

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/SEN/6

1 May 1998

(98-1762)

**Committee on Subsidies
and Countervailing Measures**

Original: French

SUBSIDIES

Replies to Questions Posed by Japan¹ Regarding the New and Full Notification of Senegal²

The following communication, dated 23 April 1998 has been received from the Permanent Mission of Senegal.

Question 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?

Question 2

That being the case, does Senegal intend to phase out the Regime by the end of 1999?

Question 3

That being not the case, could Senegal explain the reason?

Replies

In reply to Japan's written question (document G/SCM/Q2/SEN/5 of 1 April 1998), I wish to confirm that the local enterprise regime established under Law No. 8725 of 19 August 1987 is designed to encourage processing of local resources. It therefore falls under the prohibition in Article 3.1(b) and our country undertakes to phase out the subsidies provided under this regime by the year 2000, in accordance with Article 27.4 of the Agreement on Subsidies and Countervailing Measures.

It may be noted that, as indicated in point 9 of our notification, no enterprise has been approved under this regime or, therefore, enjoys any of its advantages.

¹G/SCM/Q2/SEN/5.

²G/SCM/N/3/SEN/Suppl. 1.