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*Country Note*  
**Senegal**

## **TABLE OF CONTENTS**

Institutional arrangements and data sources-----	2
Legal and conceptual framework of the compilation of the external trade-----	2
Types of trade-----	2
Exclusions-----	3
Valuation of the goods-----	4
Determination of partners-----	4
Rules of origin-----	4
Transit and trans-shipment-----	5
Statistical consequences related to the activities of transit and trans-shipment--	6

## **Some aspects of the external trade of Senegal**

## **Introduction**

The purpose of this paper is to tackle some topics of interest related to the external trade of Senegal, within the framework of the Expert Group meeting which will update the concepts and definitions of the international merchandise trade statistics in view of the progress in economic and social life.

Senegal, a maritime country located at the extreme point of the west coast of the Atlantic Ocean, with an estimated population of 11 million, has permanently opted for economic integration since its independence. These last decades, its trade policy has been characterized by an increasing liberalization and an engagement in favor of the multilateral trading system within the framework of WTO Agreements. Senegal is a member of several sub-regional integration organizations such as the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). For this reason, national trade policy tends to be directed by community policies: rules of origin, customs procedures, harmonization and modernization of the tools for processing external trade.

### **I. Institutional mechanisms and data sources**

The task of collection, treatment and distribution of the external merchandise trade statistics is the responsibility of the “Agence Nationale de la Statistique et de la Démographie” (ANSD), more precisely by its Foreign Trade Directorate. Computerized customs procedures constitute the principal data source of international merchandise trade statistics. Continued and progressive improvement of these procedures, security and stabilization of the computerized customs environment made it possible to reduce delays of customs clearance, and consequently improve the collection of data on external trade, particularly with regard to the collection and coverage of statistics on exports. However, even though largely reduced, it still happens that customs data are supplemented by statistics collected from certain enterprises.

### **II. Legal and conceptual framework of the compilation of the external trade statistics**

The methodology of external trade is carried out in reference to the decision no. 06/96/CM/UEMOA of 14 May 1996 on the creation and codification of customs systems, statistics and taxes in WAEMU and to the regulation no. 03/2004/CM/UEMOA of 5 July 2004 on the methodology of external trade statistics of the member States of WAEMU. The stipulations of these basic texts are strongly inspired by the international standards maintained by the United Nations system.

### **III. Type of trade**

In Senegal, the external trade statistics are based on two principles: special trade and general trade.

### **III-1- Special trade**

This only concerns goods cleared for home use. In practice, the system of special trade in Senegal is closely related to the definition of this concept by the United Nations in “International Merchandise Trade Statistics: Concepts and Definitions”. Its statistical territory is the customs territory.

#### **Special trade at imports**

The special trade records all the following external merchandise:

- ✓ declared for domestic consumption:
  - a) directly from their importation;
  - b) from a warehouse or free zone;
  - c) from a deposit, transit, trans-shipment;
- ✓ accepted in temporary admission;
- ✓ accepted in temporary importation;
- ✓ entries to an industrial warehouse;
- ✓ entries to a processing factory;
- ✓ re-introduced following a temporary exportation.

#### **Special trade at exports**

It records the following movements:

- ✓ outright exportation
  - a) of national goods;
  - b) of nationalized goods;
- ✓ products re-exported from temporary admission or importation;
- ✓ temporary exports;
- ✓ exports from an industrial warehouse or free zone;
- ✓ exports from a processing factory.

### **III -2- General trade**

The statistical territory for the general trade is the economic territory. This type of trade takes into account the merchandise put into circulation on the domestic market and the merchandise stored in a warehouse before being put into circulation.

#### **General trade at imports**

At imports, the general trade means the special trade including the entries to a storage warehouse and industrial free zone and excluding the merchandise from storage warehouse and industrial

free zone for internal use (consumption, temporary admission, temporary importation, industrial warehouse, processing factory)

### **General trade at exports**

At exports, the general trade means the special trade including merchandise from storage warehouse or industrial free zone and excluding the entries in storage warehouse or industrial free zone of national or nationalized merchandise.

## **IV. Exclusions**

The guiding principle for the recording of external trade statistics is taking into account the flows which tend to increase or to reduce the stock of material resources of the country. In this report, transactions of goods in transit and re-exportations in consequence of trans-shipment are not included in the statistics of external trade. Transactions under diplomatic privileges and releases to the market in discharge of temporary imports and temporary admissions are not included either.

## **V. Valuation of goods**

In the data received from the customs or other sources, the exchanged merchandises are valued in CFA Francs. In theory, the value recorded in statistics is:

- ✚ The value CIF at imports which, in addition to the cost of the merchandise, incorporates the insurance charges and transportation fees up to the statistical border of Senegal.
- ✚ The value FOB at exports which is determined by the price of the merchandise to which one adds the incidental expenses until the exit point of the Senegalese statistical territory.

## **VI. Determination of partners**

Imports are recorded in statistics by the country of origin and not by the country of provenance. The country of origin is the country where the merchandise or the product was harvested, extracted, produced or manufactured. The country of provenance is the country from where the merchandise is dispatched towards the importing country without any commercial transaction in the intermediate countries.

Exports are recorded in statistics by the country of final destination, this latter being the country where the merchandise must be dispatched to its real destination.

## **VII. Rules of origin**

With regard to trading policy, Senegal applies the rules of origin such as those defined by the additional protocol no. III of WAEMU. Pursuant to such agreements, wholly produced goods or substantially transformed products are considered as products originating from the Member States.

## **VII -1- Wholly produced goods from Member States**

Are considered as such the following products:

- a) entirely obtained from the States of WAEMU;
- b) livestock born and bred in the Member States;
- c) products coming from bred alive animals and its derivatives;
- d) products from hunting and fishing done in the Member States;
- e) fishery products and other products drawn from the sea by fishermen;
- f) goods manufactured on board the ships exclusively from the products cited in the preceding paragraph;
- g) vegetables produced in the Member States;
- h) mineral substances and products extracted from the soil, territorial waters or from the sea or ocean of the Member States;
- i) waste and scrap coming from manufacturing or industrial operations carried out in the Member States;
- j) articles out of use collected in the Member States solely for recycling the raw materials;
- k) electric power produced in the Member States;
- l) goods processed from the products listed from paragraph b) to i), not mixed or mixed with other substances, provided that their proportion in quantity is higher or equal to 60% of the totality of the used raw materials.

## **VII -2- Products substantially transformed**

Are considered as such transformed products, products obtained from raw materials partially or entirely originating from third country, provided that this transformation involves:

- a change in tariff classification in one of the first four digits of the Tariff and Statistical Nomenclature of WAEMU; a list of exceptions mentioning the cases where the change of the tariff position is neither determining nor imposing additional conditions, will be drawn up according to the regulations set out by the Council of Ministers;
- a community-added value higher or equal to 30% of the net cost price of the products defined above.

Community-added value means the difference in percentage between the net cost price of the concerned industrial product and value CIF of the raw materials, the consumable materials and the non-community packing used to get the finished product for a delivery on the market.

## **VII -3- Certificate of origin**

The community origin of products must be certified by a certificate of origin. However, agricultural products, livestock as well as handmade articles are exempted of the certificate of origin.

The certificate of origin is issued by relevant authorities and is referred by the customs administration of the Member State where the product was wholly produced or substantially transformed.

In case the process or the transformation was carried out in two or several Member States of the WAEMU, the certificate of origin will be issued by relevant authorities of the Member State where the last transformation took place.

## **VIII. Transit and trans-shipment**

Senegal is located in the extreme west of the African continent on the Atlantic Ocean, at the confluence of Europe, Africa and the Americas, and at the crossing point of major sea and air routes. Because of this geographical location, Senegal is a country where re-exports, transit and trans-shipment activities have taken an increasing importance over time. The presence of a refinery and an industrial free zone, the adoption of certain trade facilitation procedures such as export processing enterprises have given particular emphasis to this type of activities.

It is primarily its maritime location that has become an asset in the development of re-export activities including the re-exports after trans-shipment. The transit activities are particularly related to the service road of the surrounding countries. The re-exports after transit and trans-shipment are not considered in the international merchandise trade statistics.

The treatment of re-exports should be the subject of special attention. The problem is due to the fact that in the data source, oil products, others than crude oils, are systematically classified as re-exports. However, in my view, if the customs procedures would allow it, the finished oil products after crude refinement should be considered as domestic merchandise different from re-exported products after a prior importation. This remains an open question. In any case, training external trade statisticians in customs procedures should be on the agenda of national institutes as well as organizations interested in this type of statistics.

### **Statistical consequences linked to the activities of transit and trans-shipment**

One of the implications of the transit and trans-shipment activities is the poor imputation of the trading partner. In fact, the exports of the merchandise from the countries of the Sahel, generally transiting via the harbors of the coastal countries, are sometimes considered by the exporter country as being intended for the country of transit. The same happens to imported merchandise from a third country which is recorded by the receiving country on the basis of its closest provenance that can be a country of transit. Due to its transit activities, Senegal is often wrongly identified as importer of product from the surrounding countries or exporter of products intended for these countries. The immediate consequence of such situation is causing transaction irregularities and is confusing data measuring between different partners in external trade. This is the reason why initial alertness to detect such trade flow and later reconciliation work to correct the trade flows such are important.

**Evaluations of transshipment activities from 1996 until 2007  
(in billions of CFA Francs)**

