

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/SEN/5

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(98-1305)

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

Questions from JAPAN Regarding the New and Full Notification of SENEGAL¹

The following communication, dated 30 March 1998 has been received from the Permanent Mission of Japan.

Regime for Enterprises Making Use of Local Resources

In para 6.4 on page 14 of the notification (document G/SCM/N/3/SEN/Suppl.1), Senegal describes the eligibility of the regime for enterprises making use of local resources as follows:

"65 per cent of the value of intermediate inputs must be of Senegalese origin, or the cost of imported inputs must not exceed 35 per cent of the total cost of the product obtained after processing."

- Q.1. Does this regime constitute a subsidy contingent upon the use of domestic over imported goods within the meaning of Article 3.1(b) of the SCM Agreement?
 - Q.2. That being the case does Senegal intend to phase out the Regime by the end of 1999?
 - Q.3. That being not the case, could Senegal explain the reason?
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¹G/SCM/N/3/SEN/Suppl.1.