

**REQUEST BY SENEGAL FOR A WAIVER UNDER ARTICLE IX OF THE WTO  
AGREEMENT WITH REGARD TO MINIMUM VALUES UNDER  
THE AGREEMENT ON IMPLEMENTATION OF  
ARTICLE VII OF THE GATT 1994**

The following communication, dated 5 June 2002, has been received from the Permanent Mission of Senegal.

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The Permanent Mission of Senegal has the honour to inform you that the Government of Senegal has decided to avail itself of the provisions of paragraph 2 of Annex III to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade of 1994 (Agreement on Customs Valuation), by making a reservation in respect of minimum values.

To that end, arguments are attached to the reservation, together with the list of goods which Senegal wishes to make subject to minimum values for a transitional period of three years from the date of this notification to the WTO Secretariat.

Arguments in favour of authorization to apply minimum values to a restricted list of goods

Since 1 July 2001, Senegal has implemented the Customs Valuation Agreement of the World Trade Organization (WTO), in accordance with its commitments and pursuant to the 18-month extension granted to it under the waiver from implementation of that Agreement.

Senegal is also committed to a process of subregional integration within the framework of the West African Economic and Monetary Union (WAEMU), one of the aims of which is to create, among member States, a common market based on free movement of persons, goods, services and capital, the right of establishment, a common external tariff (CET) and a common trade policy.

With this aim in view, Senegal applies the above-mentioned CET characterized by a substantial reduction in the number of duties and charges, as well as the rates thereof, together with a ban on introducing new customs duties or new quantitative restrictions. The CET is composed of the following three categories of duties and charges:

- The customs duty, comprising four rates: 0 per cent, 5 per cent, 10 per cent and 20 per cent;
- the statistical levy applied at a rate of 1 per cent;
- the Community solidarity levy, which has a rate of 1 per cent.

The maximum cumulation of these duties, at 22 per cent, is thus far lower than Senegal's bound customs duty rate with the WTO.

Moreover, the application of the WTO Agreement on Customs Valuation means that the bulk of trade is governed by the transactional value, and Senegal, pursuant to the WAEMU Treaty, is resolutely open to the outside world. It conforms to the principles of the General Agreement on Tariffs and Trade (GATT) with regard to trade.

However, it is crucially important for Senegal to take account of its LDC status, which obliges it to promote the development of its productive capacities, the better to find its place in world trade.

As a result of specific constraints, the productive system is currently confronted with difficulties of competitiveness linked to the narrowness of the domestic market, the lack of efficient infrastructure, the high cost of factors of production, etc.

Moreover, the effort at relocation through technology transfer undertaken by certain industrial units, in cooperation with partners from developed countries which grant them patents or licences, could well be seriously compromised if strict rules are not adopted to guarantee healthy competition for imported goods. Additionally, there are severe external threats, in the form of unfair trading practices, such as subsidization and dumping, which exacerbate the problem of unfair competition.

For example, certain Senegalese industries have been rendered particularly vulnerable by the above-mentioned constraints and practices, leading to a loss of competitiveness and a strong risk that entire segments of the production system could sooner or later disappear.

It is therefore essential to provide even temporary guidance and support for these vital sectors, in order to enable them to consolidate their position and cope with foreign competition on a sustainable basis.

At the same time, the institutions responsible for administering the WTO instruments will make every effort to strengthen their capacity for action, improve their efficiency and ensure greater transparency in their work, with a view to ultimately making proper use of all the WTO instruments.

In this connection, Senegal would draw attention to the special emphasis it had placed on the need for technical assistance with implementation of the WTO Agreement on Customs Valuation and the recognition of the importance of such assistance by the Committee on Customs Valuation, at the time the decision was taken to extend the waiver from implementation of that Agreement.

Accordingly, Senegal is still keenly interested in any assistance designed to enable it to acquire the capabilities needed to apply trade defence measures such as anti-dumping, countervailing or general safeguard measures. It currently has no access to these mechanisms because of technical, institutional and financial constraints which limit its scope for action.

In addition to the foregoing, stress should be laid on the sensitive nature of the goods concerned.

Indeed, as an LDC, Senegal is confronted with major social problems which could be accentuated if the strict and immediate application of all the WTO rules led to the destruction of the weak industrial fabric that exists.

This possibility, which must be avoided at all costs, carries with it a multitude of dangers and would be bound to result in Senegal being excluded from world trade.

The recent WTO Ministerial Conference in Doha clearly recognized this problem, as it urgently recommended that the specific development concerns of the LDCs should be taken into account and, at the same time, that the requests submitted by those countries for the application of minimum values should be treated sympathetically.

For all the above reasons, Senegal requests authorization to apply minimum values for a period of three years, in accordance with Annex III, paragraph 2, of the WTO Agreement on Customs Valuation.

This appears to be a reasonable length of time for the introduction of the other WTO instruments and for the completion of all the procedures under way, which should eventually make it possible to adopt new special safeguard mechanisms.

The minimum values requested relate to the attached exhaustive list of goods, to be supplemented by a range of values determined on the basis of world prices, which may be revised from time to time.

List of goods for which the application of minimum values is proposed

<b>TARIFF HEADING NO.</b>	<b>DESCRIPTION</b>
02 01 12 and 02 07 14	Poultry and cuts, frozen
04 02 29 and 04 02 99	Concentrated milk containing added sugar
04 02 91	Concentrated milk not containing added sugar
Ex 19 01 90	Milk substitutes
11 01 10	Wheat or meslin flour
Ex Chap. 15	Refined vegetable oils
17 04 10	Chewing gum
17 04 90	Sweets
19 02 30	Pasta
Ex 19 05	Fine biscuits
Ex 20 02 90	Tomato double concentrate
22 0 to 22 06 and 22 08	Alcoholic beverages
24 02 20	Cigarettes
36 05 00	Matches
48 18 10	Toilet paper
48 18 20	Paper handkerchiefs
48 20 20	Exercise books, 32 pages
48 20 20	Exercise books, 48 pages
48 20 20	Exercise books, 96 to 100 pages
48 20 20	Exercise books, 192 to 200 pages
48 20 20	Exercise books, practical work
61 09	T-shirts
Ex 63 05	Woven sacks and sheaths, of polypropylene
63 07 10	Floor cloths
73 23 94	Household articles, enamelled

<b>TARIFF HEADING NO.</b>	<b>DESCRIPTION</b>
76 15 19	Table, kitchen or other household articles and parts thereof, of aluminium
Ex 85 06 10	- R6 batteries - R20 batteries
87 11 10	Mopeds of a cylinder capacity of not more than 50cc
87 12 00	Bicycles

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