36.8	20.4
0341 Fish, fresh or chilled (excluding fillets and minced fish)	0.0	1.3	6.2	4.6	4.9	5.6	3.7
0342 Fish, frozen (excluding fillets and minced fish)	0.0	5.4	5.8	3.6	4.5	5.3	2.5
0363 Molluscs and aquatic invertebrates	0.0	8.8	5.6	3.6	4.3	5.3	2.3
1222 Cigarettes containing tobacco	1.0	1.5	0.5	0.6	0.6	0.9	1.4
0985 Soups and broths and preparations therefor	0.8	1.3	1.8	1.3	1.7	1.9	1.3
1223 Tobacco refuse	0.5	1.7	0.4	0.2	0.2	1.1	1.2
1212 Tobacco, wholly or partly stemmed/stripped	0.0	0.0	0.1	0.3	0.4	0.9	1.0
0361 Crustaceans, frozen	0.0	3.6	3.3	3.1	2.5	2.0	0.8
Agricultural raw materials	3.3	3.4	2.8	2.1	2.5	2.9	1.6
2631 Cotton (other than linters), not carded or combed	0.5	0.8	1.8	1.3	1.6	1.8	1.1
Mining	28.5	23.5	23.3	23.9	31.8	23.4	38.2
Ores and other minerals	5.6	3.2	3.6	2.5	3.1	3.4	3.7
2823 Other ferrous waste and scrap	0.3	0.4	0.7	0.6	1.1	1.2	1.2
Non-ferrous metals	0.2	0.2	0.2	0.3	0.5	0.7	0.5
Fuels	22.7	20.1	19.4	21.1	28.2	19.3	34.0
Manufactures	51.2	34.3	38.5	43.3	31.7	36.1	38.8
Iron and steel	1.0	1.1	1.7	1.5	1.8	2.7	4.3
6761 Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	0.1	0.2	0.3	0.2	0.2	0.5	1.3
6764 Other bars and rods of iron and steel	0.0	0.0	0.0	0.0	0.0	0.0	1.1
6762 Bars and rods (other than those of subgroup 676.1) of iron or steel, hot-extruded, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Chemicals	38.5	22.6	25.6	21.7	12.7	15.7	17.2
5223 Inorganic acids and oxygen compounds	24.5	12.0	13.6	12.7	5.2	6.4	10.2
5629 Fertilizers, n.e.s.	5.1	4.2	4.8	2.3	0.6	1.6	1.9
5532 Beauty or make-up preparations	1.4	1.2	1.4	1.5	1.4	1.6	1.2
Other semi-manufactures	4.0	2.8	4.1	5.4	7.6	8.4	7.4
6612 Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not in the form of clinkers	1.6	1.1	2.1	3.5	5.3	5.9	5.7
Machinery and transport equipment	3.5	4.2	3.9	11.6	6.2	5.5	7.2
Power-generating machinery	0.1	0.3	0.2	0.7	0.1	0.2	0.5
Other non-electrical machinery	1.1	0.9	0.8	0.9	0.9	1.0	1.5
Agricultural machinery and tractors	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Office machines and telecommunications equipment	0.3	0.2	0.4	0.4	1.6	0.5	0.5
Other electrical machinery	0.7	0.6	0.5	0.5	0.8	0.9	0.7
Automotive products	0.7	1.4	0.8	4.6	1.1	1.7	1.7
Other transport equipment	0.6	0.8	1.1	4.4	1.8	1.2	2.3
7924 Aeroplanes and other aircraft (other than helicopters)	0.0	0.0	0.0	1.2	1.1	0.0	1.3
Textiles	0.7	0.7	0.6	0.6	0.6	0.7	0.5
Clothing	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other consumer goods	3.5	2.8	2.6	2.4	2.7	3.0	2.3
Other	0.2	1.6	0.5	1.9	0.9	0.8	1.1
Gold	0.0	0.0	0.1	0.3	0.8	0.8	1.0
9710 Gold, non-monetary (excluding gold ores and concentrates)	0.0	0.0	0.1	0.3	0.8	0.8	1.0

Source: UNSD Comtrade database (SITC Rev.3).

Table AII.4
Origin of imports, 2002-2008
(US$ million and per cent)

	2002	2003	2004	2005	2006	2007	2008
World (US$ million)	2,031.0	2,398.6	2,839.1	3,497.7	3,671.0	4,871.4	6,527.6
				Percentage share			
America	6.4	9.0	9.7	11.9	11.0	9.5	9.7
USA	1.7	3.6	3.1	4.0	3.2	2.2	2.0
Other America	4.7	5.4	6.6	7.9	7.8	7.4	7.7
Brazil	1.7	3.0	3.8	4.5	2.6	3.9	3.3
Argentina	1.8	1.1	0.9	1.2	2.4	1.8	2.1
Europe	43.0	48.5	46.4	45.2	53.3	48.7	41.8
EC(27)	41.8	47.3	45.3	44.0	51.8	46.6	39.8
France	21.0	24.6	24.3	20.9	24.4	22.9	17.2
United Kingdom	1.5	2.1	1.8	5.1	6.0	2.1	4.5
Germany	2.5	3.4	2.8	2.4	2.4	2.9	3.2
Spain	3.3	4.3	4.1	3.4	3.8	3.0	3.1
Netherlands	3.8	2.9	2.6	2.4	3.3	7.2	3.1
Belgium	2.7	2.8	2.9	2.7	2.5	2.7	2.3
Italy	4.2	3.6	3.2	3.0	3.1	2.3	2.2
Finland	0.1	0.1	0.2	0.2	1.7	0.3	1.3
EFTA	0.4	0.4	0.4	0.4	0.4	0.8	0.6
Other Europe	0.8	0.8	0.7	0.8	1.1	1.3	1.3
Turkey	0.8	0.7	0.6	0.7	1.1	1.3	1.3
Commonwealth of Independent States (CIS)	1.1	2.2	3.8	2.2	2.2	3.0	2.9
Russian Federation	1.1	1.6	1.1	0.6	0.5	0.6	1.4
Ukraine	0.0	0.7	2.3	1.6	1.6	2.4	1.4
Africa	30.8	20.9	20.9	20.8	15.1	17.4	21.7
Nigeria	19.0	11.7	11.7	10.4	3.2	8.4	11.9
Côte d´Ivoire	3.7	3.6	3.5	3.5	3.2	2.7	3.3
Morocco	0.7	0.9	1.0	1.0	1.6	1.4	1.5
South Africa	1.0	1.0	1.4	1.3	1.5	1.6	1.4
Middle East	2.5	1.8	1.8	1.9	1.3	2.3	2.7
United Arab Emirates	0.1	0.7	0.7	0.8	0.4	0.5	1.5
Asia	15.8	17.6	17.3	17.9	17.1	19.1	21.1
China	2.1	2.7	3.4	3.6	4.3	5.7	6.0
Japan	1.8	2.4	2.4	1.8	2.8	1.8	2.1
Six East Asian Traders	8.4	8.5	7.5	6.5	5.3	6.4	8.5
Thailand	7.4	7.3	6.2	5.0	4.0	5.3	6.8
Other Asia	3.5	3.9	4.0	6.1	4.7	5.2	4.5
India	1.9	2.2	1.4	3.3	3.0	4.0	2.1
Other	0.3	0.0	0.0	0.0	0.0	0.0	0.1

Source: UNSD Comtrade database (SITC Rev.3).

Table AII.5
Destination of exports, 2002-2008
(US$ million and per cent)

	2002	2003	2004	2005	2006	2007	2008
World (US$ million)	419.2	1,154.5	1,315.4	1,470.8	682.4	1,546.3	2,170.5
				Percentage share			
America	0.6	0.9	0.5	1.4	1.9	1.6	1.3
USA	0.1	0.7	0.2	1.1	0.9	0.6	0.5
Other America	0.5	0.2	0.3	0.3	1.0	1.0	0.8
Europe	14.8	30.6	29.1	23.9	35.1	28.7	17.4
EC(27)	14.3	29.8	28.5	23.6	33.8	25.7	17.0
France	7.6	11.9	9.5	9.1	13.2	9.5	7.5
Spain	0.5	4.9	6.7	5.3	5.4	5.2	2.7
Italy	1.9	8.3	7.0	4.5	7.4	5.2	1.8
Netherlands	2.0	0.9	0.9	0.7	0.8	1.2	1.3
Belgium	0.6	0.7	0.7	0.6	1.1	0.6	1.1
Greece	0.0	1.4	2.1	1.8	3.1	1.8	1.1
EFTA	0.5	0.7	0.5	0.3	1.2	2.9	0.3
Other Europe	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Africa	36.9	38.5	41.0	46.9	44.5	54.1	48.8
Mali	11.3	10.0	13.7	19.2	19.1	24.0	23.3
Gambia	3.0	3.7	5.0	5.0	6.4	5.4	4.2
Guinea	1.1	2.6	2.9	3.0	2.2	3.3	3.8
Mauritania	4.0	2.9	2.4	2.8	2.3	3.4	3.3
Guinea-Bissau	1.8	2.4	3.5	3.2	2.1	3.3	2.8
Côte d'Ivoire	5.9	5.3	3.0	2.2	4.3	2.7	2.4
Chad	0.0	0.1	0.3	0.1	0.1	0.1	1.7
Togo	1.3	1.3	1.4	0.9	0.8	1.4	1.2
Burkina Faso	1.2	2.6	1.7	1.1	1.2	1.5	0.9
Nigeria	0.0	0.2	0.3	0.2	0.1	0.8	0.8
Benin	4.2	2.8	1.8	1.0	1.0	1.2	0.6
Middle East	0.0	0.3	0.4	0.4	2.3	1.3	1.4
United Arab Emirates	0.0	0.0	0.1	0.3	2.0	1.1	1.3
Asia	47.7	16.2	16.8	15.7	15.9	8.7	13.1
China	0.1	1.3	0.5	1.0	1.2	0.3	0.2
Japan	0.1	0.6	1.0	0.6	0.6	0.8	0.4
Six East Asian Traders	0.3	1.1	0.9	0.8	1.8	0.6	0.6
Other Asia	47.2	13.1	14.4	13.3	12.3	7.0	11.9
India	46.8	12.8	13.9	12.9	11.6	6.7	11.6
Other	0.0	13.6	12.3	11.5	0.0	5.5	18.1
Bunkers	0.0	13.4	12.0	11.4	0.0	5.5	18.0

Source: UNSD Comtrade database (SITC Rev.3).

Table AII.6
Destination of exports (including re-exports), 2002-2008
(US$ million and per cent)

	2002	2003	2004	2005	2006	2007	2008
World (US$ million)	694.7	1,154.5	1,315.4	1,470.8	1,491.6	1,546.3	2,170.5
				Percentage share			
America	0.5	0.9	0.5	1.4	0.9	1.6	1.3
USA	0.2	0.7	0.2	1.1	0.4	0.6	0.5
Other America	0.3	0.2	0.3	0.3	0.5	1.0	0.8
Europe	15.7	30.6	29.1	23.9	26.4	28.7	17.4
EC(27)	15.0	29.8	28.5	23.6	23.3	25.7	17.0
France	7.7	11.9	9.5	9.1	7.6	9.5	7.5
Spain	0.3	4.9	6.7	5.3	4.9	5.2	2.7
Italy	3.2	8.3	7.0	4.5	4.6	5.2	1.8
Netherlands	2.1	0.9	0.9	0.7	1.5	1.2	1.3
Belgium	0.4	0.7	0.7	0.6	0.8	0.6	1.1
Greece	0.0	1.4	2.1	1.8	1.5	1.8	1.1
EFTA	0.7	0.7	0.5	0.3	3.1	2.9	0.3
Other Europe	0.0	0.0	0.0	0.1	0.1	0.1	0.0
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Africa	41.8	38.5	41.0	46.9	46.6	54.1	48.8
Mali	12.4	10.0	13.7	19.2	20.2	24.0	23.3
Gambia	4.9	3.7	5.0	5.0	5.6	5.4	4.2
Guinea	2.5	2.6	2.9	3.0	2.8	3.3	3.8
Mauritania	4.4	2.9	2.4	2.8	2.8	3.4	3.3
Guinea-Bissau	3.1	2.4	3.5	3.2	2.8	3.3	2.8
Côte d´Ivoire	4.0	5.3	3.0	2.2	2.7	2.7	2.4
Chad	0.1	0.1	0.3	0.1	0.1	0.1	1.7
Togo	1.2	1.3	1.4	0.9	1.1	1.4	1.2
Burkina Faso	0.9	2.6	1.7	1.1	1.2	1.5	0.9
Nigeria	0.1	0.2	0.3	0.2	0.4	0.8	0.8
Benin	3.1	2.8	1.8	1.0	0.9	1.2	0.6
Middle East	0.0	0.3	0.4	0.4	1.5	1.3	1.4
United Arab Emirates	0.0	0.0	0.1	0.3	1.4	1.1	1.3
Asia	28.8	16.2	16.8	15.7	8.2	8.7	13.1
China	0.1	1.3	0.5	1.0	0.6	0.3	0.2
Japan	0.0	0.6	1.0	0.6	0.9	0.8	0.4
Six East Asian Traders	0.2	1.1	0.9	0.8	1.0	0.6	0.6
Other Asia	28.5	13.1	14.4	13.3	5.6	7.0	11.9
India	28.2	12.8	13.9	12.9	5.3	6.7	11.6
Other	13.2	13.6	12.3	11.5	16.2	5.5	18.1
Bunkers	12.9	13.4	12.0	11.4	16.2	5.5	18.0

Source: UNSD Comtrade database (SITC Rev.3).