

Senegal: Selected Issues and Statistical Appendix

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SENEGAL

Selected Issues and Statistical Appendix

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February 17, 2005

Contents	Page
I. Introduction.....	4
II. Distributional effects of reforming the groundnut sector.....	6
A. Background: Structure of the Sector and Attempts at Reform.....	6
B. Distributional Impact of Ongoing Reforms.....	9
Elimination of tariff and tax preferences	9
Privatization	10
C. The Need for Additional Reforms in the Groundnut Sector	12
Possible reforms to the distribution chain.....	13
Need to adjust to market developments	14
D. Response to Environmental and Other Structural Risks	14
E. Summary of the Conclusions.....	17
F. Bibliography	19
III. The Challenges of Fiscal Decentralization in Senegal.....	20
A. Introduction	20
B. Country Experiences	20
C. Senegal's Approach to Fiscal Decentralization.....	21
D. Main Risks and Challenges	24
E. Concluding Remarks	26
F. References.....	27
IV. Structural reform priorities for improving public finance management in senegal.....	28
A. Introduction	28
B. Main Issues in Public Expenditure Management	29
Budget Preparation.....	29
Budget Execution	30
Budget Reporting	31
Public Procurement.....	31

C. Tax Administration.....	32
D. Concluding Remarks.....	33
E. References	34

Figures

1. Groundnut Prices and Production	7
2. Vegetable Oil Consumption.....	10
3. Average Cash Flow to Groundnut Farmers	12
4. Rainfall and Groundnut Production	15
5. Share of Groundnut Production	17

Text Table

1. Tariffs and Taxes on Vegetable Oil.....	8
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Statistical Appendix Tables

1. GDP by Economic Sector at Constant 1999 Prices, 1996–2003 (In billions of CFAF) ...	35
2. GDP by Economic Sector at Constant 1999 Prices, 1996–2003 (Annual percentage changes).....	36
3. Supply and Use of Resources at Current Prices, 1996–2003.....	37
4. Level of Rainfall on the Groundnut Basin, 1960/61–2002/03.....	38
5. Production and Disposition of Groundnut (Unshelled)	39
6. Grain Balance, 1996/97–2003/04	40
7. Production, Area under Cultivation, and Yields of Principal Crops, 1996/97–2003/04 ..	41
8. Producer Prices of Main Agricultural Products, 1996/97–2003/04.....	42
9. Fish Catch by Domestic and Foreign Vessels, 1996–2003.....	43
10. Foreign Fish Catch by Vessels Nationality, 1996–2003.....	44
11. Evolution of Livestock, 1996–2003	45
12. Indices of Industrial Production, 1999–2003	46
13. Production of Principal Mineral and Industrial Products, 1996–2003.....	47
14. Production, Sales, and Prices of Lime Phosphates, 1996–2003	48
15. Imports and Exports of Petroleum Products by the Société Africaine de Raffinage (SAR), 1996–2003.....	49
16. Retail Prices of Liquid Petroleum Products, December 1996–December 2003	50
17. Tourism Sector Trends, 1996–2003	51
18. Public Investment, 1996–2003.....	52
19. Consumer Price Index, 1996–2004.....	53
20. Price Control System	54
21. Nominal and Real Minimum Wages, December 1996–December 2003.....	55
22. Government Financial Operations, 1996–2003 (In billions of CFAF).....	56
23. Government Financial Operations, 1996–2003 (In percent of GDP)	57
24. Budgetary Revenue, 1996–2003	58
25. Current Budgetary Expenditure, 1996–2003	59
26. Government Wage Bill and Number of Civil Servants, 1996–2003	60

27. Minimum and Maximum Salaries for Selected Civil Servants, January 1985–December 2003	61
28. Social Expenditures, 1996–2003	62
29. Monetary Survey, 1996–2003	63
30. Summary Accounts of the Central Bank, 1996–2003	64
31. Summary Accounts of Commercial Banks, 1996–2003	65
32. Banking System Claims on Central Government, 1996–2003	66
33. Counterparts of the Money Supply, 1996–2003	67
34. Indicators of Financial Savings, 1996–2003	68
35. Net Foreign Assets of the Central Bank of West African States (BCEAO), 1996–2003 ..	69
36. Statutory Ceilings on Central Bank Advances to the Government and Actual Advances, 1996–2003	70
37. Distribution of Credit to the Economy, 1996–2003	71
38. Commercial Banks and Financial Institutions	72
39. Net Income of the Banking System, 1996–2003	73
40. Observance of Prudential Ratios by Banking System, 1996–2003	74
41. Interest Rates Indicators, 1996–2003	75
42. Discount Rates Applied by the Central Bank, 1975–2004	76
43. Supply and Demand in Overnight Money Market, 1996–2003	77
44. Money Market Interest Rates, 1996–2003	78
45. Commercial Bank Deposit Rates, 1996–2003	79
46. Maximum Lending Rates Applied by Commercial Banks, 1994–2003	80
47. Balance of Payments, 1996–2003 (In millions of SDRs)	81
48. Balance of Payments, 1996–2003 (In billions of CFAF)	82
49. Export and Import Price, Volume, and Terms of Trade Indices, 1993–2003	83
50. Merchandise Exports, 1996–2003	84
51. Merchandise Imports, 1996–2003	85
52. Direction of Foreign Trade, 1996–2003	86
53. Services and Transfers Accounts, 1996–2003	87
54. External Public Debt Outstanding, 1996–2003	88
55. External Public Debt Ratios, 1996–2003	89
56. Structure and Terms of External Borrowing, 1996–2003	90
57. External Public Debt Service, 1996–2003	91
58. Exchange Rates, 1991–2003	92
59. Nominal and Real Effective Exchange Rates, 1994–2004	93
Summary of the Tax System as of December 2004	94

I. INTRODUCTION

1. This selected issues paper and the statistical appendix provide background information to the staff report for the 2004 Article IV consultation discussions with Senegal.
2. The staff report discusses an improvement in the prospects for meaningful economic and structural reforms since the 2003 Article IV consultation. It evaluates the decisive actions already taken in key areas, and draws attention to the challenges ahead, such as the strengthening of the public expenditure management and structural reforms in key sectors, The topics in this selected issues paper support the discussion of these key challenges in the staff report.

Distributional effects of reforming the groundnut sector

3. Reforms of the groundnut sector are an integral part of Senegal's poverty reduction and growth strategy. Although the sector accounts for small share of the economy, groundnuts are still a major cash crop for about one third of households, especially in the rural areas where about 65 percent of the population falls below the poverty line. In order to strengthen public finances and instill more efficiency into the sector, the government has decided to sell the state-owned groundnut processing company and to eliminate the tax and tariff preferences shielding that company from foreign competition. Section I analyzes the distributional effects of these reforms on groundnut producers. It concludes that these reforms should not have a negative impact on the income of groundnut farmers, but that other reforms need to be implemented to address more important challenges faced by groundnut farmers. These reforms include the mitigation of market imperfections in the distribution chain, notably the lack of access to credit by groundnut producers, and necessary adjustments to the declining size of the groundnut oil market. Decreasing and volatile rainfall and soil depletion are the most important challenges for groundnut farmers. Given the declining production trend of the groundnut sector, households active in this sector can only reduce their economic risk if they diversify their activities away from groundnut farming. In the meantime, targeted budgetary transfers rather than price subsidies should be used to compensate farmers for severe exogenous shocks.

The challenges of fiscal decentralization in Senegal

4. Senegal has recently initiated a process of fiscal decentralization. Fiscal decentralization is essentially viewed by the Senegalese authorities as an important tool for raising the efficiency of capital spending and reducing poverty. For the time being, the authorities envisage a narrow and gradual approach to fiscal decentralization. The process will be partial, limited to expenditure assignment that would only cover the domestically-financed component of capital spending. In contrast to some other country experiences, the macroeconomic risk of fiscal decentralization will likely be small. At the same time, the success of the authorities' strategy will depend on how well they will address a number of challenges, including strengthening the capacity of local authorities. There is also a risk that decentralization may magnify the weaknesses identified at the central government level in

the area of public expenditure management and fiscal transparency. Furthermore, in the presence of administrative constraints, fiscal decentralization will compete with other important fiscal reforms on the authorities' agenda. The chapter concludes that fiscal decentralization can help improve the delivery of goods and services at local levels and generally strengthen the link between fiscal policy and the authorities' poverty reduction objectives, but it should be implemented gradually.

Structural reform priorities for improving public finance management in Senegal

5. The paper analyzes current and emerging structural reform priorities for improving fiscal management in Senegal. The Senegalese authorities and their development partners agree that strengthening fiscal management is key for achieving higher growth and reducing poverty. Senegal is generally regarded as an example of fiscal discipline in Africa (in view of the small overall fiscal deficits in recent years), but lags behind in putting in place an efficient and transparent system of fiscal management. Substantial progress has been achieved in recent years, however, in improving fiscal management. Despite the progress, a number of critical reforms need to be carried out to bring Senegal's public finance management to a level commensurate with its economic and social ambitions. Improving fiscal management in Senegal will require quick and decisive actions to deal with the shortcomings. If appropriately backed by the highest political authorities, the work of the Fiscal Reform Commission could help Senegal enhance fiscal management to ensure a better use of public resources and, thereby improve the pace of progress toward the Millennium Development Goals.

II. DISTRIBUTIONAL EFFECTS OF REFORMING THE GROUNDNUT SECTOR¹

6. As part of its poverty reduction and growth strategy, Senegal is about to complete two major reforms in the groundnut sector: the sale of the state-owned groundnut processing company and the elimination of tax and tariff preferences protecting that company. The first section of this chapter reviews the history of the reforms, followed, in section 2, by an analysis of their distributional effects on groundnut farmers. The third section discusses the need for further reforms. The fourth section addresses policy responses to environmental risks. The concluding section presents the key findings and policy recommendations.

A. Background: Structure of the Sector and Attempts at Reform

7. **The groundnut sector accounts for a dwindling size of the Senegalese economy, but plays a critical role in the livelihood of about 30 percent of the population, especially in the rural area where the poverty rate is the highest (65 percent).** In 2003, it represented about 1.4 percent of GDP and contributed to 4.6 percent of exports (against, respectively, 7 percent of GDP and 80 percent of exports in 1960). Climatic changes, a declining fertility of the soil, environmental degradation, but also failed interventionist policies, contributed to a secular decline of the sector.

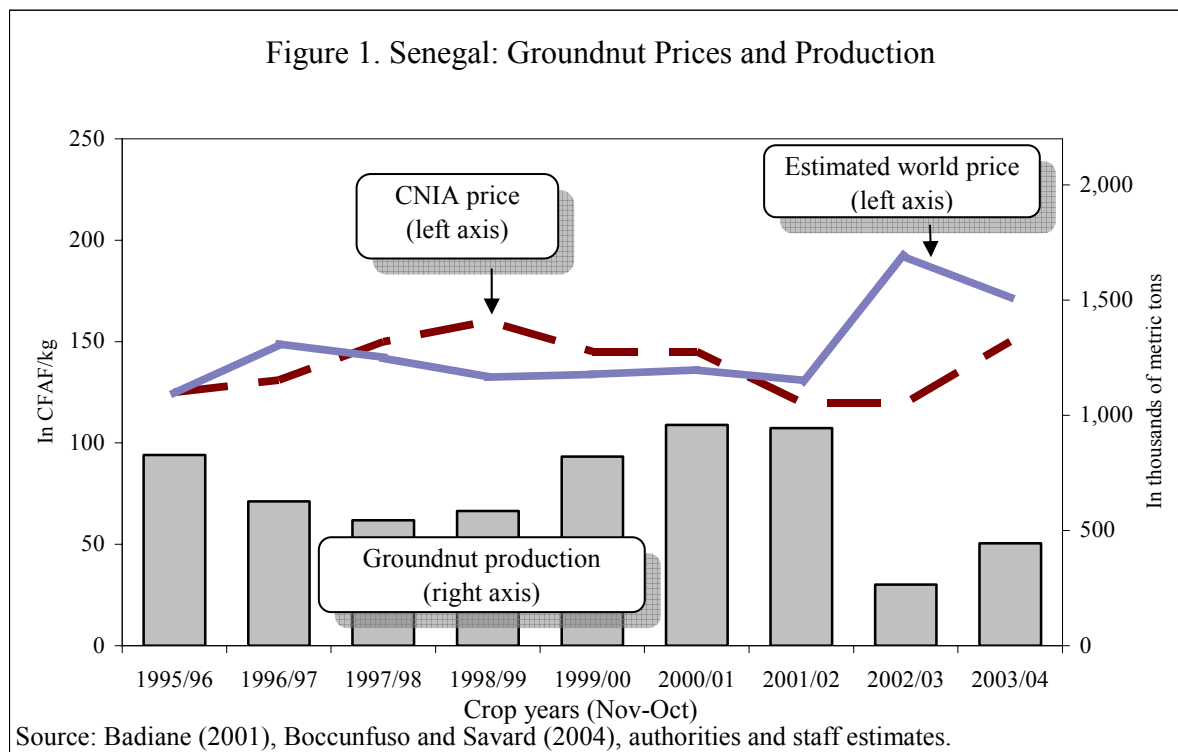
8. **The groundnut sector is dominated by the state-owned *Société Nationale de Commercialisation des Oléagineux du Sénégal* (SONACOS), the fifth largest company in Senegal.** It employs about 950 people and has five industrial plants, with excess capacity and outmoded technology. During the crop year 2003/04², about 320,000 households produced 445,000 tons of groundnuts, and SONACOS processed about 100,000 tons in groundnut oil and animal feed for export. The balance was either purchased by NOVASEN, a much smaller (and private) oil milling company, used for domestic consumption, sold in neighboring countries or stored as seeds for future crops. SONACOS is an important player on the world market for groundnut oil, holding a market share of about 20-25 percent. But the world market has been declining by one percent on average during the last twenty years, as cheaper and healthier vegetable oils (such as soy and palm oil) have emerged.

9. **The price at which groundnut is purchased from farmers is set at the start of the harvest season by the *Centre National Interprofessionnel de l'Arachide* (CNIA), a quasi-public regulatory agency.** SONACOS, NOVASEN, groundnut producers, private marketing agents, transporters, seed distributors, the state-owned agricultural bank, *Caisse Nationale de Crédit Agricole du Sénégal* (CNCAS), and the Ministry of Agriculture and Livestock are

¹ Prepared by Robert Gillingham, David Newhouse, and Christian Josz.

² November-October.

represented in the CNIA. The price is set taking into account developments in world market price for groundnut oil (Figure 1).³



10. **SONACOS also has a dominant—and protected—position in processing imported unrefined vegetable oil for the local market. Its market share of almost 75 percent** in that market was, until recently, shielded by a combination of tariff and domestic taxes which resulted in a protection equivalent to about 30 percent of the price of refined vegetable oil. Indeed until end-May 2004, refined vegetable oil imports were subject to a total tax rate of about 65 percent, while imports of unrefined vegetable oil were subject to a tax rate of about 35 percent (Table 1). In June 2004, however, the 10 percent contingent import tax on refined vegetable oil was suspended. The excise duty on refined (15 percent) and unrefined (5 percent) vegetable oil is scheduled for repeal by the end of 2005. At that time, SONACOS’ tariff and tax protection against refined vegetable oil imports will have

³ The world price of groundnut in Figure 1 is estimated by assuming that it is a fixed fraction of the world price of groundnut oil (Boccunfuso and Savard, 2004). The fixed fraction is obtained by dividing the world price of groundnut in 2001 reported in Badiane (2001) by the world price of groundnut oil in 2001. The error in this estimated price will depend on the accuracy of the observation in 2001, as well as the assumption of a fixed ratio. Even as an approximation, however, it should provide some evidence on whether CNIA has allowed the producer price in Senegal to stray from the world price.

been reduced to 10 percent, the difference between the Common external tariffs (CET) on final consumption goods (20 percent) and intermediate goods (10 percent) imports.

Table 1. Senegal: Tariffs and Taxes on Vegetable Oil
(as of May 31, 2004)

	Refined	Unrefined	Difference
(in percent)			
Import duties			
Common external tariff (CET)	20.0	10.0	10.0
Statistical fee	1.0	1.0	0.0
ECOWAS levy	0.5	0.5	0.0
Contingent import tax	10.0		10.0
Domestic taxes			
Excise duty	15.0	5.0	10.0
VAT	18.0	18.0	0.0
Sum	64.5	34.5	30.0

Source: Authorities.

11. **In spite of these dominant positions, SONACOS made large losses during three of the last six years.** It accumulated losses of CFAF 60 billion (US\$ 120 million) in 2000-01, which necessitated budget transfers of CFAF 65 billion (1.9 percent of GDP). It has been barely profitable since then.

12. **SONACOS' privatization and the elimination of specific protective taxes are the last major steps needed to fully liberalize the groundnut sector.** After failed interventionist policies that left the government with a debt burden equivalent to 16 percent of GDP in 1980, the government started to gradually disengage from the agricultural sector. In the aftermath of the CFA franc devaluation in 1994, the prices of inputs were liberalized, SONACOS lost its monopoly in the collection of groundnuts for oil processing, and CNIA was put in charge of setting producer prices as a function of world market prices for groundnut oil. During the 2000/01 agricultural campaign, the government returned to a more interventionist policy characterized by setting of producer prices above the level determined by CNIA and the pricing of inputs below market prices, which caused losses for SONACOS and its subsidiary SONAGRAINES, active in the distribution of seeds and fertilizers and the collection of groundnuts. In 2001, the government liquidated SONAGRAINES, financially rehabilitated SONACOS with the assistance of donors, notably the European Union, and committed to privatizing SONACOS and fully liberalizing the groundnut sector. This commitment was confirmed in the Groundnut Sector Development Policy Letter adopted by the government in May 2003 and supported by the World Bank.

13. **The authorities have decided to privatize SONACOS and eliminate the specific protective taxes on vegetable oil.** After two failed privatization attempts in 1995 and 1999,

and following several months of negotiation, the authorities have decided to sell SONACOS to the only bidder that made an offer in June 2004. The transfer of ownership should be completed by end-June 2005. As mentioned above (paragraph 10), the authorities have also started to eliminate the specific tariff and tax preferences protecting SONACOS to provide a more level playing field for the operators in this sector.

B. Distributional Impact of Ongoing Reforms

14. An important question is whether either the elimination of the specific tariff and tax or the privatization of SONACOS will have significant distributional consequences, especially for poor farmers. This section will discuss each of these reforms in turn.

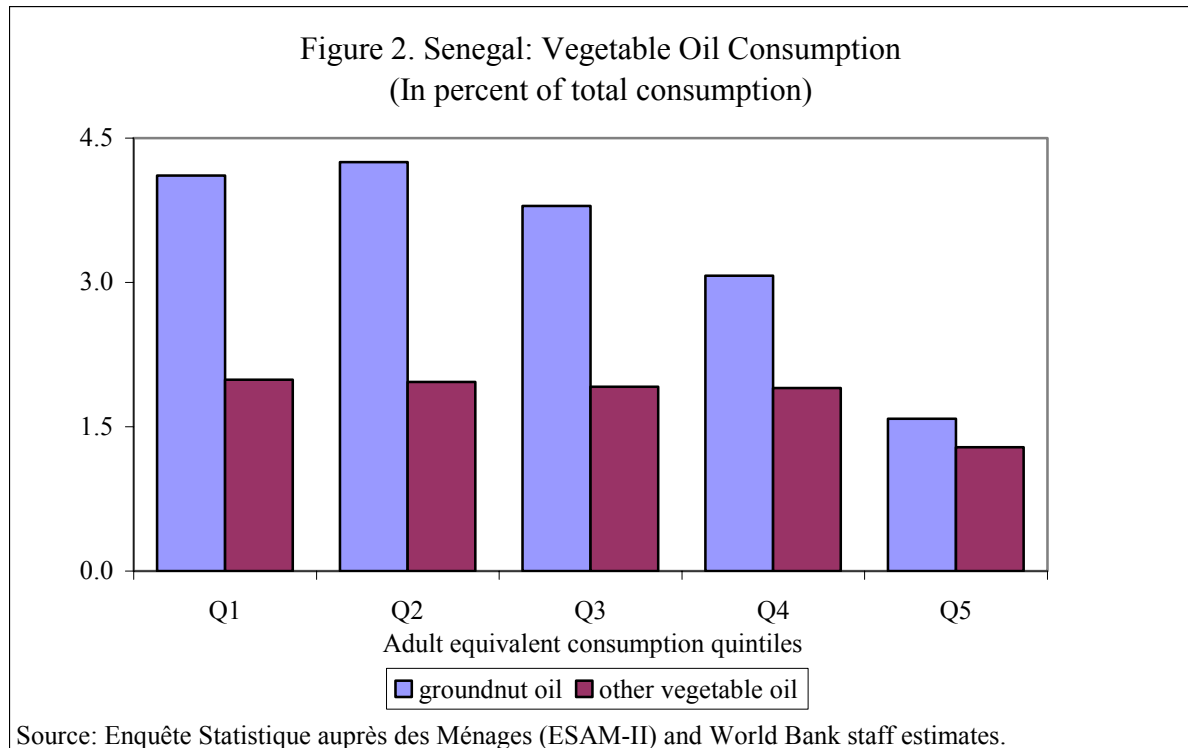
Elimination of tariff and tax preferences

15. **It is generally assumed that the tax and tariff preferences that SONACOS has enjoyed have increased the price of imported vegetable oil for consumers.** In fact, the rationale for these preferences was to allow SONACOS to extract monopoly rents with which it could subsidize the price paid for groundnuts. The preferences give SONACOS market power that should, in fact, allow it to charge a higher price than would prevail under pure competition. Two questions arise in this connection: (a) what is the distributional effect of a lower price for vegetable oil; and (b) are the higher profits for SONACOS passed on to groundnut farmers?

16. **The analysis below shows that the impact of the elimination of these preferences on consumption should be small, but poor consumers may benefit relatively more.** The consumption of imported vegetable oil is small relative to the consumption of groundnut oil, especially for lower income groups (Figure 2).⁴ The direct effect of a price reduction would therefore be small—less than one half of one percent of consumption, assuming that the entire tax reduction is passed through to consumers. Moreover, since the share of vegetable oil in total consumption is—with the exception of the highest income group—relatively flat across quintiles, the direct benefits of a reduction in price would be roughly proportional to total consumption. If imported oil is a close substitute for groundnut oil, however, the drop in vegetable oil price could lead consumers to substitute vegetable oil for groundnut oil. This would amplify the benefits of the price reduction. To the extent that poorer households consume relatively more groundnut oil, the substitution effect can benefit them more.⁵

⁴ Groundnut oil is supplied by smaller refineries producing solely for the domestic market.

⁵ The tax repeal could also have distributional effects through the fiscal policy reaction to the revenue loss, if any. However the revenue loss should be small as these taxes raised less than CFAF 3.5 billion (0.1 percent of GDP) in 2003, and additional vegetable oil imports triggered by the elimination of these taxes should generate more custom duty and VAT receipts.



17. **There is no evidence that the repeal of SONACOS' tax and tariff preferences will have an adverse impact on groundnut prices.** The impact would depend on the extent to which the current groundnut prices are cross-subsidized. CNIA is supposed to set prices on the basis of the world market price, not the preferences enjoyed by SONACOS. There is scant evidence that producer prices set by CNIA have been consistently or heavily subsidized (Figure 1). Therefore, the elimination of the tax and tariff preference should not result in a reduction of groundnut prices. The strongest argument that producer prices will be reduced when tax and tariff preferences are eliminated is that a reduction is necessary for the survival of SONACOS. However, it is unlikely that SONACOS still has the market power to fully pass the required price reduction to groundnut producers as alternative markets (NOVASEN, small groundnut oil refineries, neighboring countries, ...) have developed into which producers can sell.⁶

Privatization

18. **One reason why the government has been hesitant about selling SONACOS is the concern that a private SONACOS would increase uncertainty about the income of**

⁶ Although SONACOS is still by far the largest buyer of groundnuts in Senegal, the share of the groundnut output it purchases, 40 percent on average over the last 20 years, has been on a decreasing trend since the 1960s.

groundnut farmers. For instance, a private SONACOS may be unwilling to absorb the supply of groundnuts, especially in years when harvests are bountiful or the CNIA price is higher than the world market price. Alternatively, it could fight for a lower producer price or question the manner in which CNIA currently sets prices. The discussion above (paragraph 17) suggests that SONACOS would have a difficult time obtaining a lower producer price from CNIA under the current price-setting regime. However, CNIA's charter has expired⁷, and private owners might insist on a different regulatory environment or curtail their purchases when the CNIA price is considered too high. Key issues in the privatization are whether the new owners will be required to: (a) accept something close to the current structure of CNIA, or (b) commit to a minimum level of groundnut purchases. These issues create a two-edged sword. Without a commitment to provide a market for groundnuts at a price determined by a broad committee of sector participants, privatization will indeed increase uncertainty or at least change the nature of the uncertainty in the system. Such a commitment, on the other hand, would subject SONACOS to an overly rigid regulatory environment, in which the full benefits of privatization would not be realized.

19. **The potential for increased risk engendered by privatization will depend on the degree of distortion in the current market for groundnuts.** If the current CNIA price is too high relative to the world market price—which presently does not seem to be the case (Figure 1)—a private SONACOS facing the same groundnut price will be hard pressed to survive financially, especially without the excess profits generated by the current tax and tariff preferences. Alternatively, if the current price reflects market forces, SONACOS would have no power to reduce it. Moreover, the privatization of SONACOS and the elimination of tax and tariff preferences will open the field for potential competitors, so it will be even more difficult for SONACOS to exert market power to reduce prices, and SONACOS will be under pressure to become more efficient.⁸

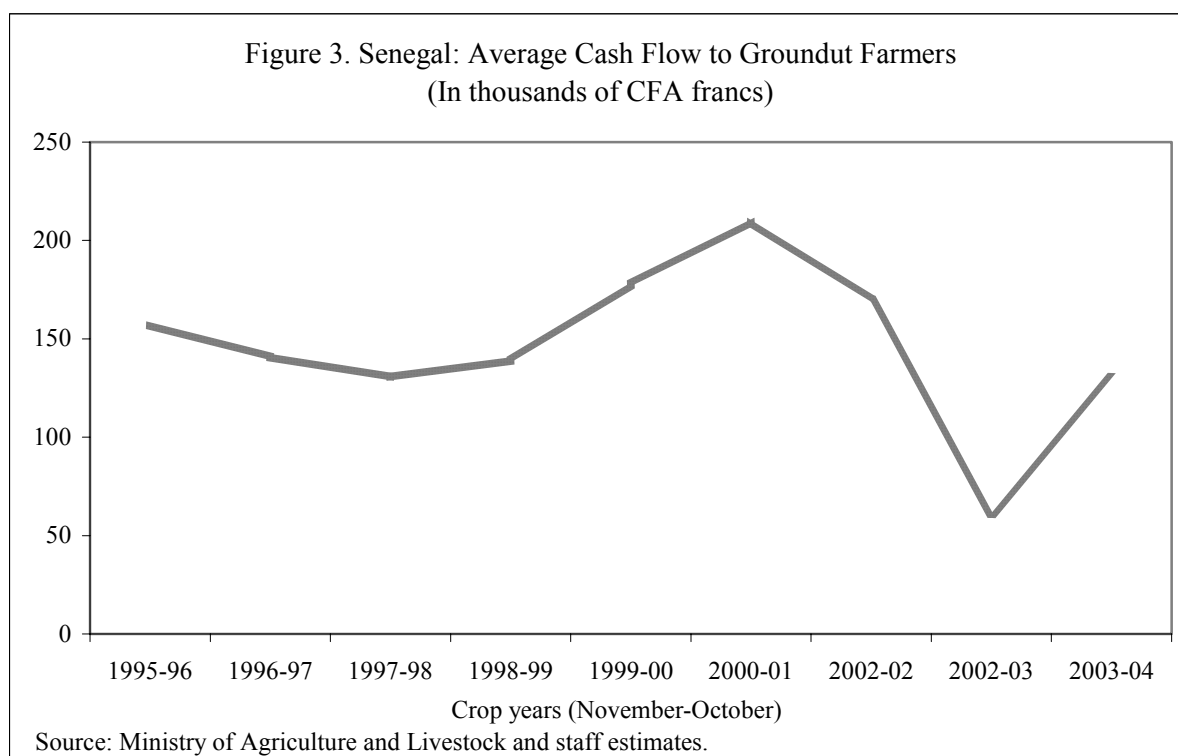
20. **Even if SONACOS could reduce in the price it pays private marketing agents for groundnuts, the ultimate effect on farmers would be mitigated.** As noted above, farmers have access to alternative markets that would indirectly limit the ability of SONACOS to cut prices. These outlets would also mitigate the effect of a reduction in the SONACOS price on the average price for a farmer's entire crop. Moreover, the effect of a lower SONACOS price would also depend on the degree to which private marketing agents can pass this reduction

⁷ Since SONACOS was scheduled to be privatized in 2003, the charter for CNIA was allowed to expire at the end of 2003 to allow SONACOS' new owners to help structure a new charter. CNIA is continuing to operate under the expired rules pending the completion of the privatization. It is likely that a new charter will be negotiated in the near future.

⁸ SONACOS currently employs substantially more workers than it needs to conduct its core businesses and has two idle groundnut refineries. Consequently, it is likely that a new owner could improve efficiency, as long as it was given sufficient latitude to restructure its operations.

through to farmers. It would likely be a mistake to expect much mitigation from this source, however, without other reforms (see paragraphs 23-26), since the need for quick cash and the lack of access to credit apparently force farmers to supply at least some of the crop at low prices.

21. **In sum, although the sale of groundnuts is an important source of income for rural farmers, the privatization of SONACOS need not have a large effect on the well being of poor groundnut farmers.** Uncertainty about the institutional arrangements that determine the price SONACOS must pay for groundnuts and the quantity it buys present some risk, especially to the extent that market forces are not adequately reflected in the current environment. However, this uncertainty does not present a greater risk than farmers have experienced in recent years for other reasons. Indeed, the staff estimates that the average cash flow to groundnut farmers has varied by a factor of four during the last decade (Figure 3), mostly as a consequence of the sharp slump in production in 2002/03, following the drought in 2002 (Figure 1).



C. The Need for Additional Reforms in the Groundnut Sector

22. Privatization of SONACOS has received the bulk of the attention with respect to the reform of the groundnut sector, but some of the other problems currently faced by groundnut

farmers are likely to present greater challenges. These include market imperfections in the distribution chain, and the need to adjust to market developments.

Possible reforms to the distribution chain

23. **The current distribution chain suffers from a number of market imperfections. First, the CNIA price is not set—and SONACOS does not begin its purchasing campaign—until after the groundnut harvest has begun.** This delay puts farmers who face serious liquidity constraints at a disadvantage, as they must sell at least part of their crop without access to SONACOS as a buyer and without the knowledge of the price it will eventually pay. The new institutional framework after the privatization of SONACOS remains unclear. However, if some of the features of the current system are kept, it would be beneficial to farmers to receive more timely information and begin the sale of groundnuts to SONACOS earlier. This would improve the functioning of the market and reduce pressure on farmers to sell their crops in alternative markets at low prices.

24. **Another serious problem for groundnut farmers is lack of access to credit.** This shortcoming can force farmers to sell early and at a low price. The absence of land titles, unreliable financial statements, high level of non-performing loans, and weak enforcement of creditor rights are the main reasons for the low access to bank credit by most small and medium sized enterprises, and a fortiori groundnut farmers⁹. Access to microfinance credit is also hampered by the below average loan repayment track record of groundnut farmers (ADE, 2002, p. 65). An elaborate government program to provide or guarantee credit would likely be costly and run the risk of weakening market discipline. Addressing information asymmetries and weaknesses in the legal and judicial framework, notably the absence of land titles, are essential if credit availability is to improve, obviating the need for farmers to sell their crop under duress.

25. **Direct access to SONACOS collection points is available for both individual farmers and farmer cooperatives, but it is not often used because of its inconvenience.** One vision for restructuring the collection of groundnuts with the liquidation of SONAGRAINES in 2001 was to have farmers cooperatives deal directly with SONACOS, obviating the middlemen. However, the limited availability of SONACOS collection points¹⁰ and lags in grading the crops and payment by SONACOS have been sufficient that farmers

⁹ See “Senegal-Financial System Stability Assessment-Update”, IMF Country Report No. 05/126.

¹⁰ Groundnuts can be harvested as early as October, but SONACOS does not accept groundnuts for processing until the beginning of the groundnut campaign, which typically takes place in December. According to a recent survey by the World Bank, the shortage of collection points counts among the main problems faced by groundnut producers in marketing their crops, together with low prices and the lack of access to credit.

typically have preferred to deal with the private agents, even if it has meant a lower price. Consequently, the role of the private marketing agents was expanded, and the collection and distribution of groundnuts became less transparent. If the privatization leads to easier access to SONACOS as well as faster quality grading and payment, it will provide a viable option to dealing with private marketing agents. It could not only increase the price received by the farmer, but also provide indirect regulation for the private agents.

26. **Finally, the current system of dealing through private marketing agents poses two problems.** First, the monopsony of private marketing agents in remote areas could lower the price paid to farmers. Second, farmers have no information about prices and quantities purchased in different parts of the country. A system for monitoring prices actually paid by marketing agents to producers would improve the transparency of the groundnut market, allow farmers to make more informed marketing choices, and alert the government about potential abuses of power arising from lack of competition in some market segments.

Need to adjust to market developments

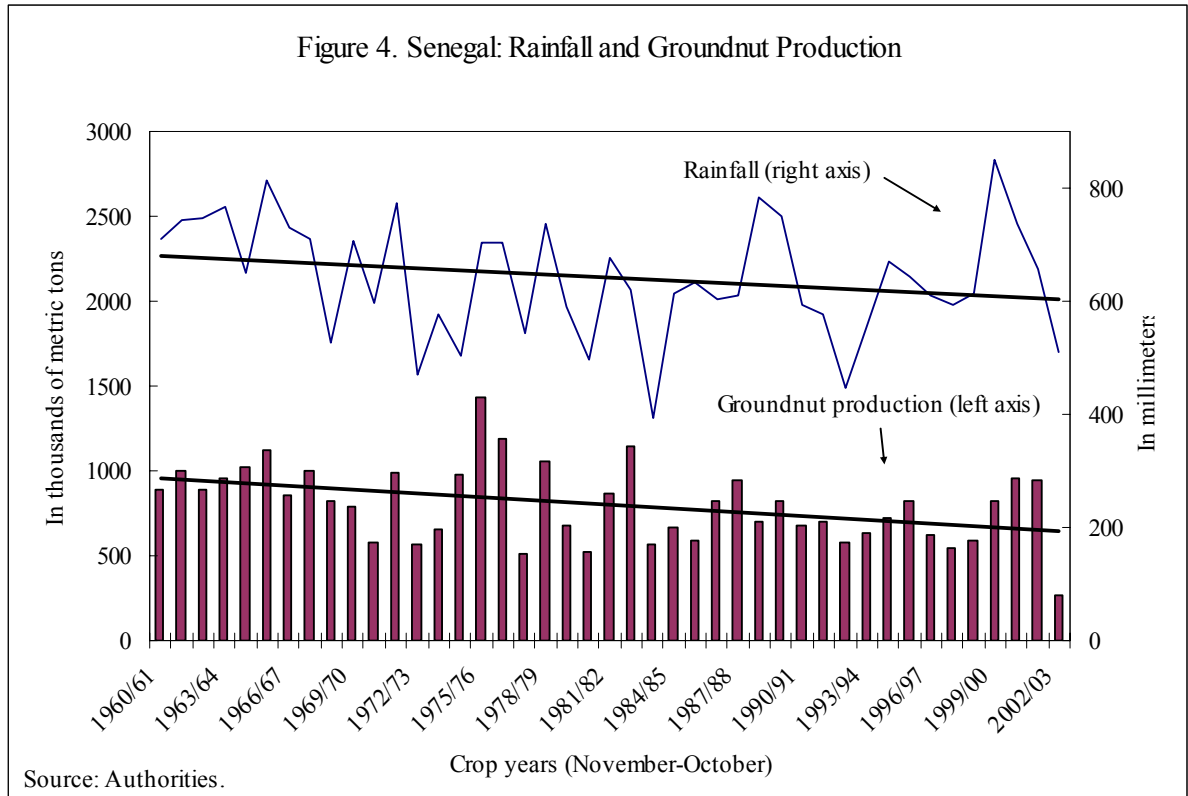
27. **Competitive factors and consumers' changing preferences for different vegetable oils pose a challenge for groundnut farmers, whose primary—if not the sole—export market is that of processed oil.** The competitive pressures arise from the inefficiency of the SONACOS oil refining operations (owing to old plants and excess capacity). At the same time, the worldwide export market for groundnut oil is declining, as groundnut oil is replaced by healthier or less expensive alternatives. The percentage of groundnut output worldwide processed into oil declined from 60 percent in 1980 to 48 percent in 2000 (Diop, et al., 2004). SONACOS and possible competitors will have to shape their activities to reflect these market forces.

28. **A more rigorous quality assurance capacity than is currently available may be necessary to diversify into confectionary nuts.** The percentage of groundnuts worldwide used for food has risen, and roasted nuts for snacks and confectionary nuts are also potentially lucrative exports. To enter this market, however, requires different seeds and production and processing methods that ensure high enough quality for export to developed countries. Population growth in Senegal and the establishment of a regional common market, present opportunities for marketing groundnuts in domestic and regional markets, which could be better exploited.

D. Response to Environmental and Other Structural Risks

29. **Environmental risks are the most important challenge faced by groundnut farmers.** First, rainfall in most of Senegal and in the groundnut basin in particular is both highly variable and subject to a significant downward trend (Figure 4). The variability creates substantial short-term risk, such as was evidenced in very low 2002-03 crop. The risk of drought, in particular, has been—and is likely to continue to be—one of the main sources of risk for groundnut farmers, with significant implications for short-term income variability. Second, the downward trend in rainfall presents medium and long-term risks. Since the level

of rainfall increases from north to south, this trend has caused a gradual shift of groundnut farming toward the south. This shift has been accompanied by the clear cutting of new land reducing forest coverage and subjecting the landscape to additional environmental risk. Finally, soil quality in the groundnut basin has been deteriorating for several reasons, since farmers do not have the option of practicing proper soil maintenance. They cannot afford to rotate crops or to allow fields to rest. In addition, fertilizers are expensive, so they are often applied sparingly, adding to the strain on the soil.



30. **In the medium to long term, the authorities will have to decide what steps they want to take to protect the natural resources exploited in the groundnut sector.** These steps could involve land management practices that would reduce the current intensity of use in exchange for longer-run sustainability. Such measures could, in turn, have a negative effect on groundnut farmers that would require some compensatory measure.

31. **Government policy with respect to the groundnut sector—no matter how enlightened—cannot eliminate the risks groundnut farmers face.** The average scale of groundnut farming is likely to have to increase in order to raise farmers' living standards, and it will not be able to support the share of the rural population that it currently does. As the rural population grows, economic pressures in the groundnut farming areas will intensify. It is important that residents in these areas be able to develop the skills necessary to allow them to engage in alternative activities, either in rural or urban areas. This could entail not only

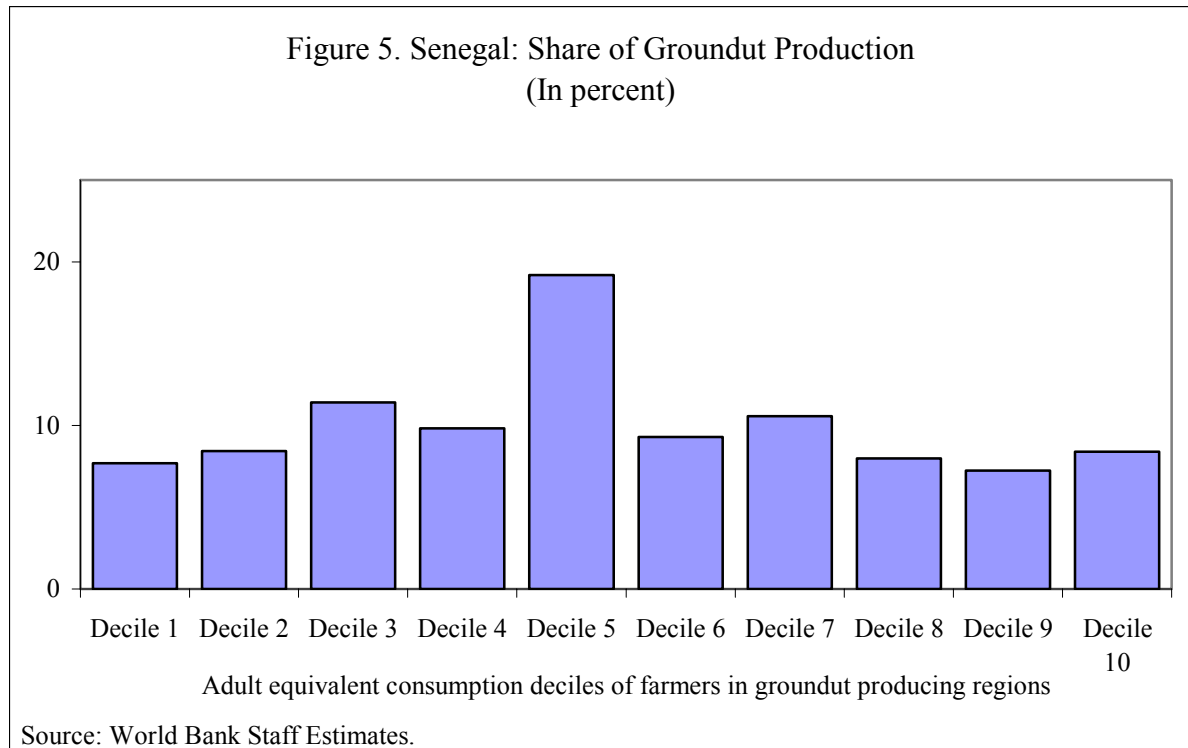
promoting education and health, but access to more specific training to broaden job opportunities.

32. **A safety net is needed to provide assistance to farmers in the event of a serious shock.** The evidence presented above is that modest price adjustments to promote market efficiency are not as serious a problem for farmers as a large shock, such as a drought or a collapse of world prices. The regulation of SONACOS or price setting mechanism cannot adequately compensate for such a shock without seriously distorting the sector and creating nontransparent cross-subsidies. It is better to allow the market to make the necessary adjustments to a shock and then compensate those adversely affected in a transparent and equitable manner.

33. **A safety net based on price subsidization, although easy to administer, would have drawbacks.** A price subsidy would benefit large groundnut producers more than the smaller producers, but that does not mean that such a subsidy necessarily benefits the richer farmer more than the poorer ones because the volume of groundnut output is not a good proxy for total income. A better proxy would be the level of total consumption. Groundnut production is relatively uniformly distributed among the four lowest and five highest deciles of the farmers' population grouped by total consumption levels (Figure 5).¹¹ Consequently, a price subsidy would benefit relatively richer farmers (including those who are above the poverty line) as much as the poorer ones (i.e., those with small consumption levels).¹² Moreover, farmers who do not grow groundnuts—but who may be equally poor—would receive none of the benefits. In addition, a groundnut price subsidy would divert the allocation of resources towards the groundnut sector and away from more productive uses.

¹¹ Figure 5 shows the distribution of groundnut output for a sample of farmers in groundnut producing regions divided into 10 groups in ascending order of their consumption levels (deciles on the horizontal axis). The bar charts represent the share of groundnut output produced by each decile of the farmers' population. Excluding the 5th decile, the distribution is relatively uniform.

¹² The three top deciles of Figure 5 (representing approximately 35 percent of the rural population), though largely poor, are above the poverty line. About 65 percent of the rural population falls below the poverty line.



34. **A more efficient social safety net program would explicitly target poor farmers for compensation in response to a severe shock.** In the short run, the authorities should use budgetary transfers directed to the poorest farmers to dampen the impact of a price or weather-related shock. Senegal should develop the capacity to target assistance based on household characteristics that are good proxies of overall wealth. In the long-run, conditioning transfers to poor households on acquiring human capital to get access to alternative sources of income would reduce poor farmers' dependence on groundnut farming.

E. Summary of the Conclusions

35. **The sale of SONACOS and the elimination of the tax and tariff preferences should not have a negative impact on the income of groundnut farmers.** Privatization does present potential risks for groundnut farmers, as a new system of price setting will be negotiated and the privatized SONACOS may want to reduce producer prices to restore its profitability. But SONACOS is unlikely to have the market power to impose a lower than market price on groundnut producers. In view of the small weight of vegetable oil in consumption and the uniform distribution of vegetable oil consumption across the population, the tax and tariff repeal should benefit consumers across the board. However, poor farmers may benefit more to the extent they can shift a larger proportion of their consumption from the more expensive groundnut oil to the cheaper imported vegetable oil.

36. **More reforms are needed to address market imperfections in the distribution chain and encourage adjustment to likely market developments.** Market imperfections

arise from a lack of timely information about the groundnut price for oil production and the monopsony position of marketing agents in some areas. A policy that improves the information flow, supports the development of alternative marketing options for groundnut farmers, and enhances the availability of credit to farmers will help them face the challenge of evolving groundnut market conditions.

37. **Environmental risks are the most important challenge faced by groundnut farmers, which may necessitate a safety net.** Rainfall is volatile and decreasing and groundnut soil is being depleted. A long-term plan for protecting the natural resources exploited in the groundnut sector and, by implication, the livelihood of groundnut farmers needs to be developed. Through training opportunities and other human capital development policies, groundnut farmers should also be encouraged to diversify their activities to reduce their exposure to exogenous shocks. The safety net against severe exogenous shocks should take the form of direct transfers to the poorest farmers, rather than subsidized prices. A price subsidy would benefit poor and rich farmers equally and distort resource allocation.

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III. THE CHALLENGES OF FISCAL DECENTRALIZATION IN SENEGAL¹³

A. Introduction

38. **Like many other African countries, Senegal has recently initiated a process of fiscal decentralization.** Fiscal decentralization—the devolution of spending and revenue sources to subnational levels of governments—has not yet reached the implementation stage in Senegal. Nevertheless, it has generated high expectations both within the government and in the donor community. In this light, it may be timely to review Senegal’s envisaged approach to fiscal decentralization and discuss some of the challenges and risks that could lie ahead.

B. Country Experiences

39. **Fiscal decentralization can take different forms.** The various options of intergovernmental fiscal relations are expenditure assignment, revenue assignment, intergovernmental transfers, and subnational government borrowing. A review of country experiences shows great diversity in approaches. The devolution of spending is often viewed as the easiest step, while revenue assignment is typically more difficult to put in place, owing to policy coordination and tax administration issues. In theory, it would be desirable to give local authorities both spending power and revenue-raising responsibilities, as this would promote fiscal responsibility at the subnational level. This combination is observed in countries that have engaged in advanced fiscal decentralization reforms. Complete decentralization would involve granting local governments the additional authority to borrow as well. In that case, the issues of control over borrowing and macroeconomic management become relevant and need to be addressed.

40. **There has been a widespread interest in strengthening fiscal decentralization in Africa in recent years, with mixed results.** While there have been some successes, the weak institutional capacity and accountability of local governments have adversely impacted the process in some countries. Fiscal decentralization has also greatly varied in focus and depth across Africa. In Ethiopia, for instance, fiscal decentralization has represented the predominant reform priority since 2001, with a strong focus on expenditure assignment. In Tanzania, fiscal decentralization took off in 1999 with the Local Government Reform Program, with the objective of improving the delivery of public services through greater spending responsibilities and controls at the local level. In Nigeria, the scope of fiscal decentralization is the greatest in Africa, given the country’s specific political structure. In that country, fiscal federalism is indeed a critical issue with implications for macroeconomic management as well as for the stable and predictable delivery of goods and services at the subnational level.

¹³ Prepared by Benoit Anne.

41. Many countries in Latin America have been quite aggressive in pursuing fiscal decentralization, but often have run into fiscal, financial, and efficiency problems.¹⁴

This is notably the case for Argentina, Bolivia, Brazil, Colombia and Ecuador where problems stemmed from either poorly designed plans, weak oversight of subnational governments, or inadequate administrative capacities at the local level. In many instances, the aggressive decentralization strategy resulted in limited efficiency gains in the delivery of public goods and services and promoted rent-seeking behavior. Pushing programs on subnational governments with limited administrative capacity actually led to declines in the quality of public services. Insufficient institutional frameworks resulted in a concurrent lack of accountability. Moreover, the decentralization process often was taken over by local interest groups that gave rise to rent-seeking behavior or provided distortionary incentives.

C. Senegal's Approach to Fiscal Decentralization

42. The process of decentralization in Senegal has been on the political agenda for many years, but is far from completion. After its independence, Senegal inherited from a highly centralized administrative framework. However, decentralization rapidly emerged as one of the priorities. In 1960, the status of the 30 existing municipalities was clearly defined. In 1966, regulations were passed to define the status of local communities. In 1972, the rural communities were created, while the number of municipalities was expanded. In 1983, the urban community of Dakar was defined.¹⁵ Following these early steps, the process of administrative reform began that defined regions as local governments and introduced transfers of competencies from the central government to the local authorities in a number of key sectors.¹⁶ The reform, known as *régionalisation*, was adopted by the law in March 1996. The law aimed at enabling local authorities to plan and enhance economic and social development at the local level by granting them more autonomy vis-à-vis the central government. Its main objectives were to: (i) foster local democracy; (ii) ensure a free administration of local authorities; (iii) promote local development; and (iv) promote good local governance. Under the reform, the different local authorities were also entitled to promote local development through the creation of instruments such as the regional plans of

¹⁴ See Daban T. (2004).

¹⁵ There are three types of local authorities in Senegal: the region, the municipality (“*commune*”), and the rural community. The country is currently divided in 10 regions, 60 municipalities and 320 rural communities.

¹⁶ These sectors included (i) the management and use of the State's public and private property and of the national domain; (ii) environment and management of natural resources; (iii) health, population and social welfare; (iv) youth, sports and recreation; (v) culture; (vi) education, promotion of languages, literacy, technical and vocational training; (vii) planning; (viii) local development; and (ix) town planning and housing.

integrated development (PRDI), the municipalities' investment programs (PIC) and the local development plans (PLD). In practice, however, the local authorities were given very limited financial resources to implement their own development policy, thereby highlighting the need for the design of a proper fiscal decentralization strategy.

43. **Fiscal decentralization is viewed by the authorities as an important tool for raising the efficiency of capital spending and reducing poverty.** There is a broad consensus in the literature that decentralization of spending responsibilities can entail substantial welfare gains.¹⁷ Indeed, efficiency in the allocation of resources would be best served by assigning responsibility for each type of public expenditure to the level of government that most clearly represents the beneficiaries of those outlays. Decentralization was clearly identified in the authorities' Poverty Reduction Strategy Paper (PRSP) as a means to enhance capacity-building and improve the delivery of the basic social services, one of the four pillars of the PRSP. It was also presented as a guiding principle for the implementation of the poverty reduction strategy, as most PRSP objectives need to be attained at the local level. More specifically, according to the PRSP, fiscal decentralization would help to: (i) shift resource allocation in favor of rural areas; (ii) reach the targeted population; and (iii) generate new economic opportunities for the private sector in rural areas. With the enhanced role played by the local authorities, the process would also contribute to capacity-building in the areas of fiscal management and control, and local development. As regards the efficiency gains of capital spending, the authorities claim that the implementation of fiscal decentralization would promote a more expeditious execution of the budget, notably through decentralized procurements, thereby addressing the bottlenecks hurting the absorption capacity. It would also strengthen the ownership of the investment project at the local level, which would help enhance the productivity of capital spending and reduce the recurring charges.

44. **Following progress in political decentralization, the authorities are now considering fiscal decentralization.** The authorities are still working on the design of their strategy. A working group, put in place in 2004 under the supervision of the Treasury, has produced a report that outlines Senegal's strategy toward fiscal decentralization and the authorities' action plan. The report is expected to be approved shortly by an inter-ministerial committee.¹⁸ The report suggested, as prior action, the establishment of an appropriate legal framework for fiscal decentralization. The framework should include a law authorizing the local authorities to execute budgetary spending, and a convention between the central government and the local authorities clearly defining the role, interaction and obligations of both parties. However, the prior action, which was scheduled for end-2004 has not yet been taken.

¹⁷ See T. Ter-Minassian (1997).

¹⁸ Ministère de l'Economie et des Finances, Etude sur la décentralisation de la Gestion des Ressources Internes du Budget Consolidé d'Investissement – Rapport final, 2004.

45. **The authorities envisage a narrow and gradual approach to fiscal decentralization.** As spelled out in the authorities' report, for the time being, fiscal decentralization will be partial, limited to expenditure assignment that would only cover the domestically-financed component of capital spending (the "*resources internes du Budget Consolidé d'Investissement- (BCI)*"). In 2004, this spending accounted for about 22 percent of total expenditure or 5 percent of GDP.¹⁹ Hence, Senegal has adopted the narrowest definition of fiscal decentralization given that the process will not involve the revenue side or other components of spending such as current expenditure on goods and services and foreign-financed capital spending. Moreover, the decentralization of spending will only affect the execution phase and the management of the resources. The investment projects will continue to be designed by the technical ministries at the central government level and subject to the standard budgetary process. Once the central government budget has been approved, the resources earmarked for specific investment projects will be transferred to the local authorities and recorded in their budget both on the resource and spending sides. As regards the timetable, decentralization is supposed to start with the 2005 fiscal year, with a test limited to projects in the areas of education and health for the regions that have put in place an efficient regional development agency (ARD). If this year's test turns out to be successful, the experience could be extended in 2006 to the areas of justice and environment. The objective is to implement the decentralization of capital spending for all technical ministries by 2007.²⁰

46. **Fiscal decentralization is also high on the agenda of Senegal's development partners.** The donors are part of a working group on decentralization chaired by the ministry of local governments. The donor community concurs with the authorities that fiscal decentralization will be essential to improve the delivery of basic services, as part of the poverty reduction strategy. The donors also view fiscal decentralization as a way to strengthen the links between policy implementation and the PRSP objectives. In 2002, for instance, the European Union provided €21 million in budgetary support for the decentralization efforts, particularly for development planning initiatives at the level of regions, municipalities and rural communities. Likewise, decentralization has also been identified as one of the key strategic objectives of the USAID's Country Strategic Plan for 1998-2006.

47. **Progress in fiscal decentralization is part of the World Bank's conditionality.** In addition to the emphasis on fiscal decentralization in the World Bank's Country Financial Accountability Assessment (CFAA) of May 2003, the institution gave a prominent role to

¹⁹ It is not clear yet whether the whole envelope of BCI's domestic resources would be earmarked for decentralization of spending. By international comparison, 5 percent of GDP is towards the lower end of decentralized resources.

²⁰ There are currently no details about further steps to strengthen fiscal decentralization beyond the implementation of the partial expenditure assignment.

fiscal decentralization in the framework of the Poverty Reduction Structural Credit (PRSC) approved in 2004. Under the World Bank's program, it is expected that the authorities will accelerate transfer of financial resources to local governments in 2005.²¹ Concurrently, new rules should be agreed to secure and guarantee that these transfers will be more automatic and predictable to local governments. The decentralization of the consolidated investment program (BCI) should be initiated at the regional level. The institutional framework surrounding the PRSP should be operational in the regions by early 2005 through the finalization of the regional plans (POR), which will be consistent with the sectoral investment strategy (POS), and budgetary controls procedures should be effective at the regional level. Possible triggers for deciding of whether the Bank will proceed with subsequent operation PSRC II could include: (i) strengthen the activities of PRS regional committees; (ii) agree and initiate the decentralization strategy of the BCI in pilot regions/sectors; and (iii) prepare a series of standard measures to facilitate the implementation of procurement rules in the regions. Likewise, the joint staff advisory note issued by the World Bank and the Fund on the PRSP's progress report stressed the need for more and efficient decentralization and concurred with the authorities' assessment that more efforts are needed in this area during the next year.²²

D. Main Risks and Challenges

48. **In contrast to some other country experiences, the macroeconomic risk of fiscal decentralization will likely be small in Senegal.** Since the authorities are focusing exclusively on expenditure assignment financed through budgetary transfers to local authorities, fiscal decentralization will not be associated with substantial risks of fiscal slippages. This is because the role of the local authorities will be confined to executing the projects, with no input on the overall budget envelope. In this respect, the central government will not devolve the control over expenditure policy. It is possible, that poor project execution may lead to overspending, however. This risk argues in favor of the central government maintaining a tight control over the spending execution process.

49. **The success of the authorities' decentralization strategy will depend on how well they will address a number of challenges, shown by other countries' experiences to be critical for the success of the decentralization.** One of the key difficulties will be to improve the administrative capacity of the local authorities. As highlighted in the literature on fiscal decentralization issues, the theoretical efficiency gains from decentralization can be significantly undermined in practice by institutional constraints. In particular, the

²¹ The World Bank program measures on fiscal decentralization are fully consistent with the authorities' own strategy.

²² Poverty Reduction Strategy Paper-Annual Progress Report-Joint Staff Advisory Note (IMF Country Report No. 05/115).

administrative capacity of subnational governments may be weak, while the incidence of corruption may be greater than at the central level. Moreover, often subnational governments have not been able to develop modern and transparent public expenditure management systems, including adequate financial control, reporting, accounting, and expenditure evaluation mechanisms. In the case of Senegal, this will likely require substantial investment in human and technical resources in areas such as project management, fiscal accounting, and training programs on governance and transparency. In the absence of these accompanying measures, there is a risk that decentralization strategy may prove counterproductive. Weak project management will slow the execution of spending, and with greater resources made available to the local authorities, any slippage on the governance front may hurt progress towards poverty reduction.²³ Monitoring project implementation and tracking of resources may pose a challenge without adequate technical expertise and weak accounting.

50. Decentralization of expenditure responsibilities will pose new challenges for public expenditure management for the authorities. As pointed out by Ter-Minassian (1997), these challenges generally relate to the need to: (i) coordinate the budgetary policies of the central and subnational governments to ensure their consistency with national macroeconomic objectives; (ii) promote responsiveness of all levels of government to the preferences of their constituents in both the allocation of budgetary resources and the delivery of goods and services; and (iii) ensure sound financial management of the operations of each level of government. In the case of Senegal, the coordination of budgetary policies does not pose a problem, but the issues of allocation of resources and sound financial management are highly relevant. Since the resources of the BCI will continue to be allocated at the central level, there is a risk that the authorities' strategy may have little impact on improving the responsiveness of the budget to the needs of the local population, unless the technical cooperation between the local authorities and the ministries in charge of project design is strengthened. While the authorities are aware of this risk, it remains unclear how the formulation of development projects will better integrate the local priorities.

51. There is a risk that decentralization may magnify the weaknesses identified at the central government level in the area of public expenditure management and fiscal transparency. Reforms in fiscal management are high on the Senegalese authorities' agenda, notably in the framework of the PRGF-supported program and the World Bank PRSC. Despite significant efforts in recent years, considerable progress, however, remains to be achieved before the fiscal transparency situation can be considered as satisfactory. In particular, (i) fiscal management is increasingly fragmented, with large budgetary allocations transferred to autonomous agencies which operate in relative opacity; (ii) the spending circuit

²³ There are some indications that governance in Senegal is stronger at the central level than at the decentralized level (see, for instance, Gouvernement du Senegal, *Lettre de politique du développement rural décentralisé*, 1999). However, a growing literature in recent years argues in support a positive association between decentralization and governance (see de Mello and Barenstein, 2001).

continues to be fairly cumbersome and slow, (iii) the framework for public procurement is not implemented in a transparent way; (iv) despite ongoing progress, accounting procedures are still slow and cannot be regarded as fully reliable yet; and (v) internal ex post controls are generally weak. All these issues are likely to be even more relevant at the local government level. Therefore, fiscal management at the central government level will have to be strengthened to constitute a solid foundation for fiscal decentralization.

52. **In the presence of administrative constraints, fiscal decentralization competes with other important fiscal reforms on the authorities' agenda.** The authorities are currently working on the devolution of responsibility, initially held by the ministry of finance, for the administrative phase of public spending—the so-called “deconcentration”—whereby the issuance of payment orders would be carried out by the technical ministries, starting in 2005, with a test for the ministries of health, education, justice, and environment. While the deconcentration of the administrative phase of expenditure and fiscal decentralization are consistent and complement each other, they also compete on the authorities' implementation agenda.²⁴ This competition may explain why significant progress has been achieved in recent months in the “deconcentration” reform, while little has been achieved on the decentralization front.

E. Concluding Remarks

53. **Fiscal decentralization can help improve the delivery of goods and services at local levels and generally strengthen the link between fiscal policy and the authorities' poverty reduction objectives, but it should be implemented with caution.** Implementation should take place gradually, consistent with the pace of the development of local administrative capacity, a key variable for the success of the reform. Equally importantly, fiscal decentralization should not distract the authorities from the important task of implementing critical fiscal reforms at the central government level. These reforms are indeed a prerequisite for the success of fiscal decentralization.

²⁴ In addition, these projects also compete with the other components of the authorities' ambitious program of reforms in the areas of fiscal reporting and ex post controls, that is time-consuming and puts pressure on the workload of the ministry of finance.

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IV. STRUCTURAL REFORM PRIORITIES FOR IMPROVING PUBLIC FINANCE MANAGEMENT IN SENEGAL²⁵

A. Introduction

54. **This paper analyzes current and emerging structural reform priorities for improving fiscal management in Senegal.** The Senegalese authorities and their development partners agree that strengthening fiscal management is key for achieving higher growth and reducing poverty. Senegal is generally regarded as an example of fiscal discipline in Africa (in view of the small overall fiscal deficits in recent years), but lags behind in putting in place an efficient and transparent system of fiscal management.

55. **Substantial progress has been achieved in recent years, however, in improving fiscal management.** A large number of reforms has been implemented with the assistance of the IMF, World Bank, and donor community. In particular,

- all the public finance directives issued by the West African Economic and Monetary Union (WAEMU) have been promulgated into Senegalese law;
- a new budget nomenclature compatible with an administrative, functional and economic classification of expenditures has been introduced;
- preliminary medium-term expenditure plans in the areas of education, health, environment, and justice have been prepared;
- the capacity to issue payment orders has been delegated to some spending ministries with a view to accelerating the movements through the expenditure chain;
- the current and capital investment budgets have been integrated into one single unified document;
- the transparency and reliability of the main fiscal table (TOFE) has improved;
- the backlog of incomplete end-year Treasury accounts has been reduced;
- a new and more efficient Information Technology (IT) system for expenditure-tracking has been recently installed (SIGFIP);
- the number of special accounts and exceptional payment procedures has been reduced;
- HIPC-related investment expenditures have been clearly identified in the investment budget;
- quarterly reports on public enterprises have begun to be produced.; and
- Senegal has implemented the highest number of measures envisaged in the previous HIPC Assessment and Action Plan (AAP). In 2004 Senegal met 7 of the 16 benchmarks of the AAP—three benchmarks more than in the previous assessment conducted in 2001.

²⁵ Prepared by Alex Segura-Ubiergo.

56. **Despite the progress, a number of critical reforms needs to be carried out to bring Senegal's public finance management to a level commensurate with its economic and social ambitions.** These reforms are discussed in the following sections. Some of them can be implemented quickly and at a relatively low cost; others could take more time and may require technical assistance. Implementation of the proposed reform agenda will require a continuation of the strong commitment of the Ministry of Finance, outreach efforts to convey the importance of the reforms to the other spending ministries, and strong political will.

57. **The difficulties in fiscal management highlighted in this paper are well known and broadly shared by the technical staff of the Senegalese public administration.** Many of them had been identified in the action plan adopted by the authorities in July 2003 as a result of the World Bank-led Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment Review (CPAR), and the joint IMF-World Bank AAP. Others have emerged as critical in the context of discussions with IMF staff during technical assistance missions and program reviews. The government set up a commission in charge of coordinating public finance reforms. The Fiscal Reform Commission, headed by the Finance Ministry, has representatives from the donor community, and regularly produces a report of progress that is discussed in the context of the program policy discussions with the IMF.

B. Main Issues in Public Expenditure Management

58. **The following actions are needed to remove the shortcomings in the procedures for the preparation and execution of the budget,** budgetary reporting, and procurement.

Budget Preparation

The budget preparation procedures need to be enhanced in the following areas.

- **First, the Budget Law should cover the full set of operations of the Public Sector.** The consolidation of budgetary operations is only done at the Central Government level, and does not integrate data on municipal governments, pension funds, or public sector entities like hospitals (*Etablissements Publics à caractère administratif*). The implementation of the WAEMU Table of Financial Operations of the Government (TOFE) (see below) could provide the necessary impetus to broaden the scope of the Budget Law.
- **Second, quasi-budgetary operations of public sector enterprises and fiscal expenditures should be clearly identified in the budget.** The Budget does not include a clear and transparent estimate of the financial compensation that public or private enterprises should receive as compensation for the non-commercial activities that they are required to perform. Similarly, the Budget does not include estimates of the cost of fiscal exemptions (fiscal expenditures). Estimates by the Tax and Customs Administrations exist and should be included in the Budget Law.

- **Third, the Budget should be based on a medium-term expenditure framework.** Budget documents include information on major budget lines for the preceding four years but present no data beyond the current budget year. Some recent efforts have been made to prepare medium-term expenditure plans in the ministries of health, education, justice and environment, but the results of these exercises have not yet been fully integrated in the budget process. The authorities have started to closely monitor the contingent liabilities arising from the operational losses or debt of public enterprises and autonomous agencies, and explicit or implicit guarantees, public-private partnerships (PPPs) or deficits of the Social Security System. These liabilities should be taken into account in drawing up the medium-term fiscal framework.
- **Fourth, the mechanism for investment planning and assessment of recurrent costs needs to be strengthened.** Beginning in 2005, the investment and current budgets have been unified into one single document, but recurrent costs of capital expenditure need to be clearly identified in the budget. The current Public Expenditure Review by the World Bank, which focuses on public investment, should provide useful guidance for improving investment planning and project evaluation, especially for domestically-financed capital projects.

Budget Execution

59. **Despite recent improvements, Budget Execution needs to be further streamlined and made more transparent.** The expenditure chain is slow, with numerous and often redundant controls between the commitment, verification, payment order and payment stage. The *a priori* expenditure controls are cumbersome, *ex-post* internal controls are insufficient, and the *ex-post* external controls (exercised by the Audit Court and Parliament) are still not fully operational. The authorities need to (i) reduce the delays required for the initial commitment of expenditures (*engagement*); (ii) generalize the recent experience of decentralizing the capacity to issue payment orders in four ministries to all major spending ministries; (iii) the introduce a system of expenditure controls based on priorities and an assessment of risks (rather than control all expenditure orders irrespective of their amount and financial risks posed); and (iv) strengthen the capacity of the Audit Court and Finance Commission of the Parliament.

60. **Automated expenditure-tracking should be extended to the wage bill and capital expenditures financed through external resources.** These two categories of expenditures need to be included to the new expenditure-tracking software (SIGFIP) to have a comprehensive coverage of the expenditure chain. The wage bill is in the process of being connected to SIGFIP. However, the integration of externally-financed capital expenditures requires better coordination with the donor community to share information on project execution and bank accounts. The respective roles of the Debt and Investment Directorate (DDI) and the Treasury should be modified also, to allow the Treasury to become ultimately responsible for the payments associated with these investment projects. Finally, the expenditure-tracking software should treat the entire expenditure chain, including the actual payment phase. The system currently reaches only the penultimate step of the expenditure chain, or the verification of the payment order (*mise en règlement*).

Budget Reporting

61. **The frequency, coverage, accuracy, and reliability of fiscal reports should be improved.** Senegal stands out as a country with one of the slowest and least frequent systems of fiscal data reporting among WAEMU countries. This is surprising given Senegal's relatively strong macroeconomic performance and position of leadership in the WAEMU zone. The current delays (which often exceed two months) in the production of the monthly Treasury balance statements and the preparation of the main fiscal table (TOFE) make fiscal data very difficult to monitor and check for accuracy. These delays are the result of the length of the expenditure chain, capacity constraints at the level of the Treasury (which is overburdened with some functions like the preparation of the TOFE and the collection of direct taxes), and difficulties in centralizing information from different sources. These difficulties can be alleviated through: (i) improvements in the efficiency of expenditure execution; (ii) timely submission of data by other departments; and (iii) rationalizing the role of the Treasury and increasing its resources. The end-result should be the production and publication of a monthly TOFE within a maximum delay of 30-45 days. A timely TOFE should facilitate the introduction of changes in fiscal policy during the course of the year, if fiscal developments deviate from initial expectations. The TOFE should also be posted on the website of the Ministry of Finance to enhance fiscal transparency and the reliability of the data.

62. **The WAEMU TOFE should be adopted without further delays in order to broaden the scope of fiscal transparency.** The decree 2003-163 of March 28, 2003 transcribed into Senegalese law the WAEMU directive on the TOFE. However, little progress has been made in the two years that have followed the promulgation of the decree. The main advantage of the implementation of the WAEMU TOFE is that it will extend the coverage of fiscal reporting to the local government, public sector entities such as hospital and universities, and other autonomous project execution agencies.

Public Procurement

63. **In spite of the adoption of a new procurement code in 2002, there is still ample room for improving the legal framework and procurement practices in Senegal.** The framework contains some of the necessary elements for a transparent execution of public sector contracts: freedom of access, equality in the treatment of all candidates, competitive bidding process, and the requirement to have an appropriate budget line authorizing the contract. However, the Procurement Code can be changed easily by decree and has a lower legal status than other legal texts also affecting the rules for public procurement, such as the Code of State Obligations, which is a full-fledged law and has not been modified since 1965. The existence of multiple (and sometimes contradictory) texts of different legal status, blurs the transparency of public procurement. The authorities are committed to strengthening the legal framework with the assistance of the World Bank.

64. **The excessive degree of discretion in the adjudication of contracts needs to be reduced.** Most ministries have a commission in charge of adjudicating public procurement contracts. However, each minister and later the National Commission of State Contracts

(NCSC) can overturn the decision of the initial commission without providing any justification or rationale for their decisions. All the decision regarding procurement contracts should be justified and published.

65. **Most public expenditure should become subject to the competitive tender procedures promoted by the procurement code.** About two-thirds of all investment expenditures and current expenditures on goods and services are not sent for adjudication to the National Commission of State Contracts (NCSC). Of those contracts that reach the NCSC, about 20 percent are adjudicated using exceptional procedures of the procurement code bypassing competitive tenders. Under the PRGF-supported program, the authorities are committed to broadening the scope of expenditures falling under the realm of the Procurement Code and to reducing the share of contracts bypassing competitive tenders.

C. Tax Administration

66. **As a key short-term priority, the data-sharing system between the Tax Administration Department, the Customs Administration and the Treasury should be made operational.** This measure is of critical importance for the fight against tax evasion and the assessment of the efficiency of tax collection efforts. It will permit the real-time exchange of information between the three directorates in charge of collecting taxes. As a result, it will permit the reconciliation, for each individual taxpayer, of tax assessments and actual tax payments and determine tax obligations that have not been met. The implementation of this measure, originally planned for early 2004, is now expected by mid-2005.

67. **Over the medium term, the transfer of the tax collection responsibilities for direct taxes from the Treasury to the Tax Administration Department should also be a priority.** Direct tax administration functions in Senegal are fragmented between the Treasury and the General Tax Directorate (DGID). For direct taxes, including the corporate income tax and the tax on profits, the Large Taxpayer Unit (LTU) attached to the DGID prepares tax assessments but the taxes are actually collected by the Treasury. The current separation of direct tax assessment and collection makes it difficult to assess the individual performance of each tax collection agency and reduces the efficiency of the system. Delays in tax collection can result, for example, from the late issuance of tax assessments, lack of follow-up in tax collection, or inadequate control mechanisms. These are problems that are difficult to monitor and address in the current administrative setting. The current fragmentation also increases the costs of tax administration for the authorities and tax compliance for the taxpayer. For example, the same enterprise may be forced to use different procedures for the payment or, where necessary, the contentious dispute of each tax. The experience of other countries shows that the transfer of tax collection responsibilities for direct taxes from the Treasury to the Tax Administration Department is a useful instrument to strengthen tax collection and reduce the cost of tax administration.

D. Concluding Remarks

68. **A well-functioning system of public finance management needs to contribute to the achievement of three interrelated objectives.** First, it needs to guarantee a reasonable degree of fiscal discipline so that fiscal policy contributes to the maintenance of macroeconomic stability. Second, it should ensure the maximum possible allocative efficiency so that budgetary appropriations correspond to the strategic priorities of the country, which in the case of Senegal have been defined by the PRSP. Finally, it should guarantee a high level of operational efficiency, so that public expenditures achieve the intended economic and social objectives at the lowest possible cost. Senegal has made substantial progress in fiscal discipline and allocative efficiency. However, operational efficiency continues to be uncertain as a result of weak mechanisms for budget planning, complex administrative procedures for expenditure execution, and weak financial and human resources management.

69. **Improving fiscal management in Senegal will require quick and decisive actions to deal with the shortcomings identified above.** If appropriately backed by the highest political authorities, the work of this Fiscal Reform Commission could help Senegal enhance fiscal management to ensure a better use of public resources and, thereby improve the pace of progress toward the Millennium Development Goals.

E. References

HIPC Country Assessment and Action Plan (AAP) for Senegal. *World Bank and International Monetary Fund*, September 2004.

Country Assistance Strategy for the Republic of Senegal. *World Bank*, March 2003.

Country Financial Accountability Assessment for Senegal. *World Bank*, June 2003.

Country Procurement Assessment Report for Senegal. *World Bank*, June 2003.

Table 1. Senegal: GDP by Economic Sector at Constant 1999 Prices, 1996–2003
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
Primary sector	469.2	463.3	477.5	544.3	563.1	581.9	461.9	553.4
Agriculture	253.6	231.8	251.5	297.9	320.0	329.6	223.6	304.8
Livestock	138.9	141.2	143.3	152.8	162.0	169.3	158.5	165.2
Fishing	54.8	68.3	60.7	71.0	58.0	59.3	55.5	58.3
Forestry	22.0	22.0	22.0	22.7	23.0	23.7	24.2	25.2
Secondary sector	487.4	508.4	544.3	560.6	585.7	611.0	670.9	713.9
Mining	35.2	33.3	35.8	40.3	44.5	44.8	49.9	63.8
Industry	319.7	336.7	348.8	346.6	355.7	377.3	420.8	426.7
Oil milling	9.3	8.3	7.9	6.8	9.2	9.8	8.8	6.8
Energy	49.4	49.9	54.3	57.9	61.7	65.8	64.0	75.8
Construction and public works	73.9	80.2	97.5	109.0	114.5	113.3	127.4	140.7
Tertiary sector	1,661.3	1,733.6	1,804.0	1,894.9	1,940.9	2,041.7	2,138.8	2,218.3
Transportation and telecommunication	157.5	164.1	177.5	187.9	206.9	236.0	249.7	267.2
Commerce	486.5	509.5	529.3	555.5	552.1	561.6	594.8	619.8
Government	535.5	561.3	563.8	589.6	602.0	647.3	667.0	681.8
Other services	481.9	498.7	533.4	562.0	579.9	596.8	627.2	649.5
GDP	2,618.0	2,705.3	2,825.8	2,999.8	3,089.7	3,234.7	3,271.6	3,485.6

Source: Senegalese authorities.

Table 2. Senegal: GDP by Economic Sector at Constant 1999 Prices, 1996–2003
(Annual percentage changes)

	1996	1997	1998	1999	2000	2001	2002	2003
Primary sector	6.1	-1.3	3.1	14.0	3.4	3.3	-20.6	19.8
Agriculture	10.6	-8.6	8.5	18.5	7.4	3.0	-32.2	36.3
Livestock	0.6	1.7	1.5	6.6	6.1	4.5	-6.4	4.2
Forestry	4.8	0.0	0.0	3.2	1.5	3.0	2.3	4.0
Fishing	0.5	24.7	-11.1	16.8	-18.2	2.3	-6.4	4.9
Secondary sector	5.3	4.3	7.1	3.0	4.5	4.3	9.8	6.4
Mining	-1.4	-5.2	7.5	12.6	10.4	0.7	11.3	28.0
Industry	4.2	5.3	3.6	-0.6	2.7	6.1	11.5	1.4
Oil milling	-5.1	-10.7	-4.9	-13.3	34.6	6.2	-9.6	-22.8
Energy	8.8	1.1	8.8	6.6	6.6	6.7	-2.7	18.4
Construction and public works	9.6	8.5	21.6	11.9	5.0	-1.0	12.4	10.5
Tertiary sector	4.8	4.3	4.1	5.0	2.4	5.2	4.8	3.7
Transportation	6.0	4.2	8.2	5.9	10.1	14.1	5.8	7.0
Commerce	8.7	4.7	3.9	4.9	-0.6	1.7	5.9	4.2
Government	0.3	4.8	0.4	4.6	2.1	7.5	3.0	2.2
Other services	2.2	3.5	7.0	5.4	3.2	2.9	5.1	3.5
GDP	5.1	3.3	4.5	6.2	3.0	4.7	1.1	6.5
Excluding agriculture	4.5	4.6	4.1	5.0	2.5	4.9	4.9	4.4
Memorandum item:								
GDP deflator	0.9	1.7	3.9	1.0	3.3	0.0	2.7	0.7

Source: Senegalese authorities.

Table 3. Senegal: Supply and Use of Resources at Current Prices, 1996–2003

	1996	1997	1998	1999	2000	2001	2002	2003
(In billions of CFA francs)								
GDP	2,451.6	2,576.1	2,796.5	3,000.0	3,192.0	3,342.7	3,472.7	3,725.4
Gross domestic expenditure	2,601.5	2,746.2	2,980.8	3,209.1	3,458.6	3,665.9	3,860.0	4,208.5
Consumption	2,202.7	2,344.3	2,460.9	2,655.1	2,791.7	3,024.8	3,278.9	3,437.2
Private	1,978.7	2,131.6	2,226.8	2,409.2	2,518.9	2,717.2	3,079.5	3,093.2
Public	224.0	212.7	234.1	245.9	272.8	307.6	199.4	344.0
Investment	556.5	548.5	650.2	653.3	739.0	789.8	798.4	872.4
Public	183.0	163.8	196.9	242.3	186.1	232.3	275.9	338.5
Private	373.5	384.7	453.3	411.0	552.9	557.5	522.5	533.9
Change in stocks	-157.7	-146.6	-130.3	-99.3	-72.0	-148.8	-217.4	-101.2
Resource gap	-149.9	-170.1	-184.3	-209.1	-266.5	-323.1	-387.3	-483.1
Exports of goods and nonfactor services	699.2	744.9	832.4	901.1	973.4	1,027.1	1,061.3	1,061.2
Imports of goods and nonfactor services	-849.1	-915.0	-1,016.7	-1,110.3	-1,239.9	-1,350.2	-1,448.6	-1,544.3
Gross domestic savings	248.9	231.8	335.6	344.9	400.4	317.9	193.8	288.1
Public	170.3	219.5	226.0	260.9	289.5	295.1	465.2	376.1
Private	78.6	12.3	109.6	84.0	110.9	22.8	-271.4	-87.9
Gross national savings	296.7	293.8	403.7	385.8	503.7	485.9	375.3	527.2
(In percent of GDP)								
Gross domestic expenditure	106.1	106.6	106.6	107.0	108.4	109.7	111.2	113.0
Consumption	89.8	91.0	88.0	88.5	87.5	90.5	94.4	92.3
Private	80.7	82.7	79.6	80.3	78.9	81.3	88.7	83.0
Public	9.1	8.3	8.4	8.2	8.5	9.2	5.7	9.2
Investment	22.7	21.3	23.3	21.8	23.2	23.6	23.0	23.4
Public	7.5	6.4	7.0	8.1	5.8	6.9	7.9	9.1
Private	15.2	14.9	16.2	13.7	17.3	16.7	15.0	14.3
Change in stocks	-6.4	-5.7	-4.7	-3.3	-2.3	-4.5	-6.3	-2.7
Resource gap	-6.1	-6.6	-6.6	-7.0	-8.4	-9.7	-11.2	-13.0
Exports of goods and nonfactor services	28.5	28.9	29.8	30.0	30.5	30.7	30.6	28.5
Imports of goods and nonfactor services	-34.6	-35.5	-36.4	-37.0	-38.8	-40.4	-41.7	-41.5
Gross domestic savings	10.2	9.0	12.0	11.5	12.5	9.5	5.6	7.7
Public	6.9	8.5	8.1	8.7	9.1	8.8	13.4	10.1
Private	3.2	0.5	3.9	2.8	3.5	0.7	-7.8	-2.4
Gross national savings 1/	12.1	11.4	14.4	12.9	15.8	14.5	10.8	14.2

Source: Senegalese authorities.

1/ Including official transfers.

Table 4. Senegal: Level of Rainfall on the Groundnut Basin, 1960/61–2002/03

(In millimeters)

Crop Season 2/	Casamance	Diourbel	Louga	Senegal- Oriental	Sine Saloum	Total	Average
1960/61	1,079	739	523	602	601	3,544	709
1961/62	1,254	566	448	789	664	3,721	744
1962/63	1,319	621	346	862	592	3,740	748
1963/64	1,219	579	451	943	644	3,836	767
1964/65	131	726	495	1,024	877	3,253	651
1965/66	1,458	563	449	939	655	4,064	813
1966/67	1,251	605	371	1,235	181	3,643	729
1967/68	156	858	667	954	907	3,542	708
1968/69	830	340	237	792	441	2,640	528
1969/70	1,198	571	372	745	655	3,541	708
1970/71	1,136	386	285	690	482	2,979	596
1971/72	983	564	296	1,255	771	3,869	774
1972/73	702	410	205	622	415	2,354	471
1973/74	1,118	307	272	723	464	2,884	577
1974/75	111	538	341	957	564	2,511	502
1975/76	1,322	453	267	783	694	3,519	704
1976/77	1,282	443	284	970	540	3,519	704
1977/78	813	302	250	932	415	2,712	542
1978/79	1,258	571	331	575	941	3,676	735
1979/80	968	478	247	691	571	2,955	591
1980/81	760	349	328	609	436	2,482	496
1981/82	1,109	438	356	878	599	3,380	676
1982/83	1,073	388	324	736	584	3,105	621
1983/84	723	197	182	515	355	1,972	394
1984/85	1,232	463	174	591	609	3,069	614
1985/86	1,368	391	216	554	634	3,163	633
1986/87	986	237	349	799	638	3,009	602
1987/88	950	463	283	667	689	3,052	610
1988/89	1,304	623	413	938	646	3,924	785
1989/90	1,197	554	473	756	771	3,751	750
1990/91	1,111	402	287	656	511	2,967	593
1991/92	1,211	354	250	671	394	2,880	576
1992/93	923	146	203	551	415	2,238	448
1993/94	1,320	263	342	401	443	2,769	554
1994/95	1,120	428	220	904	672	3,344	669
1995/96	1,006	552	326	755	570	3,209	642
1996/97	1,129	419	316	782	401	3,047	609
1997/98	1,235	484	165	660	420	2,964	593
1998/99	1,051	364	359	765	528	3,067	613
1999/00	1,444	589	407	952	854	4,245	849
2000/01	1,128	538	417	839	762	3,684	737
2001/02	1,070	535	340	704	640	3,289	658
2002/03	783	357	221	720	466	2,546	509

Source: Senegalese authorities.

1/ Crop year (November-October).

2/ The level of rainfall refers to the period May-October of the first year shown.

Table 5. Senegal: Production and Disposition of Groundnuts (Unshelled),

1996/97–2003/04 1/

(In thousands of metric tons)

	1996–97	1997–98	1998–99	1999–2000	2000–01	2001–02	2002–03	2003–04
Production (total)	626	545	585	820	958	944	265	445
Production for export	122	194	251	465	550	393	19	100
Oil mills	84	155	207	409	492	336	14	100
Confectionery nuts 2/	38	39	44	56	58	56	5	0
Other	504	351	334	355	408	551	246	345
Auto-consumption + losses 3/	449	193	182	159	192	361	161	226
Seeds	134	82	79	84	96	134	60	84

Source: Senegalese authorities.

1/ Crop year (November-October)

2/ Including handpicked select.

3/ Including sales in the parallel market.

Table 6. Senegal : Grain Balance, 1996/97-2003/04 1/
(In thousands of tons, unless otherwise indicated)

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Population (In millions)	8,767.0	8,998.0	9,234.0	9,483.3	9,739.4	10,028.7	10,289.0	10,549.3
Supply								
Production (net)	829.0	645.0	617.4	788.6	845.8	774.0	632.0	1,220.5
Beginning period stocks								
Agricultural	100.0	137.4	187.0	157.8	122.2	171.0	139.7	148.7
Others	60.0	40.2	20.0	33.0	40.0	35.0	28.6	0.0
Imports	40.0	97.2	167.0	124.8	82.2	136.0	111.1	148.7
Commercial	744.0	774.1	873.8	743.2	878.4	1,059.2	1,200.2	852.1
Food aid	735.0	772.2	862.5	728.9	872.6	1,042.5	1,170.2	841.9
Food aid	9.0	1.9	11.3	14.4	5.7	16.7	30.0	10.3
Total production/use	1,673.0	1,556.5	1,678.2	1,689.6	1,846.3	2,004.3	1,971.9	2,221.3
Use								
End-period stocks	146.0	160.5	122.6	122.2	171.0	225.0	157.5	90.1
Agricultural	40.0	20.0	0.0	40.0	35.0	19.7	0.0	0.0
Others	106.0	140.5	122.6	82.2	136.0	205.3	157.5	90.1
Consumption	1,507.0	1,376.0	1,535.6	1,547.5	1,655.3	1,759.3	1,794.4	2,111.3
Other uses	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Estimated consumption per capita (Kg)	171.9	152.9	166.3	163.2	170.0	175.4	174.4	200.1

Source: Senegalese authorities.

1/ Figures are estimated; components may not add up to total.

Table 7: Senegal Production, Area Under Cultivation, and Yields of Principal Crops, 1996/97-2003/04 1/
(Production in thousands of metric tons; area in thousands of hectares; yield in metric tons per hectare)

	1995/96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Export crops									
Groundnuts									
Production	827.1	625.8	544.8	584.9	820.4	958.1	943.8	265.3	444.8
Area	881.3	919.8	788.1	555.5	824.4	990.4	984.1	830.9	524.8
Yield	0.9	0.7	0.7	1.1	1.0	1.0	1.0	0.3	0.8
Cotton (unginned)									
Production	31.4	38.4	40.3	11.6	14.0	20.4	34.2	39.2	54.9
Area	35.0	50.3	53.8	45.2	21.4	22.3	31.5	35.5	46.2
Yield	0.9	0.8	0.7	0.3	0.7	0.9	1.1	1.1	1.2
Food crops									
Millet and sorghum									
Production	794.1	734.4	544.8	547.4	822.4	744.0	610.4	531.7	818.2
Area	1,039.3	1,120.3	975.7	968.3	1,237.6	1,007.5	975.5	1,019.3	1,065.8
Yield	0.8	0.7	0.6	0.6	0.7	0.7	0.6	0.5	0.8
Maize									
Production	106.5	88.6	60.3	44.3	66.1	78.6	106.4	80.4	400.9
Area	97.9	84.9	62.2	53.7	70.4	70.7	88.4	108.1	175.6
Yield	1.1	1.0	1.0	0.8	0.9	1.1	1.2	0.7	2.3
Rice (paddy)									
Production	155.2	148.8	173.7	123.5	239.8	202.3	243.9	172.4	231.8
Area	69.0	73.8	74.7	45.4	95.9	86.2	87.9	76.0	87.8
Yield	2.3	2.0	2.3	2.7	2.5	2.3	2.8	2.3	2.6
Sugarcane									
Production	68.0	75.0	85.0	...	...	...	...	...	...
Area	6.5	7.4	7.4	...	...	...	...	...	...
Yield	10.4	10.2	11.5	...	...	...	...	...	...
Cowpeas									
Production	41.9	20.6	19.3	40.6	55.8	47.3	31.7	12.8	52.8
Area	97.4	88.6	126.7	123.3	160.5	146.5	90.7	132.6	148.5
Yield	0.4	0.2	0.2	0.3	0.3	0.3	0.3	0.1	0.4
Manioc									
Production	55.5	37.0	46.6	65.6	42.1	132.9	138.2	106.9	181.7
Area	17.5	14.0	19.9	13.2	16.3	27.2	27.8	21.4	36.1
Yield	3.2	2.6	2.3	4.9	2.6	4.9	5.0	5.0	5.0

Source: Senegalese authorities.

1/ Crop year (November-October).

Table 8. Senegal: Producer Prices of Main Agricultural Products, 1996/97-2003/04 1/

	Weight (in percent)	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	
		(in CFA francs per kilogram)								
Oil groundnuts	...	131.0	150.0	160.0	145.0	145.0	120.0	120.0	150.0	
Confectionery groundnuts	...	131.0	150.0	160.0	145.0	145.0	120.0	120.0	150.0	
Cotton	...	170.0	185.0	185.0	185.0	185.0	185.0	185.0	185.0	
Tomatoes	...	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	
Millet/sorghum	...	118.0	112.0	131.0	117.0	105.0	135.0	155.0	111.5	
Maize	...	141.0	128.0	132.0	134.0	127.0	154.0	143.0	113.0	
Paddy	...	90.0	102.0	96.0	101.0	100.0	100.0	100.0	100.0	
Cowpeas	...	200.0	216.0	333.0	184.0	126.0	243.0	366.0	366.0	
		(Price index of main agricultural product, 1985/86=100)								
Oil groundnuts	30.1	145.6	166.7	177.8	161.1	161.1	133.4	133.4	166.7	
Confectionery groundnuts	0.6	119.1	136.4	145.5	131.9	131.9	109.1	109.1	136.4	
Cotton	1.8	170.0	185.0	185.0	185.0	185.0	185.0	185.0	185.0	
Tomatoes	0.8	130.4	130.4	130.4	130.4	130.4	130.4	130.4	130.4	
Millet/sorghum	47.5	168.6	160.1	187.2	167.2	150.1	192.9	221.5	159.4	
Maize	7.6	201.4	182.8	188.5	191.4	181.4	219.9	204.2	161.4	
Paddy	7.6	105.9	120.0	112.9	118.8	117.6	117.6	117.6	117.6	
Cowpeas	4.1	181.9	196.4	302.8	167.3	114.6	221.0	332.8	332.8	
General index	100.0	151.9	154.3	170.4	156.5	147.5	162.3	174.7	152.1	
		(Annual percentage change)								
Oil groundnuts	30.1	4.8	14.5	6.7	-9.4	0.0	-17.2	0.0	25.0	
Confectionery groundnuts	0.6	4.8	14.5	6.7	-9.4	0.0	-17.2	0.0	25.0	
Cotton	1.8	0.0	8.8	0.0	0.0	0.0	0.0	0.0	0.0	
Tomatoes	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Millet/sorghum	47.5	-4.1	-5.1	17.0	-10.7	-10.3	28.6	14.8	-28.1	
Maize	7.6	17.5	-9.2	3.1	1.5	-5.2	21.3	-7.1	-21.0	
Paddy	7.6	-21.7	13.3	-5.9	5.2	-1.0	0.0	0.0	0.0	
Cowpeas	4.1	104.1	8.0	54.2	-44.7	-31.5	92.9	50.6	0.0	
General index	100.0	-0.9	1.5	10.5	-8.2	-5.7	10.0	7.6	-12.9	

Sources: Senegalese authorities; and staff estimates.

1/ Crop year (November - October). By December 1999, the producer prices for all agricultural products had been liberalized, except those for oil groundnuts, cotton, and paddy; the price of paddy was liberalized in June 1994. The producer prices for oil groundnuts and cotton are determined by a committee representing the farmers, the marketing agencies, and the government, taking into account developments in world market prices.

Table 9. Senegal: Fish Catch by Domestic and Foreign Vessels, 1996–2003
(In thousands of metric tons)

	1996	1997	1998	1999	2000	2001	2002	2003
Small-scale fishing	327.9	352.9	325.1	313.6	338.2	332.4	311.5	385.8
Industrial fishing	88.8	100.3	83.7	81.3	52.1	63.7	63.7	57.2
Sardine	7.8	9.5	7.4	4.4	1.3	1.7	1.7	1.5
Trawler fishing	52.6	63.2	47.4	56.3	37.9	43.7	43.0	38.7
Tuna	28.4	27.6	28.9	20.6	12.8	18.3	19.0	17.0
Total	416.7	453.2	408.8	394.9	390.3	396.0	375.2	443.0

Source: Senegalese authorities; National Directorate of Marine Fishing.

Table 10. Senegal: Foreign Fish Catch by Vessel Nationality, 1996–2003 1/
(In thousands of metric tons)

	1996	1997	1998	1999	2000	2001	2002	2003
France	0.2	0.1	6.4	0.7	3.1	0.0	0.0	0.0
Greece	2.1	1.3	1.8	1.3	1.6	1.2	0.0	0.0
Italy	0.0	0.0	0.0	0.2	0.0	0.7	2.2	0.6
Spain	12.3	5.9	12.6	9.2	8.3	9.6	5.4	8.4
Former Soviet Union	31.5	30.2	24.3	44.5	0.0	0.0	0.0	0.0
Others	3.2	0.2	0.2	11.4	2.3	0.6	1.8	1.5
Total	49.3	37.7	45.3	67.3	15.3	12.1	9.4	10.5

Source: Senegalese authorities; National Directorate of Marine Fishing.

1/ The important decrease in 2000 is due to the departure of Russian fishing vessels.

Table 11. Senegal: Evolution of Livestock, 1996–2003
(In thousands of heads)

	1996	1997	1998	1999	2000	2001	2002	2003
Cattle	2,870	2,898	2,912	2,927	2,986	3,061	2,997	3,018
Sheep	4,045	4,239	4,344	4,497	4,542	4,678	4,540	4,614
Goats	3,440	3,572	3,703	3,833	3,879	3,995	3,900	3,969
Pigs	171	191	213	240	269	280	291	303
Camels	5	4	4	4	4	4	4	4
Horses	436	465	445	446	471	492	496	500
Donkeys	367	393	376	377	399	407	400	400

Source: Ministry of Rural Development.

Table 12. Senegal: Indices of Industrial Production, 1999 - 2003
(1999 = 100)

	Weight (in percent)	1999	2000	2001	2002	2003
Mining	5.6	100.0	106.4	88.1	98.0	126.3
<i>Of which:</i> phosphates	4.2	100.0	100.2	93.0	93.6	120.3
Food production	36.4	100.0	91.9	90.3	97.3	104.5
<i>Of which:</i> fish canning	5.1	100.0	74.2	94.0	75.7	72.3
oil mills	3.6	100.0	110.5	103.2	112.3	87.4
sugar and confectionery	12.6	100.0	49.4	64.1	80.5	83.6
Textiles, clothing, and leather	2.4	100.0	107.4	120.3	61.0	86.2
Textiles	2.2	100.0	106.1	117.7	61.5	92.4
Other	0.2	100.0	123.8	148.2	56.3	17.6
Wood products	0.2	100.0	100.8	94.9	132.7	113.9
Paper	1.9	100.0	104.9	96.7	149.8	112.7
Chemical industries	27.1	100.0	88.0	106.5	156.0	145.7
<i>Of which:</i> refined petroleum	0.8	100.0	92.5	94.4	103.5	135.8
fertilizers	16.3	100.0	98.9	120.3	186.6	163.6
plastic and rubber materials	1.6	100.0	97.5	91.4	132.6	153.2
Construction materials	7.6	100.0	129.5	148.1	162.7	171.7
Machinery and equipment	3.7	100.0	54.1	55.7	90.2	92.7
Electricity and water	13.9	100.0	104.0	118.1	114.9	135.7
Electricity	9.5	100.0	96.8	117.1	115.6	144.7
Water	4.4	100.0	119.6	120.2	113.5	116.2
General index	100.0	100.0	95.3	102.5	120.3	125.2

Source: Senegalese authorities.

Table 13. Senegal: Production of Principal Mineral and Industrial Products, 1996–2003

	Unit	1996	1997	1998	1999	2000	2001	2002	2003
Lime phosphates	Thousands of tons	1,376.8	1,598.1	1,481.6	1,878.5	1,838.3	1,708.0	1,549.1	1,499.6
Aluminum phosphates	Thousands of tons	39.8	37.3	21.2	0.0	0.0	33.7	0.0	0.0
Attapulgit	Thousands of tons	79.2	83.6	121.6	118.2	148.7	121.2	138.4	194.9
Salt	Thousands of tons	98.1	122.0	138.0	145.0	124.0	109.8	171.5	235.0
Sugar (cubes)	Thousands of tons	68.4	39.2	42.2	46.6	36.3	27.2	19.8	23.2
Tobacco products	Tons	1,425.0	1,556.0	1,816.0	1,846.0	2,195.0	2,132.0	2,245.0	2,218.0
Groundnut oil (unrefined)	Thousands of tons	91.2	38.1	49.8	71.7	132.6	125.3	98.1	39.2
Refined vegetable oil	Thousands of tons	84.2	89.2	103.4	81.4	76.2	70.6	78.5	75.7
Tuna (canned)	Thousands of tons	19.8	14.2	18.7	14.4	11.9	12.1	10.7	6.9
Shoes	Millions of pairs	0.7	0.7	0.7	0.6	0.6	0.6	...	...
Cotton yarn	Tons	1,452.0	1,272.0	1,107.0	814.0	635.0	411.0	...	...
Soap	Thousands of tons	38.2	40.5	38.6	40.9	43.3	38.6	34.8	33.4
Paints and varnishes	Thousands of tons	3.1	2.6	2.9	3.9	4.6	4.6	4.3	5.6
Cement	Thousands of tons	811.1	853.9	846.5	898.4	1,340.5	1,539.0	1,653.2	1,693.9
Metal cans	Millions	128.9	132.8	147.9	105.0	127.4	113.2	185.2	182.2
Electricity	Millions of kilowatt-hours	1,109.9	1,214.5	1,304.1	1,348.0	1,365.3	1,651.2	1,557.3	1,855.5

Source: Senegalese authorities.

Table 14. Senegal: Production, Sales, and Prices of Lime Phosphates, 1996-2003 1/

	1996		1997		1998		1999		2000		2001		2002		2003											
	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total								
Production (In thousands of tons)	1,376	8	1,384	1,590	8	1,598	1,502	222	1,724	1,800	14	1,814	1,738	37	1,775	1,708	0	1,708	1,547	0	1,547	0	1,547	1,472	290	1,762
Exports (In thousands of tons)	830	6	836	599	112	711	437	164	601	534	172	706	356	161	517	354	158	512	320	0	0	0	0	33	0	33
Value (Billions of CFAF)	14.3	0.1	14.4	15.3	2.4	17.7	12	2.2	14.2	19	3.7	22.7	11.2	3.5	14.7	10	3.6	13.6	8.2	0	0	0	0	736	0	736
Price (CFAF/ton)	17,250	14,290	17,229	25,477	21,567	24,862	32,000	...	32,500	21,300	...	31,700	21,600	...	31,700	22,742	...	25,519	0	0	0	0	22,566	...	...

Sources: Compagnie Sénégalaise des Phosphates de Taïba (CSPT), and Société Sénégalaise des Phosphates de Thiès (SSPT).

1/ Includes lime, clinker, and attapulgite.

Table 15. Senegal: Imports and Exports of Petroleum Products by the Société Africaine de Raffinage (SAR), 1996–2003
(Volume in tons; value in millions of CFA francs)

	Imports						Exports					
	Crude		Refined		Total		Mali		Others		Total	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
1996	645,034	52,142	403,387	38,059	90,201	62,503	6,539	34,766	3,694	97,269	10,233	
1997	771,274	73,654	386,228	37,706	111,360	58,697	6,750	51,303	5,950	110,000	12,700	
1998	890,467	60,804	414,439	31,048	91,852	61,368	5,394	52,889	4,440	114,257	9,834	
1999	890,539	76,536	540,792	51,877	128,413	62,964	6,340	65,822	7,308	128,786	13,648	
2000	890,688	138,719	570,467	104,143	242,862	69,121	14,137	86,076	14,896	155,197	29,033	
2001	967,528	144,682	560,896	87,438	232,120	81,613	14,727	27,329	5,765	108,952	20,492	
2002	863,410	116,008	556,906	83,974	199,982	82,272	13,552	65,051	11,190	147,323	24,743	
2003	1,179,225	161,339	492,215	77,906	239,245	84,690	15,415	99,935	16,160	184,625	31,575	

Source: Société Africaine de Raffinage (SAR).

Table 16. Senegal: Retail Prices of Liquid Petroleum Products, December 1996–December 2003

	Gasoline				Gas Oil	Diesel	Fuel Oil		Electricity generation
	Premium	Regular	Fishing boat	Kerosene	Vehicles	180 octane 1/	380 octane 1/		
	(CFA francs per liter)					(CFA francs per ton)			
Dec. 96	455	415	260	225	300	199,160	119,992	113,095	62,402
Dec. 97	455	415	260	225	300	199,160	132,865	125,302	62,402
Mar. 98	455	415	260	225	300	202,852	142,336	135,265	62,402
Jun. 98	425	390	240	125	265	121,510	88,237	84,410	61,542
Sep. 98	421	383	233	120	256	115,258	81,923	78,091	61,542
17-Oct-98	416	379	229	128	266	104,944	75,160	71,715	50,373
12-Nov-98	410	373	223	123	255	95,611	69,155	66,105	50,373
12-Dec-98	399	362	212	114	251	91,874	67,600	66,105	50,373
9-Jan-99	386	350	200	107	245	86,958	63,534	60,845	46,345
6-Feb-99	393	357	207	113	251	91,837	68,264	65,562	50,373
6-Mar-99	393	357	207	113	246	88,129	67,364	65,007	50,373
3-Apr-99	409	372	222	124	263	101,653	71,097	67,575	50,373
3-May-99	435	396	246	143	277	113,708	80,697	76,879	50,373
29-May-99	440	401	251	143	277	113,708	80,697	76,879	50,373
26-Jun-99	440	401	251	136	277	113,708	80,697	76,879	62,379
31-Jul-99	458	418	268	155	296	129,699	91,468	87,025	50,373
28-Aug-99	481	441	291	160	307	139,114	101,887	97,570	59,146
25-Sep-99	481	448	298	174	325	154,637	113,135	108,301	69,877
23-Oct-99	481	449	299	175	326	156,637	119,255	114,574	74,560
20-Nov-99	482	449	299	175	326	156,637	119,255	114,574	74,560
4-Jan-00	490	451	301	215	344	175,562	119,330	107,285	67,271
5-Feb-00	483	443	293	215	344	175,562	119,330	107,285	27,271
16-Sep-00	555	509	337	240	396	201,896	134,525	123,378	77,362
29-Jun-01	571	527	377	248	394	217,740	136,643	127,097	111,007
21-Jul-01	528	485	335	240	394	217,740	136,643	127,097	111,007
22-Aug-01	514	472	322	229	377	203,478	136,643	127,097	111,007
15-Sep-01	522	480	330	229	377	203,478	136,643	127,097	111,007
13-Oct-01	503	462	314	229	371	203,478	136,643	127,097	111,007
10-Nov-01	462	423	275	213	350	184,742	117,858	109,996	93,906
12-Dec-01	449	410	262	199	332	169,464	109,946	102,967	86,877
5-Jan-02	449	410	262	199	321	160,263	109,946	102,967	86,877
30-Mar-02	482	442	294	217	337	174,641	126,403	120,785	104,695
27-Apr-02	482	442	294	217	337	174,641	126,403	120,785	104,695
25-May-02	495	455	307	225	338	183,318	138,236	133,004	116,914
22-Jun-02	483	444	296	214	328	174,248	138,236	133,004	116,914
20-Jul-02	483	444	296	214	328	174,248	128,653	123,304	107,214
17-Aug-02	483	444	296	214	328	174,248	128,653	123,304	107,214
14-Sep-02	483	449	302	226	344	188,078	136,623	130,599	114,509
12-Oct-02	498	458	311	247	356	199,305	147,803	141,777	125,687
9-Nov-02	490	451	304	236	348	191,481	135,720	129,175	113,085
7-Dec-02	464	426	278	216	335	178,875	119,316	112,322	96,232
4-Jan-03	481	442	295	223	354	195,925	124,509	116,094	100,004
1-Feb-03	491	452	305	230	361	203,294	142,108	134,916	118,826
1-Mar-03	510	471	323	256	381	222,046	150,488	142,050	125,960
29-Mar-03	497	459	311	263	396	233,903	139,369	128,193	112,103
26-Apr-03	474	436	289	204	333	177,749	123,135	121,973	100,637
24-mai-0,3	462	425	278	200	317	163,277	119,686	119,606	98,503
21-Jun-03	462	425	278	200	318	163,581	117,212	116,573	95,677
19-Jul-03	472	434	287	200	318	163,581	129,818	130,313	109,319
16-Aug-03	484	446	299	208	327	172,454	129,818	130,313	109,319
13-Sep-03	500	461	314	315	334	178,966	129,818	130,313	109,319
11-Oct-03	468	431	284	204	325	170,514	122,644	121,991	100,941
8-Nov-03	468	431	284	215	345	188,548	122,644	121,991	100,941
6-Dec-03	468	431	284	215	345	188,548	122,644	121,991	100,941

Source: Senegalese authorities.

1/ Prices to large consumers.

Table 17. Senegal : Tourism Sector Trends, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
	(In thousands)							
Arrivals registered	322.1	358.7	392.5	420.0	442.7	453.6	488.2	418.3
Accommodation								
In beds	16.1	17.0	17.1	17.6	18.3	19.2	19.7	20.4
In nights	1,205.6	1,429.1	1,526.2	1,560.0	1,507.0	1,615.5	1,701.7	1,607.0
	(In percent)							
Yearly occupation rate	34.4	38.0	40.0	42.8	35.4	37.7	38.6	37.1
	(In billions of CFA francs)							
Gross revenue	77.8	91.8	100.1	101.4	96.8	103.4	108.3	101.2

Source : Ministry of Tourism.

Table 18. Senegal: Public Investment, 1996-2003 1/
(In billions of CFA francs, unless otherwise indicated)

	1996		1997		1999		2000		2001		2002		2003					
	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution	Planned	Realized investment Total Percentage distribution				
Primary sector	87.8	59.5	33.3	94.7	51.7	26.9	96.3	59.4	23.8	107.8	53.3	19.0	97.2	71.5	24.1	111.4	66.9	20.7
Agriculture	42.4	25.9	14.5	37.7	26.3	13.7	36.9	25.2	10.5	48.3	21.8	6.9	39.8	27.6	9.3	41.3	26.2	8.1
Livestock	3.0	2.4	1.3	3.2	1.7	0.9	3.5	3.4	1.4	2.6	1.1	0.6	5.7	2.4	0.8	5.6	3.8	1.2
Forestry	9.5	8.6	4.8	11.7	7.6	4.0	9.1	6.7	2.8	16.2	5.7	1.7	13.3	9.1	3.1	13.4	6.4	2.0
Fisheries	1.8	1.0	0.6	2.0	1.0	0.5	12.6	4.7	2.0	11.6	9.0	4.1	9.8	3.9	1.6	10.9	5.1	1.6
Rural water supply	14.7	8.8	4.9	18.4	8.9	4.6	16.8	5.5	2.3	12.2	5.9	2.7	11.5	6.3	1.5	17.7	10.0	3.1
Other (including research)	16.2	12.6	7.1	21.7	6.2	3.2	17.4	13.9	5.8	16.9	9.8	4.4	18.8	14.2	5.9	22.5	15.4	4.8
Secondary sector	24.1	13.7	7.7	26.4	16.9	8.8	56.4	25.0	10.4	51.9	36.8	16.7	43.9	14.7	5.9	28.7	32.2	9.9
Industry	6.1	2.0	1.1	4.5	3.6	1.9	1.4	0.6	0.2	5.5	1.4	0.6	3.1	1.0	0.4	5.6	5.2	1.6
Mining	0.9	0.9	0.5	1.1	0.9	0.5	0.6	1.2	0.5	0.5	0.5	0.2	0.6	0.6	0.2	0.7	0.2	0.3
Energy	11.5	6.4	3.6	10.9	9.6	5.0	44.0	17.3	7.2	34.9	32.4	14.7	30.0	5.4	2.2	23.0	19.7	6.0
Other	5.7	4.5	2.5	9.9	2.8	1.5	10.4	5.9	2.5	11.0	2.5	1.1	10.2	7.7	3.1	6.3	6.5	2.1
Tertiary sector	53.2	23.9	13.4	57.9	45.3	23.5	61.9	41.0	17.1	62.9	43.4	19.7	52.1	44.6	17.8	63.0	46.4	12.2
Tourism	0.6	0.2	0.1	0.0	0.0	-	1.0	0.4	0.2	1.3	0.0	0.0	1.1	0.5	0.2	1.0	0.9	0.3
Commerce	0.0	0.1	0.1	0.5	0.5	0.3	1.1	1.8	0.7	0.4	0.4	0.2	0.1	0.3	0.1	0.1	0.1	0.1
Transport	49.4	21.8	12.2	55.7	43.6	22.7	59.5	38.6	16.1	56.0	40.4	18.3	46.8	42.5	17.0	60.0	41.3	13.9
Telecommunications	0.0	0.0	0.0	0.4	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.3
Other	3.2	1.8	1.0	1.3	0.8	0.4	0.3	0.2	0.1	5.2	2.6	1.2	4.1	1.3	0.5	1.1	3.3	1.1
Other sectors	108.6	81.7	45.7	138.7	78.5	40.8	145.8	114.7	47.8	144.5	86.8	39.4	194.0	143.0	57.2	214.4	150.6	50.7
Urban water supply/sewage	47.3	5.2	2.9	47.5	12.9	6.7	45.6	19.5	8.1	32.3	9.4	4.3	35.3	8.8	3.5	32.3	16.9	5.7
Housing	4.7	8.0	4.5	8.0	3.3	1.7	13.2	4.3	1.8	17.8	8.0	3.6	22.1	16.6	6.6	24.6	17.9	6.0
Health	13.6	9.6	5.4	16.1	8.8	4.6	31.3	19.2	8.0	25.3	31.8	14.4	42.5	25.5	10.2	46.5	43.1	14.5
Education	17.8	20.0	11.2	35.3	24.1	12.5	17.3	18.4	7.7	23.8	12.9	5.9	34.6	24.3	9.7	31.6	23.2	7.8
Other	25.1	38.9	21.8	31.8	29.4	15.3	38.4	53.3	22.2	45.3	24.7	11.2	59.5	67.8	27.2	79.4	49.5	16.7
Total	273.7	178.7	100.0	317.7	192.4	100.0	360.4	240.1	99.1	367.1	220.3	100.0	386.5	249.7	100.0	406.8	297.1	100.0
Financing	273.7	178.7	100.0	317.7	192.4	100.0	360.4	240.1	99.1	367.1	220.3	100.0	386.5	249.7	100.0	406.8	297.1	100.0
Domestic	49.8	44.2	24.7	90.6	57.9	30.1	129.9	100.4	41.8	121.9	88.3	40.1	145.6	116.5	46.7	156.4	121.0	40.7
Public and parastatal	39.6	38.6	21.6	75.0	57.8	30.0	120.3	100.0	41.6	121.9	88.3	40.1	145.6	116.5	46.7	156.4	121.0	40.7
Private	10.2	5.6	3.1	15.6	0.1	0.1	9.6	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign	223.7	134.5	75.3	227.2	134.5	69.9	230.5	139.7	58.2	245.6	134.0	60.8	240.9	133.2	53.3	250.4	176.1	59.3
Grants	84.6	47.0	26.3	95.6	63.2	32.8	95.4	58.5	24.4	99.8	48.4	22.0	89.4	78.7	31.5	88.7	77.8	26.2
Concessional	139.1	87.5	49.0	131.6	71.3	37.1	135.1	81.2	33.8	145.8	85.6	38.9	151.5	54.5	21.8	161.7	98.3	33.1
Semiconcessional borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Economic and Financial Cooperation Directorate.

1/ Includes investments of public agencies outside the central government.

Table 19. Senegal: Consumer Price Index, 1996-2004 1/

	Index	Percentage Change 2/	Foodstuff	Clothing	Housing	Household Goods	Transport and Leisure
Weight	100.0		56.0	11.9	16.2	4.0	11.9
1996							
I	688.8	4.1	720.5	647.0	550.5	1,001.7	664.1
II	693.4	3.6	724.9	652.3	560.0	1,002.1	664.1
III	722.2	2.3	777.0	647.0	564.1	1,002.5	660.5
IV	721.0	1.2	773.0	654.4	564.1	1,002.5	661.7
1997							
I	712.1	3.4	749.1	696.2	559.2	1,003.4	662.3
II	706.4	1.9	732.8	707.1	584.0	1,003.8	648.4
III	722.4	0.3	759.9	705.6	571.5	1,003.8	673.7
IV	733.9	1.8	773.2	731.1	565.4	1,006.5	689.7
Weight	100.0		41.5	10.8	16.9	7.2	11.1
1998 1/	102.8	1.1	104.3	98.6	101.0	98.3	100.6
1999	103.6	0.8	104.6	97.1	104.6	97.5	101.0
2000	104.4	0.7	103.7	96.9	109.9	98.6	103.0
1998							
I	102.1	0.7	103.2	99.7	100.6	98.3	101.7
II	100.9	0.7	99.9	98.9	100.6	98.8	101.6
III	104.3	2.0	107.6	98.1	101.3	98.5	99.8
IV	103.8	1.3	106.4	97.5	101.5	97.7	99.5
1999							
I	102.9	0.8	104.0	98.2	102.1	97.7	99.6
II	102.2	1.3	101.9	97.2	103.7	97.6	100.6
III	102.7	-1.5	107.1	96.5	105.5	97.7	101.4
IV	104.5	0.7	105.3	96.4	107.1	97.2	102.3
2000							
I	103.7	0.8	102.9	97.5	107.4	97.8	102.2
II	103.3	1.0	101.1	97.2	109.9	98.8	102.3
III	103.2	0.5	106.0	96.1	110.3	99.9	102.8
IV	103.5	-1.0	104.8	97.0	111.9	98.8	104.8
2001							
I	105.5	1.7	104.0	95.1	112.2	100.3	106.5
II	105.4	2.1	103.9	94.4	112.4	100.5	106.5
III	106.3	3.0	112.0	94.4	112.5	100.5	105.6
IV	107.9	4.3	114.1	93.6	113.7	103.0	103.8
2002							
I	109.2	3.5	112.9	91.9	113.6	103.0	104.7
II	109.2	3.5	112.2	92.0	114.4	102.9	105.4
III	109.2	2.7	115.3	92.5	115.3	102.9	105.4
IV	109.6	1.6	115.2	92.2	115.3	102.9	105.6
2003							
I	110.1	0.8	113.2	90.4	116.8	103.3	105.5
II	108.5	-0.6	109.8	90.4	116.4	103.2	105.2
III	108.7	-0.5	115.1	90.6	116.3	102.9	104.7
IV	109.4	-0.2	114.6	90.1	116.2	103.2	104.8
2004							
I	109.8	-0.2	112.7	87.6	117.4	103.3	105.0
II	109.1	0.5	110.8	87.5	117.1	103.2	106.2
III	109.6	0.9	116.2	87.3	117.1	102.6	106.7
IV	110.5	1.0	116.4	87.3	116.8	103.0	107.3

Source: Senegalese authorities.

1/ From 1998 onward, the harmonized West African Economic and Monetary Union index is used, rebased as 1996 = 100. From 1991 to 1997, an index of consumer prices for the average family in Dakar is used (1967 = 100).

2/ Annual change for annual data; change over four quarters for quarterly data.

Table 20. Senegal: Price Control System
(As of December 2003)

Category	Goods	Services
Category I (goods and services subject to fixed pricing)	<p>Charcoal (retail prices: CFAF 106)</p> <p>Gas (butane) CFAF 16.980 per bottle of 38 kg CFAF 5.585 per bottle of 12.5 kg CFAF 1.495 per bottle of 6 kg CFAF 665 per bottle of 2.7 kg</p>	<p>Water, retail prices: First tranche; CFAF 191,32 per cubic meter Second tranche; CFAF 629,88 per cubic meter Third tranche; CFAF 766,67 per kilowatt</p> <p>Electricity, retail prices: First tranche; CFAF 126,32 per kilowatt Second tranche; CFAF 110 per kilowatt Third tranche; CFAF 65,11 per kilowatt</p>
Category II (goods and services subject to strict certification requirements)	Pharmaceutical products	

Source: Senegalese authorities.

Table 21. Senegal: Nominal and Real Minimum Wages, December 1996 - December 2003

	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.	2002	2003
Nominal (CFA francs per hour)	209.1	209.1	209.1	209.1	209.1	209.1	209.1	209.1
Real 1/ (1996=100)	100.0	98.3	97.2	96.4	95.7	93.0	90.8	90.9

Sources: Senegalese authorities; and staff estimates.

1/ Calculated using the consumer price index for the average Senegalese family in Dakar.

Table 22. Senegal: Government Financial Operations, 1996-2003
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
Total revenue and grants	496.1	497.8	541.9	568.4	626.3	664.4	726.7	797.8
Revenue	394.3	432.2	460.1	506.8	562.3	602.7	664.6	720.1
Tax revenue	369.3	401.1	438.9	491.2	537.3	576.8	629.2	677.0
Nontax revenue	25.0	31.1	21.2	15.6	25.0	25.9	35.4	43.1
Grants	101.8	65.6	81.8	61.6	64.0	61.7	62.1	77.7
Budgetary	17.7	11.9	18.7	4.1	14.1	0.0	1.9	17.6
Budgeted development projects	84.1	53.7	63.1	57.5	49.9	61.7	60.2	60.1
Total expenditure and net lending	497.9	484.3	550.6	609.9	616.0	748.1	730.3	850.1
Current expenditure	312.6	317.6	310.1	351.1	411.0	516.6	478.2	529.5
Wages and salaries	162.6	160.4	162.6	166.6	175.8	177.3	199.4	203.7
Interest due	55.9	58.6	34.8	42.5	45.3	30.3	39.8	44.6
Of which : external	45.9	47.5	27.8	32.3	39.6	23.7	35.4	40.0
Other current expenditure	94.1	98.6	112.7	142.0	189.9	309.0	239.0	281.2
Transfers and subsidies	32.7	46.3	41.2	62.7	92.9	178.7	...	140.9
Goods and services	61.4	52.3	71.5	79.3	97.0	130.3	...	140.3
HIPC current spending	...	...	...	...	...	...	...	...
Capital expenditure	183.0	163.8	196.9	242.3	186.1	232.3	275.9	338.5
Domestically financed	41.6	57.5	78.5	111.3	106.6	133.6	147.9	190.3
HIPC financed	0.0	0.0	0.0	0.0	0.0	15.1	4.1	28.4
Non HIPC financed	41.6	57.5	78.5	111.3	106.6	118.5	143.8	161.9
Externally financed	141.4	106.3	118.4	131.0	79.5	98.7	128.0	148.2
Treasury special accounts and correspondents (net)	0.0	0.0	3.9	4.0	6.5	3.8	-18.2	-11.1
Net lending	-5.6	-4.4	35.3	5.3	4.9	-4.6	-5.6	-6.8
Lending	2.3	13.6	44.0	22.4	11.4	5.7	2.7	2.7
Reimbursements	-7.9	-18.0	-8.7	-17.1	-6.5	-10.3	-8.3	-9.5
Primary fiscal balance 1/	54.1	72.1	26.1	1.0	55.6	-53.4	36.2	-7.7
Overall fiscal balance (including grants)	-1.8	13.5	-8.7	-41.5	10.3	-83.7	-3.6	-52.3
Overall fiscal balance (excluding grants)	-103.6	-52.1	-90.5	-103.1	-53.7	-145.4	-65.7	-130.0
Basic fiscal balance (program definition) 2/	40.1	67.8	71.9	50.3	41.4	-25.9	69.1	49.3
Financing	1.8	-16.2	11.4	41.5	-10.3	83.7	3.6	52.3
External financing	39.6	46.6	50.3	22.9	17.1	54.9	68.4	60.9
Drawings	83.1	101.4	108.7	80.2	78.1	103.3	112.7	90.8
Program loans	23.5	2.4	19.1	0.0	37.1	60.6	42.2	0.0
Project loans	59.6	53.6	89.6	80.2	41.0	42.7	70.5	90.8
Amortization due	-72.7	-72.0	-58.4	-57.3	-65.2	-64.2	-81.0	-73.9
Debt relief and HIPC Initiative assistance 3/	36.2	17.2	0.0	0.0	4.2	15.8	36.7	44.0
Domestic financing	-48.5	-60.4	-28.6	18.6	-21.1	17.4	-70.7	-8.5
Banking system	-21.5	-148.3	-6.2	7.4	-28.3	21.8	-75.4	-42.3
Of which : issuance of new treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0
Nonbank financing 4/	-27.0	87.9	-22.4	11.2	7.2	-4.4	4.7	33.8
Of which : privatization	0.0	93.4	30.9	40.7	2.9	-44.1	1.1	1.1
Of which : T-bills issued in WAEMU region	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
Errors and omissions	10.7	-2.4	-10.3	0.0	-6.3	11.4	5.9	-0.2
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:								
HIPC Initiative expenditure 5/	0.0	0.0	0.0	0.0	4.2	15.1	4.1	28.4
Social expenditure 6/	128.0	127.1	143.3	163.2	169.4	222.3	217.5	264.7
Gross domestic product	2,451.6	2,576.1	2,796.5	3,000.0	3,192.0	3,342.7	3,472.7	3,725.4

Sources: Senegalese authorities; and staff estimates and projections.

1/ Defined as total revenue and grants minus total expenditure and net lending, excluding interest expenditure.

2/ Defined as total revenue minus total expenditure and net lending, excluding externally financed capital expenditure, on-lending, cost of structural reforms and HIPC expenditure.

3/ Includes from 2000 to 2003 interim HIPC Initiative debt relief accorded by the IMF, the World Bank, the African Development Bank, and Paris Club. 2002 and 2003 figures include the deferral of debt payments to Paris Club creditors in anticipation of the HIPC completion point in 2004.

4/ Includes offsetting adjustments for movements in net bank credit to account for the coverage discrepancy between fiscal and monetary data.

5/ Refers to HIPC-financed current spending in 2000 and 2001, and, for 2003, HIPC-financed capital and other expenditure authorized in the supplement budgets of 2001 and 2003.

6/ Education, health and others (see Table 28).

Table 23 Senegal: Government Financial Operations, 1996-2003
(In percent of GDP; unless otherwise indicated)

	1996	1997	1998	1999	2000	2001	2002	2003
Total revenue and grants	20.2	19.3	19.4	18.9	19.6	19.9	20.9	21.4
Revenue	16.1	16.8	16.5	16.9	17.6	18.0	19.1	19.3
Tax revenue	15.1	15.6	15.7	16.4	16.8	17.3	18.1	18.2
Nontax revenue	1.0	1.2	0.8	0.5	0.8	0.8	1.0	1.2
Grants	4.2	2.5	2.9	2.1	2.0	1.8	1.8	2.1
Budgetary	0.7	0.5	0.7	0.1	0.4	0.0	0.1	0.5
Budgeted development projects	3.4	2.1	2.3	1.9	1.6	1.8	1.7	1.6
Total expenditure and net lending	20.3	18.8	19.7	20.3	19.3	22.4	21.0	22.8
Current expenditure	12.8	12.3	11.1	11.7	12.9	15.5	13.8	14.2
Wages and salaries	6.6	6.2	5.8	5.6	5.5	5.3	5.7	5.5
Interest due	2.3	2.3	1.2	1.4	1.4	0.9	1.1	1.2
<i>Of which</i> : external	1.9	1.8	1.0	1.1	1.2	0.7	1.0	1.1
Other current expenditure	3.8	3.8	4.0	4.7	5.9	9.2	6.9	7.5
Transfers and subsidies	1.3	1.8	1.5	2.1	2.9	5.3	...	3.8
Goods and services	2.5	2.0	2.6	2.6	3.0	3.9	...	3.8
HIPC current spending	...	...	...	...	...	...	...	...
Capital expenditure	7.5	6.4	7.0	8.1	5.8	6.9	7.9	9.1
Domestically financed	1.7	2.2	2.8	3.7	3.3	4.0	4.3	5.1
HIPC financed	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.8
Non HIPC financed	1.7	2.2	2.8	3.7	3.3	3.5	4.1	4.3
Externally financed	5.8	4.1	4.2	4.4	2.5	3.0	3.7	4.0
Treasury special accounts and correspondents (net)	0.0	0.0	0.1	0.1	0.2	0.1	-0.5	-0.3
Net lending	-0.2	-0.2	1.3	0.2	0.2	-0.1	-0.2	-0.2
Lending	0.1	0.5	1.6	0.7	0.4	0.2	0.1	0.1
Reimbursements	-0.3	-0.7	-0.3	-0.6	-0.2	-0.3	-0.2	-0.3
Primary fiscal balance 1/	2.2	2.8	0.9	0.0	1.7	-1.6	1.0	-0.2
Overall fiscal balance (including grants)	-0.1	0.5	-0.3	-1.4	0.3	-2.5	-0.1	-1.4
Overall fiscal balance (excluding grants)	-4.2	-2.0	-3.2	-3.4	-1.7	-4.3	-1.9	-3.5
Basic fiscal balance (program definition) 2/	1.6	2.6	2.6	1.7	1.3	-0.8	2.0	1.3
Financing	0.1	-0.6	0.4	1.4	-0.3	2.5	0.1	1.4
External financing	1.6	1.8	1.8	0.8	0.5	1.6	2.0	1.6
Drawings	3.4	3.9	3.9	2.7	2.4	3.1	3.2	2.4
Program loans	1.0	0.1	0.7	0.0	1.2	1.8	1.2	0.0
Project loans	2.4	2.1	3.2	2.7	1.3	1.3	2.0	2.4
Amortization due	-3.0	-2.8	-2.1	-1.9	-2.0	-1.9	-2.3	-2.0
Debt relief and HIPC Initiative assistance 3/	1.5	0.7	0.0	0.0	0.1	0.5	1.1	1.2
Domestic financing	-2.0	-2.3	-1.0	0.6	-0.7	0.5	-2.0	-0.2
Banking system	-0.9	-5.8	-0.2	0.2	-0.9	0.7	-2.2	-1.1
<i>Of which</i> : issuance of new treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Nonbank financing 4/	-1.1	3.4	-0.8	0.4	0.2	-0.1	0.1	0.9
<i>Of which</i> : privatization	0.0	3.6	1.1	1.4	0.1	-1.3	0.0	0.0
<i>Of which</i> : T-bills issued in WAEMU region	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Errors and omissions	0.4	-0.1	-0.4	0.0	-0.2	0.3	0.2	0.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum item:								
HIPC Initiative expenditure 5/	0.0	0.0	0.0	0.0	0.1	0.5	0.1	0.8
Social expenditure 6/	5.2	4.9	5.1	5.4	5.3	6.7	6.3	7.1
Gross domestic product (In billions of CFA francs)	2,451.6	2576.1	2,796.5	3,000.0	3,192.0	3,342.7	3,472.7	3,725.4

Sources: Senegalese authorities; and staff estimates and projections.

1/ Defined as total revenue and grants minus total expenditure and net lending, excluding interest expenditure.

2/ Defined as total revenue minus total expenditure and net lending, excluding externally financed capital expenditure, on-lending, cost of structural reforms and HIPC expenditure.

3/ Includes from 2000 to 2003 interim HIPC Initiative debt relief accorded by the IMF, the World Bank, the African Development Bank, and Paris Club. 2002 and 2003 figures include the deferral of debt payments to Paris Club creditors in anticipation of the HIPC completion point in 2004.

4/ Includes offsetting adjustments for movements in net bank credit to account for the coverage discrepancy between fiscal and monetary data.

5/ Refers to HIPC-financed current spending in 2000 and 2001, and, for 2003, HIPC-financed capital and other expenditure authorized in the supplement budgets of 2001 and 2003.

6/ Education, health and others (see Table 28).

Table 24. Senegal: Budgetary Revenue, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
	(In billions of CFA francs)							
Total revenue	394.3	432.2	460.1	506.8	562.3	602.7	662.0	720.1
Tax revenue	389.4	408.6	440.8	491.2	537.3	576.8	627.3	677.0
Taxes on income and property	85.0	94.3	107.2	107.5	128.7	130.6	145.9	159.3
Individual	45.8	53.7	56.6	54.2	61.9	58.8	74.7	80.8
Corporate	26.3	29.0	37.1	38.7	49.1	48.9	54.2	55.9
Real estate capital gains	0.5	0.5	0.3	0.5	0.4	1.0	1.0	1.7
Capital income	6.4	4.9	6.3	6.9	10.0	12.2	8.2	12.1
Social security (ONFP)	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3
Payroll (CFCE)	5.3	5.3	5.9	6.0	6.3	6.6	6.8	7.5
Property	0.4	0.6	0.7	0.8	0.7	2.8	0.8	0.9
Taxes on goods and services (excluding petroleum)	135.8	158.7	170.6	193.2	241.4	254.8	258.3	308.9
Valued-added tax (VAT) on domestic goods	68.2	82.8	77.4	91.7	112.4	90.5	114.6	128.7
VAT on imported goods	42.1	48.1	65.0	67.3	91.0	112.7	86.4	119.8
Presumptive taxes on domestic goods	1.3	1.5	0.0	0.0	0.0	0.0	0.6	3.6
Presumptive taxes on imported goods	3.2	3.4	3.7	5.2	5.8	9.7	7.3	6.1
Excises	6.5	4.2	4.6	6.0	8.0	9.6	16.0	15.7
Taxes on insurance contracts	1.4	1.6	1.7	1.8	2.3	3.5	3.1	2.9
Motor vehicles taxes	1.7	1.9	1.8	2.2	2.4	3.7	3.5	3.5
Registration duties	5.6	9.3	7.9	10.7	10.5	13.5	14.5	19.3
Others	5.8	5.9	8.5	8.2	8.8	11.6	12.3	10.4
Stamp duties	5.5	5.9	7.4	7.2	8.1	10.3	9.3	10.4
Miscellaneous	0.3	0.0	1.1	1.0	0.7	1.3	3.0	0.0
Taxes on imports (excluding petroleum) 1/	115.8	108.7	110.7	106.6	72.8	107.3	107.7	107.9
Taxes on petroleum products	52.8	46.9	52.3	83.9	94.4	84.1	115.4	100.9
Custom duties	17.2	20.8	11.4	11.2	11.3	0.8	6.2	7.2
VAT	15.5	18.6	21.6	23.2	28.3	38.6	64.4	37.3
Stabilization	20.1	7.5	1.9	0.0	0.0	0.0	0.0	0.0
Excises	0.0	0.0	17.4	49.5	54.8	44.7	44.8	56.4
Nontax revenue	4.9	23.6	19.3	15.6	25.0	25.9	34.7	43.1
Entrepreneurial and property income	2.6	7.1	6.5	5.8	11.3	13.8	18.8	20.3
Fishing rights	0.0	8.3	7.9	7.9	7.9	5.2	8.6	12.5
Others	2.3	8.2	4.9	1.9	5.8	6.9	7.3	10.3
	(Percentage share of total revenue)							
Tax revenue	98.8	94.5	95.8	96.9	95.6	95.7	94.8	94.0
Taxes on income and property	21.6	21.8	23.3	21.2	22.9	21.7	22.0	22.1
Taxes on goods and services 2/	34.4	36.7	37.1	38.1	42.9	42.3	39.0	42.9
Taxes on imports	29.4	25.2	24.1	21.0	12.9	17.8	16.3	15.0
Taxes on petroleum products	13.4	10.9	11.4	16.6	16.8	14.0	17.4	14.0
Nontax revenue	1.2	5.5	4.2	3.1	4.4	4.3	5.2	6.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Of which</i> : total revenue from petroleum	13.4	10.9	11.4	16.6	16.8	14.0	17.4	14.0

Source: Senegalese authorities.

1/ Includes the customs duty, the fiscal duty, and surtaxes. Surtaxes generate no more than CFAF 1 billion a year.

2/ Excluding petroleum products.

Table 25. Senegal: Current Budgetary Expenditure, 1996-2003
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
Economic classification								
Wages and salaries	162.6	160.4	162.6	166.6	175.8	177.3	199.4	203.7
Materials, supplies, and maintenance	61.4	52.3	71.5	79.3	97.0	130.5	...	140.3
Interest on government debt	55.9	58.6	34.8	42.5	45.3	30.3	39.8	44.6
<i>Of which</i> : external	45.9	47.5	27.8	32.3	39.6	23.7	35.4	40.0
Other transfers and subsidies	29.2	43.0	36.8	49.3	79.4	178.5	...	140.9
<i>Of which</i> : scholarships	...	5.2	6.3	5.8	6.1	6.9	...	...
Unclassified	3.5	3.3	7.3	13.4	13.5	0.2	...	...
Total	312.6	317.6	310.1	351.1	411.0	516.6	478.2	529.5
Functional classification								
General public services	81.4	88.4	90.9	89.5	93.7	84.7	87.4	83.4
National defense	39.6	40.2	41.9	46.1	47.1	48.0	52.8	54.5
Education	79.5	82.0	86.7	90.4	94.7	109.5	115.6	143.1
Health	17.2	16.0	14.4	16.9	22.1	25.0	28.1	36.1
Social and community services	5.0	12.6	5.7	6.6	18.1	2.6	43.4	13.9
Economic services	7.6	10.7	9.4	13.8	15.5	116.0	27.8	30.4
Unallocable	82.3	67.7	61.1	87.8	119.8	130.8	103.3	171.2
<i>Of which</i> : interest on govt. debt 1/	55.9	58.6	34.8	42.5	45.3	30.3	39.8	44.6
Total	312.6	317.6	310.1	351.1	411.0	516.6	478.2	529.5

Source: Senegalese authorities.

1/ Including scheduled interest on government debt serviced by the Caisse Autonome d'Amortissement (CAA) through a treasury special account.

Table 26. Senegal: Government Wage Bill and Number of Civil Servants, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
Wage bill (in billions of CFA francs)	162.6	160.4	162.6	166.6	175.8	177.3	199.4	203.7
Annual change in wage bill (in percent)	3.2	-1.4	1.4	2.5	5.5	0.9	12.5	2.2
As percent of current budgetary expenditure	52.0	50.5	52.4	47.5	42.8	34.3	41.7	38.5
As percent of total expenditure and net lending	32.7	33.1	29.5	27.3	28.5	23.7	27.3	24.0
As percent of GDP	6.6	6.2	5.8	5.6	5.5	5.3	5.7	5.5
Number of civil servants (as of end of period) 1	67,029	66,754	66,286	65,536	66,101	65,259	66,033	67,429
Annual change in the number of civil servants (in percent)	0.0	-0.4	-0.7	-1.1	0.9	-1.3	1.2	2.1

Source: Senegalese authorities.

1/ Excluding technical assistants and employees in process of retirement.

Table 27. Senegal: Minimum and Maximum Salaries for Selected Civil Servants, January 1985– December 2003
(CFA francs per month)

	1985 Jan.	1989 July	1993 Sep.	1994 Jan.	2000 Dec. 1/	2001 Dec.	2002 Dec.	2003 Dec.
Minimum								
Base salary	27,211	30,211	25,679	30,211	47,667	47,667	52,667	52,667
Special allowance	5,442	6,042	5,135	6,042	6,042	6,042	6,042	6,042
Residence allowance	3,809	4,229	3,595	4,229	4,229	4,229	4,229	4,229
Total	36,462	40,482	34,409	40,482	57,938	57,938	62,938	62,938
Maximum								
Base salary	177,735	180,735	153,624	180,735	204,868	204,868	214,868	214,868
Special allowance	35,547	36,147	30,724	36,147	36,147	36,147	36,147	36,147
Residence allowance	24,883	25,302	21,507	25,302	25,302	25,302	25,302	25,302
Total	238,165	242,184	205,855	242,184	266,317	266,317	276,317	276,317

Source: Senegalese authorities.

1/ Salary levels remained unchanged between April 1994 and December 2000.

Table 28. Senegal: Social Expenditures, 1996–2003

	1996	1997	1998	1999	2000	2001	2002	2003
	(In billions of CFA francs)							
Health	30.4	29.9	32.6	38.3	40.1	71.2	57.7	66.6
Current expenditure	18.7	19.0	19.8	23.3	26.0	28.7	32.6	36.1
Wages and salaries	10.0	10.6	10.6	11.6	12.5	12.6	11.6	11.3
Supplies	7.4	4.5	5.3	7.1	5.2	6.6	7.5	8.5
Transfers	1.3	1.3	1.3	1.5	5.1	6.1	10.9	13.7
Maintenance	...	...	...	0.5	0.6	0.8		
Current expenditure by municipalities	0.0	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Capital expenditure	11.7	10.9	12.8	15.0	14.1	42.5	25.1	31.1
Domestically financed	0.9	0.6	2.1	3.7	5.6	9.3	8.9	9.0
Externally financed	10.8	10.3	10.7	11.4	8.5	33.2	16.2	22.1
Education	96.7	96.2	109.4	118.0	120.0	143.1	151.3	186.8
Current expenditure	86.6	87.8	90.4	94.3	100.4	108.6	130.9	143.1
Wages and salaries	58.0	59.4	61.6	63.9	65.3	65.2	76.9	79.1
Supplies	5.7	4.3	5.2	6.3	9.8	12.6	17.2	24.2
Transfers	21.6	21.7	21.3	22.0	23.2	28.4	35.4	38.6
Maintenance	0.4	0.1	0.1	0.1	0.2	0.5	...	...
Current expenditure by municipalities	0.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Other	1.0	0.8	0.8	0.5	0.4	0.4	...	...
Capital expenditure	10.1	8.4	19.0	23.7	19.6	34.6	20.4	43.4
Domestically financed	0.9	1.7	4.8	9.4	9.2	9.3	9.8	11.4
Externally financed	9.2	6.7	14.1	14.3	10.4	25.3	12.8	32.0
Other 1/	0.8	1.0	1.4	6.8	9.2	8.0	8.5	11.3
Current expenditure	0.7	0.7	0.8	5.5	6.2	6.9	7.2	7.9
Wages and salaries	0.6	0.6	0.6	4.6	5.0	5.2	5.1	5.7
Supplies	0.1	0.1	0.2	1.0	1.2	1.7	2.1	2.2
Capital expenditure	0.1	0.3	0.6	1.3	3.1	1.1	1.3	3.3
Domestically financed	0.1	0.3	0.6	1.3	0.1	1.1	1.3	3.3
Externally financed	0.0	0.0	0.0	0.0	3.0	0.0	...	...
	(In percent of total current expenditure)							
Current expenditure in social sectors	33.9	33.8	35.8	35.1	32.3	27.9	35.0	35.2
Health	6.0	6.0	6.4	6.6	6.3	5.6	6.8	6.7
Education	27.7	27.6	29.2	26.8	24.4	21.0	26.6	27.0
Other	0.2	0.2	0.3	1.6	1.5	1.3	1.5	1.5
	(In percent of total capital expenditure)							
Capital expenditure in social sectors	12.0	12.0	16.4	16.5	19.0	33.6	17.2	23.1
Health	6.4	6.7	6.5	6.2	7.3	18.3	9.2	9.2
Education	5.5	5.1	9.6	9.8	10.1	14.9	7.5	12.9
Other	0.1	0.2	0.3	0.6	1.6	0.5	0.5	1.0
	(In percent of total current and capital expenditure)							
Total current and capital expenditure in social sectors	25.8	26.4	28.3	27.5	28.0	29.7	28.5	30.5
Health	6.1	6.2	6.4	6.5	6.6	9.5	7.7	7.7
Education	19.5	20.0	21.6	19.9	19.9	19.1	19.7	21.5
Other	0.2	0.2	0.3	1.2	1.5	1.1	1.1	1.3
Memorandum items:	(In billions of CFA francs)							
Total current expenditure	312.6	317.6	310.1	351.1	411	516.6	478.2	529.5
Capital expenditure, domestically financed	41.6	57.5	78.5	111.3	106.6	133.6	143.8	189
Capital expenditure, externally financed	141.4	106.3	118.4	131.0	86.6	98.7	128.0	148.2
Total current and capital expenditure	495.6	481.4	507	593.4	604.2	748.9	750	866.7

Sources: Senegalese authorities; and staff estimates.

1/ Including Justice in 1999 and in 2000.

Table 29. Senegal: Monetary Survey, 1996–2003 1/

	1996	1997	1998	1999	2000	2001	2002	2003
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
(In billions of CFA francs)								
Net foreign assets	-70.2	15.6	51.4	103.9	88.7	169.6	296.8	386.5
Central Bank of West African States (BCEAO)	-98.0	-21.1	-6.5	13.5	-5.6	66.7	137.7	187.3
Commercial banks	27.8	36.7	57.9	90.4	94.3	102.9	159.1	199.2
Net domestic assets	611.1	564.8	578.9	610.2	701.7	735.6	677.4	729.8
Net domestic credit	683.8	583.3	621.5	674.6	785.3	837.4	793.0	848.8
Net credit to the government	335.6	187.3	181.1	188.5	160.2	181.9	106.5	64.2
Central bank	269.4	152.1	158.9	174.4	201.2	221.0	188.7	175.5
Commercial banks	66.4	35.0	20.9	13.0	-42.5	-42.0	-82.9	-117.2
Other institutions	-0.2	0.2	1.3	1.1	1.5	2.9	0.7	5.9
Credit to the economy	348.2	396.0	440.4	486.1	625.1	655.5	686.5	784.6
Crop credit	1.1	2.0	12.7	1.7	0.0	5.0	0.9	3.6
Other credit	347.1	394.0	427.7	484.4	625.1	650.5	685.6	781.0
Other items (net) 2/	-72.7	-18.5	-42.6	-64.4	-83.6	-101.8	-115.6	-119.0
Broad money (M2)	540.9	580.4	630.3	714.1	790.4	905.2	974.2	1,116.3
Currency outside banks	142.0	142.8	158.5	179.7	172.0	217.8	192.7	173.2
Demand deposits	189.4	199.9	238.6	261.2	292.9	323.5	372.6	503.5
Time deposits	209.5	237.7	233.2	273.2	325.5	363.9	408.9	439.6
(Change in percent of beginning-of-period money stock)								
Net foreign assets	7.2	15.9	6.2	8.3	-2.1	10.2	14.1	9.2
BCEAO	5.8	14.2	2.5	3.2	-2.7	9.1	7.8	5.1
Commercial banks	1.4	1.6	3.7	5.2	0.5	1.1	6.2	4.1
Net domestic assets	3.7	-8.6	2.4	5.0	12.8	4.3	-6.4	5.4
Net credit to the government	-4.4	-27.4	-1.1	1.2	-4.0	2.7	-8.3	-4.3
Credit to the economy	12.6	8.8	11.2	7.3	3.8	2.5	3.4	10.1
Other items (net)	-4.5	10.0	-4.2	-3.5	-2.7	-2.3	-1.5	-0.3
Broad money (M2)	10.8	7.3	8.6	13.3	10.7	14.5	7.6	14.6

Source: Central Bank of West African States (BCEAO).

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which resulted in a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

2/ Including revaluation account.

Table 30. Senegal: Summary Accounts of Central Bank, 1996-2003 1/
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
Net foreign assets								
Assets	-98.0	-21.1	-6.5	13.5	-5.6	66.7	137.7	187.3
Liabilities	151.0	231.4	243.5	262.9	273.3	339.3	403.7	413.0
	-249.0	-252.5	-250.0	-249.4	-278.9	-272.6	-266.0	-225.7
Net domestic assets	266.7	195.8	192.5	202.5	234.2	245.8	207.0	172.9
Net credit to government	269.4	152.1	158.9	174.4	201.2	221.0	188.7	175.5
Claims	296.2	293.7	296.3	279.0	256.6	300.9	292.1	262.1
Statutory advances	60.0	66.8	70.4	60.7	38.9	73.5	73.5	68.8
Use of IMF credit	175.6	168.0	160.8	154.0	154.1	159.4	152.2	133.4
Consolidated and refinanced loans	1.5	0.0	6.0	5.2	4.5	8.9	7.3	6.5
Other claims	59.1	58.9	59.1	59.1	59.1	59.1	59.1	53.4
Deposit and cash	-26.8	-141.6	-137.4	-104.6	-55.4	-79.9	-103.4	-86.6
Claims on deposit money banks	2.6	31.7	26.9	12.6	2.0	0.0	0.0	0.0
Advances on the money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rediscount	2.6	31.7	26.9	12.6	2.0	0.0	0.0	0.0
Consolidated claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on nonbank institutions (net)	0.5	0.5	0.4	0.0	0.0	0.0	0.0	0.0
Other items (net)	-5.8	11.5	6.3	15.5	31.0	24.8	18.3	-2.6
<i>Of which</i> : reevaluation account	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Base money	168.7	174.7	186.0	216.0	228.6	312.5	344.7	360.2
Currency outside banks	142.0	142.8	158.5	179.7	172.0	217.8	192.7	173.2
Banks' reserves	26.4	31.3	27.1	35.7	55.9	93.4	151.3	185.5
Claims on the money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits at the Central Bank of West African States (BCEAO)	15.1	17.6	13.7	18.0	38.5	72.6	127.4	154.0
Currency in vault	11.3	13.7	13.4	17.7	17.4	20.8	23.9	31.5
Reserves of nonbank institutions at the BCEAO	0.3	0.6	0.4	0.6	0.7	1.3	0.7	1.5

Source: Central Bank of West African States (BCEAO).

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which resulted in a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

Table 31. Senegal: Summary Accounts of Commercial Banks, 1996-2003 1/
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
Net foreign assets	27.8	36.7	57.9	90.4	94.3	102.9	159.1	199.2
Assets	74.9	93.0	123.9	168.6	155.6	178.5	226.2	254.8
Liabilities	-47.1	-56.3	-66.0	-78.2	-61.3	-75.6	-67.1	-55.6
<i>Of which: medium- and long-term foreign liabilities</i>	-8.6	-6.3	-3.5	-5.8	-4.9	-10.4	-12.8	-19.5
Net domestic assets	370.6	429.0	436.2	451.8	521.0	576.6	616.4	734.0
Net credit to the government	66.4	35.0	20.9	13.0	-42.5	-42.0	-82.9	-117.2
Claims on government	111.4	109.0	90.4	82.4	69.7	81.4	44.1	56.5
<i>Of which: securitization</i>	93.0	91.2	74.8	65.2	56.0	41.5	32.8	24.3
securitization CNCAS 2/	8.1	7.5	7.0	6.4	5.8	5.2	4.6	4.1
securitization BST 3/	1.5	1.5	1.4	2.6	2.4	2.1	1.8	1.5
Consolidated and refinanced loans	50.2	35.6	32.0	28.2	24.3	20.4	16.5	12.6
Deposits	-95.2	-109.6	-101.5	-97.6	-136.5	-143.8	-143.5	-186.3
Credit to the private sector	344.7	392.7	437.1	483.0	622.2	651.8	682.0	782.1
Short term	184.4	217.4	260.4	290.8	390.5	381.9	403.6	513.2
Medium and long term	137.1	148.2	152.6	175.5	210.4	238.0	245.4	254.0
Nonperforming loans (net)	23.2	27.1	24.1	16.7	21.3	31.9	33.0	14.9
Reserves	26.4	31.3	27.1	35.7	55.9	93.4	151.3	185.5
Currency in vault	11.3	13.7	13.4	17.7	17.4	20.8	23.9	31.5
Deposits to the Central Bank of West African States (BCEAO)	15.1	17.6	13.7	18.0	38.5	72.6	127.4	154.0
Net position in the money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other items (net)	-66.9	-30.0	-48.9	-79.9	-114.6	-126.6	-134.0	-116.4
<i>Of which: reevaluation account</i>	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Claims of the central bank	2.6	31.7	26.9	12.6	2.0	0.0	0.0	0.0
Private sector deposits	395.8	434.0	467.2	529.6	613.3	679.5	775.5	933.2
Demand deposits	186.3	196.3	234.0	256.4	287.8	315.6	366.6	493.6
Time deposits	209.5	237.7	233.2	273.2	325.5	363.9	408.9	439.6

Source: BCEAO.

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which resulted in a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

2/ Caisse Nationale de Crédit Agricole du Sénégal (CNCAS).

3/ Banque Sénégal - Tunisienne (BST).

Table 32. Senegal: Banking System Claims on Central Government, 1996-2003 1/
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
Net credit to government	335.6	187.3	181.1	188.5	160.2	181.9	106.5	64.2
Central bank: net claims	269.4	152.1	158.9	174.4	201.2	221.0	188.7	175.5
Claims	296.2	293.7	296.3	279.0	256.6	300.9	292.1	262.1
Statutory advances	60.0	66.8	70.4	60.7	38.9	73.5	73.5	68.8
Use of IMF credit	175.6	168.0	160.8	154.0	154.1	159.4	152.2	133.4
Consolidated loans	1.5	0.0	6.0	5.2	4.5	8.9	7.3	6.5
Other	59.1	58.9	59.1	59.1	59.1	59.1	59.1	53.4
Deposit and cash	-26.8	-141.6	-137.4	-104.6	-55.4	-79.9	-103.4	-86.6
Commercial banks	66.4	35.0	20.9	13.0	-42.5	-42	-82.9	-117.2
Claims on government	111.4	109.0	90.4	82.4	69.7	81.4	44.1	56.5
<i>Of which</i> : securitization	93.0	91.2	74.8	65.2	56	41.5	32.8	24.3
securitization CNCAS 2/	8.1	7.5	7.0	6.4	5.8	5.2	4.6	4.1
securitization BST 3/	1.5	1.5	1.4	2.6	2.4	2.1	1.8	1.5
Other claims - ONCAD	50.2	35.6	32	28.2	24.3	20.4	16.5	12.6
Government deposits	-95.2	-109.6	-101.5	-97.6	-136.5	-143.8	-143.5	-186.3
Other institutions	-0.2	0.2	1.3	1.1	1.5	2.9	0.7	5.9
Deposits at CCP (Post office accounts)	2.8	3.0	4.2	4.2	4.4	6.6	5.2	8.4
<i>Obligations cautionnées</i>	-3.0	-2.8	-2.9	-3.1	-2.9	-3.7	-4.5	-2.5

Source: Central Bank of West African States (BCEAO).

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which resulted in a revision of the classification of foreign and domestic assets, as well as of the classification of government and non-government deposits.

2/ Caisse nationale de Crédit agricole du Sénégal (CNCAS).

3/ Banque Sénégal - Tunisienne (BST).

Table 33. Senegal: Counterparts of the Money Supply, 1996-2003 1/

	1996	1997	1998	1999	2000	2001	2002	2003
	(Annual change in billions of CFA francs)							
Net foreign assets	34.9	85.8	35.8	52.5	-15.2	80.9	127.2	89.7
Net domestic assets 1/ <i>Of which</i>	18.0	-46.3	14.1	31.3	91.5	33.9	-58.2	52.4
Credit to the government (net) 2/	-21.5	-148.3	-6.2	7.4	-28.3	21.7	-75.4	-42.3
Credit to the economy	61.5	47.8	44.4	45.7	139.0	30.4	31.0	98.1
Money and quasi money	52.9	39.5	49.9	83.8	76.3	114.8	69.0	142.1
	(Annual change in percent of beginning-of-period unless otherwise indicated)							
Net foreign assets	7.2	15.9	6.2	8.3	-2.1	10.2	13.1	8.0
Net domestic assets 1/ <i>Of which</i>	3.7	-8.6	2.4	5.0	12.8	4.3	-6.0	4.7
Credit to the government (net) 2/	-4.4	-27.4	-1.1	1.2	-4.0	2.7	-7.7	-3.8
Credit to the economy	12.6	8.8	7.6	7.3	19.5	3.8	3.2	8.8
Money and quasi money	10.8	7.3	8.6	13.3	10.7	14.5	7.6	14.6
Memorandum item:								
Velocity of broad money (GDP/broad money)	4.4	4.4	4.4	4.1	3.9	3.7	3.6	3.3

Source: Senegalese authorities.

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which has allowed a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

2/ Not including securities held by local nonbank investors and by investors from other West African Economic and Monetary Union (WAEMU) countries for 1994 and 1995.

Table 34. Senegal: Indicators of Financial Savings, 1996-2003 1/
(In percent of GDP, unless otherwise indicated)

	1996	1997	1998	1999	2000	2001	2002	2003
M2	22.7	22.7	22.8	24.4	25.4	27.1	28.1	30.0
Currency in circulation	6.0	5.6	5.7	6.1	5.5	6.5	5.5	4.6
Deposits	16.8	17.1	17.1	18.2	19.9	20.6	22.5	25.3
Demand deposits	8.0	7.8	8.6	8.9	9.4	9.7	10.7	13.3
Time and savings deposits	8.8	9.3	8.4	9.3	10.5	10.9	11.8	12.0
M1	13.9	13.4	14.4	15.1	14.9	16.2	16.3	17.9
Cross-border deposits 2/	...	...	...	...	...	...	...	...
Cross-border deposits (in percent of deposits in Senegal)	...	...	...	...	...	...	...	...

Sources: Senegalese authorities; IMF, *International Financial Statistics*; and staff estimates.

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' accounts forms, which has allowed a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

2/ Cross-border nonbank deposits of private Senegalese residents, as reported in *International Financial Statistics*.

Table 35. Senegal: Net Foreign Assets of the Central Bank of West African States (BCEAO), December 1996-December 2003 1/
(In billions of CFA francs)

	1996			1997			1998			1999			2000			2001			2002			2003		
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.		
Net foreign assets	-98.0	-21.1	-6.5	13.4	-5.6	2.9	17.1	20.7	66.7	116.6	77.7	133.5	137.7	146.3	160.5	204.0	187.3							
Assets	151.0	231.4	243.5	262.9	273.3	289.5	293.2	295.5	339.3	401.9	349.3	407	403.7	410.0	396.3	426.6	413.0							
CFA franc zone currency	2.0	2.2	2.8	1.2	2.5	2.1	3.3	3.2	13.3	1.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0							
Other currencies	1.9	1.4	1.4	2.7	2.4	5.7	2.6	5.1	7.7	10.4	11.7	7.8	9.9	4.2	5.7	4.8	8.4							
Operations account	147.1	227.8	239.3	259	268.4	281.7	287.3	280.6	318.3	390.3	337.1	399.2	393.8	405.8	390.6	421.8	404.6							
Liabilities	-249.0	-252.5	-250.0	-249.5	-278.9	-286.6	-276.1	-274.8	-272.6	-285.3	-271.6	-273.5	-266.0	-263.7	-235.8	-222.6	-225.7							
Liabilities in CFA francs	-1.8	-0.8	-2.0	-4.2	-2.9	-5.1	-4.6	1.1	-5.2	-12.1	-8.4	-13.8	-10.6	-13.0	-11.8	-7.6	-20.4							
Liabilities in other currencies	-247.2	-251.7	-248.0	-245.3	-276.0	-281.5	-271.5	-270.0	-267.4	-273.2	-263.2	-259.7	-255.4	-250.7	-224.0	-215.0	-205.3							
<i>Of which</i> : IMF	-187.8	-191.6	-188.3	-186.2	-209.4	-221.4	-208.3	-206.8	-207.7	-203.9	-204.5	-199.1	-194.1	-187.1	-163.6	-157.4	-151.4							
SDR allocations	-18.3	-19.4	-19.8	-20.5	-23.3	-23.3	-22.9	-22.9	-22.9	-22.9	-22.6	-22.6	-22.6	-22.6	-19.9	-19.9	-19.9							

Source: Central Bank of West African States (BCEAO).

1/ Excluding the balance sheets of the liquidated banks, and using the data from the new commercial banks' account forms, which has allowed a revision of the classification of foreign and domestic assets, as well as of the classification of government and nongovernment deposits.

Table 36. Senegal: Statutory Ceilings on Central Bank Advances to the Government and Actual Advances, 1996-2003
(In billions of CFA francs, unless otherwise indicated; end of period)

	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	2000			2001			2002			2003			
					Dec.	Mar.	June	Dec.	Mar.	June	Dec.	Mar.	June	Dec.	Mar.	June	Dec.
Ceiling	60.5	73.4	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9
Actual advances	60.0	66.8	70.4	60.7	38.9	53.2	39.4	42.9	73.5	72.4	71.5	68.7	73.5	73.5	72.0	70.4	68.8
Actual advances (in percent of ceiling)	99.2	91.0	89.2	76.9	49.3	67.4	49.9	54.4	93.2	91.8	90.6	87.1	93.2	93.2	91.3	89.2	87.2

Source: Central Bank of West African States (BCEAO).

Table 37. Senegal: Distribution of Credit to the Economy, 1996-2003 1/

	1996	1997	1998	1999	2000	2001	2002	2003
(In billions of CFA francs)								
Short term	331.5	367.0	400.3	411.1	516.2	525.1	541.5	635.7
Medium term	127.5	140.0	149.6	189.1	210.3	207.5	225.5	198.6
Long term	77.5	77.7	13.4	10.7	15.6	15.6	15.8	15.6
Total	536.5	584.7	563.3	610.9	742.1	748.2	782.8	849.9
<i>Of which:</i> public and semipublic enterprises	144.7	160.8	119.0	116.7	165.7	109.4	95.2	92.2
Agriculture and related activities	8.5	8.0	7.6	7.8	7.3	7.4	6.4	6.9
Fishing	13.7	15.1	16.2	14.4	15.3	19.1	20.1	18.3
Industry	117.9	124.2	131.1	181.5	235.4	240.4	264.8	323.2
<i>Of which:</i> food	33.4	28.7	29.2	26.1	27.4	31.4	27.5	49.6
chemicals	35.2	32.2	28.0	55.5	79.4	88.2	114.2	144.1
textiles	13.9	16.5	15.9	21.5	21.2	14.4	16.4	16.0
Construction and public works	31.9	38.6	37.1	40.4	46.8	46.3	48.9	50.5
Transportation and communications	24.9	26.0	24.5	29.9	32.6	34.4	54.1	50.4
Tourism	14.0	14.3	14.1	14.8	16.2	16.0	16.3	14.8
Commerce	222.2	244.5	213.3	184.1	236.6	222.2	209.2	206.6
Wholesale	184.3	202.8	169.6	138.8	184.8	166.7	146.8	145.9
Retail	37.7	41.7	43.7	45.5	51.8	55.5	62.4	60.7
Other	103.4	114.0	119.2	138.0	151.9	162.4	162.4	179.2
(In percent of the total)								
Short term	61.8	62.6	71.1	67.3	69.6	70.2	69.2	74.8
Medium term	23.8	24.0	26.6	31.0	28.3	27.7	28.8	23.4
Long term	14.4	13.4	2.4	1.8	2.1	2.1	2.0	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Of which:</i> public and semipublic enterprises	27.0	27.5	21.1	19.1	22.3	14.6	12.2	10.8
Agriculture and related activities	1.6	1.4	1.3	1.3	1.0	1.0	0.8	0.8
Fishing	2.5	2.6	2.9	2.4	2.1	2.6	2.6	2.2
Industry	22.0	21.3	23.3	29.7	31.7	32.1	33.8	38.0
<i>Of which:</i> food	6.2	4.9	5.2	4.3	3.7	4.2	3.5	5.8
chemicals	6.6	5.5	5.0	9.1	10.7	11.8	14.6	17.0
textiles	2.6	2.8	2.8	3.5	2.9	1.9	2.1	1.9
Construction and public works	6.0	6.6	6.6	6.6	6.3	6.2	6.3	5.9
Transportation and communications	4.6	4.4	4.3	4.9	4.4	4.6	6.9	5.9
Tourism	2.6	2.4	2.5	2.4	2.2	2.1	2.1	1.7
Commerce	41.4	41.8	37.9	30.1	31.9	29.7	26.7	24.3
Wholesale	34.3	34.7	30.1	22.7	24.9	22.3	18.8	17.2
Retail	7.0	7.1	7.8	7.4	7.0	7.4	8.0	7.1
Other	19.3	19.5	21.2	22.6	20.5	22.5	20.7	21.1

Source: Central Bank of West African States (BCEAO).

1/ Based on information provided by the Centrale des Risques. Data in this table differ from those in Table 31 because of differences in definition and coverage.

Table 38. Senegal: Commercial Banks and Financial Institutions
(As of December 2003)

	Shareholders (In percent)		Date of Establishment	Capital (In millions of CFA francs)	Total Deposits and Borrowing (In millions of CFA francs)	Number of Permanent Branches
	Public 1/	Other				
Commercial banks						
Compagnie Bancaire pour l'Afrique Occidentale - Sénégal	9	44	47	9,000	204,657	23
Banque Internationale pour le Commerce et l'Industrie du Sénégal (BICIS)	25	21	54	5,000	190,577	19
Société Générale de Banques au Sénégal (SGBS)	0	35	65	4,528	277,551	29
Citibank	0	0	100	2,262	55,749	1
Banque de l'Habitat du Sénégal (BHS)	41	50	9	1,650	108,293	2
Banque Islamique du Sénégal (BIS)	22	0	78	2,706	19,579	1
Caisse Nationale de Crédit Agricole du Sénégal (CNCAS)	58	22	20	2,300	58,013	14
Banque Sénégal-Tunisienne (BST)	6	87	7	2,100	70,497	9
Crédit Lyonnais-Sénégal (CL-S)	5	0	95	2,000	99,024	3
Ecobank	...	20	80	2,413	40,254	3
BOA	0	16	84	1,500	15,275	2
BSIC	0	0	100	2,000	...	1
Financial institutions						
Compagnie Ouest-Africaine de Crédit-Bail (LOCAFRIQUE)	0	0	100	579	779	1
Société de Crédit et d'Équipement du Sénégal (SOCRES)	0	0	100	300	785	6
Société d'Investissement (SENINVEST)	0	73	27	550	...	1

Source: Central Bank of West African States (BCEAO) from data furnished by commercial banks.

1/ Includes the Senegalese government, other Senegalese public institutions, and the BCEAO.

Table 39. Senegal: Net Income of the Banking System, 1996-2003 1/
(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
Net interest income	32.6	33.8	39.4	44.3	54.2	62.0	67.9	68.2
Interest income	45.5	48.2	53.7	59.3	...	...	...	...
Cash operations	...	...	...	...	...	...	...	...
Financial institutions	...	...	...	...	...	...	...	...
Government	...	...	...	...	...	...	...	...
Nongovernment	...	...	...	...	...	...	...	...
Short term	...	...	...	...	...	...	...	...
Medium and long term	...	...	...	...	...	...	...	...
Other	...	...	...	...	...	...	...	...
Interest expenses	-12.9	-14.4	-14.2	-15.1	...	...	...	...
Cash operations	-1.5	...	...	...	...	...	...	...
Financial institutions	...	...	...	...	...	...	...	...
Government	...	...	...	...	...	...	...	...
Nongovernment	-11.4	...	...	...	...	...	...	...
Checking accounts	...	...	...	...	...	...	...	...
Term deposits	...	...	...	...	...	...	...	...
Other	...	...	...	...	...	...	...	...
Other income on financial services	18.3	25.0	25.6	26.4	27.3	27.6	30.8	34.4
Expenses on financial services	-3.3	-5.6	-7.1	-9.0	-9.9	-8.4	-10.8	-10.6
Net result on banking activities	47.6	53.3	57.9	63.3	71.5	81.2	87.8	91.9
Other income	2.0	2.2	1.5	1.4	2.1	3.0	3.7	3.6
Operating expenses and taxes	-25.7	-26.2	-29.0	-29.0	-32.9	-36.2	-40.5	-44.9
Gross operating result	23.9	29.2	30.5	35.6	40.7	48.0	51.0	50.6
Amortization	-1.8	-3.9	-4.8	-5.7	-6.2	-7.5	-7.4	-8.0
Allocation to provisions	-18.6	-16.8	-25.7	-18.6	-17.6	-22.3	-28.6	-26.1
Recovery from provisions	9.4	8.2	14.1	10.5	8.1	11.2	15.3	21.1
Operating result	13.0	16.7	14.1	21.9	25.0	29.4	30.4	37.7
Other income (net)	0.4	-0.7	-1.1	-1.1	-0.7	-2.0	-0.4	-2.9
Pretax income	13.5	16.0	13.0	20.8	24.3	27.4	29.9	34.8
Profits tax	-2.7	-2.8	-3.3	-4.6	-6.1	-6.4	-8.0	-9.4
Net income	10.8	13.2	9.7	16.1	18.2	21.0	21.9	25.3

Source: Banking Commission of the West African Monetary Union.

1/ May not sum owing to rounding.

Table 40. Senegal: Observance of Prudential Ratios by Banking System, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
Commercial banks' prudential ratios	(Number of banks not meeting the minimum 1/; unless otherwise indicated)							
Capital (minimum = CFAF 1,000 million)	1	1	1	1	0	0	2	1
Capital asset ratio (minimum = 4 percent until 1999 and 8 percent since 2000)	1	0	1	0	1	2	1	0
Liquidity ratio (ratio of liquid asset to short-term liabilities; minimum = 60 percent)	3	3	2	2	4	2	1	1
Liquidity ratio: overall ratio 2/	81	83	93	89	87	90	91	94
Liquidity ratio: overall adjusted ratio 3/	68	65	66	67	87	109	93	94
Coverage of medium- and long-term liabilities by assets (solvency ratio: minimum = 75 percent)	4	5	5	5	3	5	5	2
Lending to directors or management (maximum = 20 percent of all lending)	1	2	1	2	0	1	1	0
Division of risk: exposure ratio (loans to one borrower should not exceed 100 percent of capital)	4	4	4	4	7	5	3	5
Portfolio risk structure 4/ (at least 60 percent of all loans should be admissible for central bank refinancing)	...	...	...	9	9	10	10	11
Ratio of fixed assets and equity investments to capital (maximum = 100 percent of capital)	1	0	0	0	2	1	1	0
Ratio of off-balance-sheet fixed assets to capital (maximum = 15 percent)	1	1	0	0	0	2	1	0
Nonperforming loans of commercial banks								
Gross nonperforming loans (millions of CFA francs)	...	100,147	117,316	104,771	126,930	127,967	129,363	123,004
Nonperforming loans, net of provisioning (millions of CFA francs)	...	35,084	34,894	28,388	38,315	40,202	38,173	32,221
Nonperforming loans, net of provisioning (as a percentage of total credit)	...	9	8	6	6	6	6	4
Banks' reserves								
Required reserves (millions of CFA francs)	5,429	6,123	6,594	8,467	70,297	75,871	79,228	94,732
Total reserves (millions of CFA francs)	116,852	113,309	113,490	115,424	88,422	103,531	156,369	184,067
NBFI 5/ prudential ratios	(Number of NBFIs not meeting the minimum)							
Capital (minimum = CFAF 300 million)	0	0	0	1	1	1	0	0
Capital adequacy ratio (minimum = 4 percent)	0	0	0	1	1	1	0	0

Source: Central Bank of West African States (BCEAO).

1/ There were eight commercial banks between 1992 and 1995. A ninth, Banque Islamique du Sénégal (BIS), resumed operation in October 1996 and a tenth, Ecobank, was set up in February 1999. BOA is the eleventh bank, set up in September 2001.

2/ The overall liquidity ratio is defined as the ratio of the commercial banks' total short-term assets to total short-term liabilities.

3/ The overall adjusted liquidity ratio is defined as the mean of all the individual commercial banks' liquidity ratios.

4/ Data on this ratio are not available for all banks owing to the ongoing classification of risks by the banking commission.

5/ NBFI = nonbank financial institutions.

Table 41. Senegal: Interest Rate Indicators, 1996-2003 1/
(In percent per year)

	1996	1997	1998	1999	2000	2001	2002	2003
Interest rates								
Deposits 2/	5.00	4.50	4.95	4.95	4.95	4.95	4.95	4.95
Rediscount rate (TES)	6.50	6.00	6.25	5.75	6.50	6.50	6.50	5.50
Money market (BCEAO)	5.00	4.50	4.95	4.95	4.95	4.95	4.95	4.95
Money market (Paris) 3/	3.32	3.36	3.37	2.51	5.16	3.91	2.92	2.32
GDP deflator	0.9	1.7	3.9	1.0	3.3	0.0	2.7	0.7
Memorandum items:								
Deposits - GDP deflator	4.07	2.81	1.02	3.90	1.64	4.92	2.23	4.26
Deposits - TES	-1.50	-1.50	-1.30	-0.80	-1.55	-1.55	-1.55	-0.55
Money market (BCEAO) - TES	-1.50	-1.50	-1.30	-0.80	-1.55	-1.55	-1.55	-0.55
Money market (BCEAO) - Money market (Paris)	1.75	1.58	1.58	2.44	-0.21	1.04	2.03	2.63

Sources: Senegalese authorities; IMF, *International Financial Statistics*; and staff estimates.

1/ End of period

2/ Minimum rate on accounts above CFAF 2,000,000 for more than one year through 1992; thereafter, rate applied to deposits on money market.

3/ Day-to-day loans against commercial paper.

Table 42. Senegal: Discount Rates Applied by the Central Bank, 1975-2004 1/

(In percent per year)

	Normal Discount Rate 2/	Preferential Discount Rate 3/	Discount Rate 4/
(In percent per annum)			
Prior to July 1, 1975	5.50	5.50	
July 1, 1975	8.00	5.50	
April 14, 1980	10.50	8.00	
April 7, 1982	12.50	10.00	
April 5, 1983	10.50	8.00	
March 24, 1986	9.50	7.00	
September 22, 1986	8.50	6.00	
December 23, 1988	9.50	7.50	
March 30, 1989	10.00	9.00	
October 2, 1989	Abolished	Abolished	10.50
November 27, 1989			11.00
August 20, 1992			13.00
November 9, 1992			12.50
December 20, 1993			10.50
January 18, 1994			14.50
June 27, 1994			12.00
August 1, 1994			11.00
August 29, 1994			10.00
January 23, 1995			9.00
June 5, 1995			8.50
December 26, 1995			7.50
August 5, 1996			7.25
August 19, 1996			7.00
October 21, 1996			6.50
February 17, 1997			6.25
September 8, 1997			6.00
August 31, 1998			6.25
January 4, 1999			5.75
June 19, 2000			6.50
July 7, 2003			5.50
October 20, 2003			5.00
March 19, 2004			4.50

Source: Central Bank of West African States (BCEAO).

- 1/ Rates applied to short-term credit of one year or less and to medium-term credit of up to ten years. The BCEAO will also rediscount long-term credit that, at the time of rediscounting, has no more than fifteen years to maturity.
- 2/ Rates applied also to advances against government and private paper, to rediscounts of customs duty bills, and to *prise en pension* (a rediscount operation with a promise to transfer the credit title back to the original lender).
- 3/ Rates applied to crop credit, credit to the government and local authorities, credit to small national enterprises with total credit outstanding not exceeding CFAF 30 million, and credit to nationals for the construction of the borrower's first primary residence (maximum CFAF 15 million, with maturities shorter than ten years). Also applied to overdrafts by the treasury.
- 4/ Rates applied to all credits.

Table 43. Senegal: Supply and Demand in Overnight Money Market, 1996-2003 1/

(Monthly averages in billions of CFA francs)

		Supply	Demand	Demands Granted
1996	Jan.-Jul.	182	27	27
	Jul.-Dec.	178	4	4
1997	Jan.-Jun.	0	30	27
	Jul-Dec.	182	0	0
	Jan.-Dec.	91	20	19
1998	Jan.-Jun.	0	334	305
	Jul-Dec.	0	0	0
	Jan.-Dec.	0	0	0
1999	Jan.-Jun.	0	0	0
	Jul-Dec.	0	0	0
	Jan.-Dec.	0	0	0
2000	Jan.-Jun.	0	0	0
	Jul-Dec.	0	0	0
	Jan.-Dec.	0	0	0
2001	Jan.-Jun.	0	0	0
	Jul-Dec.	0	6	4
	Jan.-Dec.	0	3	2
2002	Jan.-Jun.	0	3	3
	Jul-Dec.	0	0	0
	Jan.-Dec.	0	2	2
2003	Jan.-Jun.	0	0	0
	Jul-Dec.	0	0	0
	Jan.-Dec.	0	0	0

Source: Central Bank of West African States (BCEAO).

2/ Beginning in August 1996, the two-way auctions of the money market were replaced by a system of withdrawing liquidity through the auction of central bank bills and injecting liquidity from the BCEAO.

Table 44. Senegal: Money Market Interest Rates, 1996-2004 1/

(In percent per year)

Date	Rate
1996	
March	5.50
June	5.37
September	5.25
December	5.05
1997	
March	5.00
June	5.02
September	5.02
December	4.96
1998	
March	4.53
June	4.95
September	4.95
December	4.95
1999	
March	4.95
June	4.95
September	4.95
December	4.95
2000	
March	4.95
June	4.95
September	4.95
December	4.95
2001	
March	4.95
June	4.95
September	4.95
December	4.95
2002	
March	4.95
June	4.95
September	4.95
December	4.95
2003	
March	4.95
June	4.95
September	4.95
December	4.95
2004	
March	4.95
June	4.95
September	4.95
December	4.95

1/ In October 1993, the money market was transformed into an auction of weekly advances. Figures shown are monthly averages.

Table 45. Senegal: Commercial Bank Deposit Rates, 1996-2003 1/

(In percent per year)

	Apr. 1996	Aug. 1998	Dec. 1998	Sep. 1999	Dec. 1999	Sep. 2000	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003
Time deposits										
Less than six months 2/	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2
Six months—less than one year 2/	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2
One year and more 3/	...	...	...	...	...	...	...	...	...	...
Certificates of deposit										
Six months—less than one year 2/	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2	TMM-2
One year and more 3/	...	...	...	...	...	...	...	...	...	...
Savings deposits 4/	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

Source: Central Bank of West African States (BCEAO).

1/ Fixed rates.

2/ Average monthly money market rate (TMM) published by the BCEAO minus 2 percent.

3/ Deposit rates no longer fixed by the BCEAO.

4/ Applicable to savings deposits of less than CFAF 5 million.

Table 46. Senegal: Maximum Lending Rates Applied by Commercial Banks, 1994-2003
(In percent per year)

	From Aug. 5, 1996	From Aug. 19, 1996	From Feb. 17, 1997	From Sep. 8, 1997	From Sep. 5, 1998 1/	From Sep. 20, 1999	From Dec. 2000	As of Dec 31, 2001	As of Dec 31, 2002	As of Dec 31, 2003
Short- and medium-term credit										
Crop financing and export credit	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0
Financing of storage of agricultural products	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0
Credit to small and medium-sized national enterprises										
Credit to nationals for construction of first primary residence 2/	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0
Other credits	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0
Long-term credit 3/										
Credit to small and medium-sized national enterprises	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0
Credit to nationals for construction of first primary residence 2/										
Other credits	14.5	14.0	13.0	12.5	12.0	18.0	18.0	18.0	18.0	18.0

Source: Central Bank of West African States (BCEAO).

1/ Until early September 1998, maximum lending rates were based on the Central Bank of West African States' (BCEAO) discount rate. Since September 5, 1998, maximum lending rates throughout the West African Economic and Monetary Union (WAEMU) have been fixed by WAEMU's Council of Ministers.

2/ Of any member state of the West African Monetary Union (WAMU).

3/ With maturity of more than 2 years and less than 15 years.

Table 47. Senegal: Balance of Payments, 1996-2003
(In billions of CFA francs, unless otherwise indicated)

	1996	1997	1998	1999	2000	2001	2002	2003
Current account	-102	-69	-105	-152	-163	-155	-206	-244
Balance on goods	-141	-158	-174	-200	-254	-312	-375	-470
Exports, f.o.b.	505	528	582	645	698	735	743	731
Imports, f.o.b.	-647	-686	-756	-845	-952	-1,047	-1,118	-1,201
Services and incomes (net)	-46	-14	-32	-50	-74	-67	-91	-87
Credits	235	296	308	324	336	341	365	400
<i>Of which:</i> tourism	80	101	107	112	102	128	132	121
Debits	-281	-310	-339	-373	-410	-408	-456	-487
<i>Of which:</i> interest on public debt	-59	-59	-37	-37	-40	-24	-35	-40
Unrequited current transfers (net)	85	104	101	98	164	223	260	313
Private (net)	20	20	21	51	100	173	192	241
Public (net)	65	84	80	47	64	50	68	72
<i>Of which:</i> budgetary grants	18	12	19	4	14	0	2	18
Capital and financial account	108	171	153	207	206	217	315	294
Capital account	87	56	65	61	52	64	66	67
Private capital transfers	3	2	2	3	2	2	6	7
Project grants	84	54	63	58	50	62	60	60
Debt cancellation	0	0	0	1	0	0	0	0
Financial account	21	115	88	146	154	153	249	227
Direct investment	3	67	45	88	44	29	31	29
Portfolio investment	-3	-5	-14	-10	10	10	2	13
Other investment	21	53	57	69	100	114	216	185
Public sector (net)	46	48	40	29	26	47	35	20
<i>Of which:</i> disbursements	120	126	111	82	88	108	113	91
program loans	24	2	19	0	37	61	42	0
project loans	60	99	90	80	41	43	71	91
other	37	23	2	2	10	5	0	0
amortization	-70	-74	-59	-54	-62	-62	-79	-72
Private sector (net)	-15	9	18	48	80	41	128	133
Errors and omissions	-10	-5	-1	-7	-6	26	53	32
Overall balance	6	103	49	55	43	62	109	50
Financing	-6	-63	-39	-39	18	-62	-109	-50
Net foreign assets (BCEAO)	-28	-77	-15	-20	19	-72	-71	-50
Net use of Fund resources	-5	-8	-7	-8	-3	-2	-13	-20
Purchases	18	29	28	12	13	22	8	3
Repurchases	-23	-37	-35	-20	-16	-23	-21	-23
Other	-23	-69	-8	-12	22	-71	-58	-30
Deposit money banks	-7	-9	-21	-19	-4	-9	-56	-40
Payments arrears (reduction -)	0	3	-3	0	0	0	0	0
Exceptional financing 1/	29	20	0	0	3	19	18	40
Residual financing gap	0	0	0	0	0	0	0	0
Memorandum items:								
Current account balance								
As percentage of GDP (incl. current official transfers)	-4.2	-2.7	-3.7	-5.1	-5.1	-4.6	-5.9	-6.5
As percentage of GDP (excl. current official transfers)	-7.1	-6.1	-6.9	-6.8	-7.3	-6.3	-8.0	-8.6
Gross official reserves (in billions of CFA francs)	151	231	244	263	273	339	404	413
(in months of imports of GNFS)	2.1	3.0	2.9	2.8	2.6	3.0	3.3	3.2
Nominal GDP (in billions of CFA francs)	2,452	2,576	2,797	3,000	3,192	3,343	3,473	3,725

Sources: Central Bank of West African States (BCEAO); and staff estimates and projections.

1/ HIPC Initiative debt relief is recorded as a grant for the IMF, and as exceptional financing for the World Bank, the African Development Bank and Paris Club creditors.

Table 48. Senegal: Balance of Payments, 1996-2003
(In millions of SDRs, unless otherwise indicated)

	1996	1997	1998	1999	2000	2001	2002	2003
Current account	-137	-85	-131	-181	-174	-166	-229	-300
Balance on goods	-190	-197	-219	-238	-271	-334	-416	-579
Exports, f.o.b.	681	657	731	767	745	789	826	900
Imports, f.o.b.	-871	-855	-950	-1,005	-1,016	-1,123	-1,242	-1,478
Services and incomes (net)	-62	-18	-40	-59	-79	-71	-101	-107
Credits	317	368	387	385	359	366	405	493
<i>Of which: tourism</i>	108	126	134	134	109	137	147	149
Debits	-379	-386	-427	-444	-438	-437	-507	-599
<i>Of which: interest on public debt</i>	-79	-74	-46	-44	-42	-25	-39	-49
Unrequited current transfers (net)	115	130	127	116	175	239	289	385
Private (net)	27	25	27	60	107	185	214	297
Public (net)	87	104	100	56	69	54	75	88
<i>Of which: budgetary grants</i>	24	15	24	5	15	0	2	22
Capital and financial account	145	213	193	247	220	233	350	362
Capital account	117	70	82	73	56	69	73	82
Private capital transfers	3	3	3	3	3	2	7	8
Project grants	113	67	79	68	53	66	67	74
Debt cancellation	0	0	0	1	0	0	0	0
Financial account	29	143	111	174	164	164	276	279
Direct investment	4	84	56	104	47	31	34	36
Portfolio investment	-4	-6	-17	-12	10	11	2	16
Other investment	29	65	72	82	107	122	240	228
Public sector (net)	62	60	50	34	28	50	38	25
<i>Of which: disbursements</i>	161	157	139	98	94	116	125	112
program loans	32	3	24	0	40	65	47	0
project loans	80	123	113	95	44	46	78	112
other	49	29	3	2	11	5	0	1
amortization	-94	-92	-74	-64	-66	-66	-88	-89
Private sector (net)	-20	12	22	57	86	44	142	164
Errors and omissions	-14	-6	-1	-9	-7	28	59	39
Overall balance	8	128	61	66	46	66	121	61
Financing	-8	-79	-48	-46	20	-66	-121	-61
Net foreign assets (BCEAO)	-38	-96	-18	-24	21	-78	-79	-61
Net use of Fund resources	-7	-10	-9	-10	-3	-2	-15	-24
Purchases	24	36	36	14	14	23	9	3
Repurchases	-31	-46	-44	-24	-17	-25	-24	-28
Other	-31	-86	-10	-14	23	-76	-64	-37
Deposit money banks	-9	-11	-27	-22	-4	-9	-62	-49
Payments arrears (reduction -)	0	3	-3	0	0	0	0	0
Exceptional financing 1/	39	25	0	0	3	20	20	49
Residual financing gap	0	0	0	0	0	0	0	0
Memorandum item:								
Exchange rate (CFA francs per SDR)	742.7	803.2	795.6	840.8	936.5	932.3	900.0	812.1

Sources: Central Bank of West African States (BCEAO); and staff estimates and projections.

1/ HIPC Initiative debt relief is recorded as a grant for the IMF, and as exceptional financing for the World Bank, the African Development Bank and Paris Club creditors.

Table 49. Senegal: Export and Import Price, Volume, and Terms of Trade Indices, 1993-2003 1/

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
	(Index, 1998 = 100)										
Terms of trade	90.5	95.0	91.1	91.0	94.1	100.0	95.1	91.9	95.7	95.9	93.1
Price indices (CFA franc terms)											
Exports	42.7	91.1	88.3	92.1	99.8	100.0	96.9	103.8	106.2	105.7	105.9
Imports	47.2	95.8	96.9	101.1	106.0	100.0	101.8	113.0	111.0	110.2	113.8
Volume indices											
Exports	80.6	82.9	94.2	94.4	91.0	100.0	114.5	115.6	119.0	120.9	118.6
Imports	86.2	78.4	83.0	84.7	85.7	100.0	110.1	111.5	124.8	134.0	139.6
	(Percentage changes)										
Terms of trade	-1.9	5.0	-4.1	-0.1	3.4	6.3	-4.9	-3.4	4.2	0.2	-2.9
Prices (CFA franc terms)											
Exports	-2.8	113.1	-3.1	4.3	8.4	0.2	-3.1	7.2	2.4	-0.5	0.2
Imports	-0.9	102.9	1.1	4.4	4.9	-5.7	1.8	10.9	-1.8	-0.7	3.2
Volumes											
Exports	-6.0	2.9	13.6	0.2	-3.6	9.9	14.5	1.0	2.9	1.6	-1.9
Imports	-1.6	-9.1	5.9	2.0	1.2	16.7	10.1	1.2	12.0	7.4	4.1

Sources: Senegalese authorities; and staff estimates.

1/ Using the Paasche method.

Table 50. Senegal: Merchandise Exports, 1996-2003

(Values in billions of CFA francs; volumes in thousands of metric tons;
prices in CFA francs per kilogram)

	1996	1997	1998	1999	2000	2001	2002	2003
Groundnut products	40.9	29.3	31.0	38.7	59.6	73.2	48.2	25.3
Groundnut oil	33.0	24.8	25.3	33.0	47.7	57.4	37.1	21.7
Volume	71.3	45.3	49.9	67.1	100.5	123.1	83.2	39.1
Price	463.1	547.4	507.3	491.5	474.3	466.1	445.9	554.5
Groundnut cake	7.6	3.9	4.6	4.7	11.0	14.4	10.2	3.5
Volume	91.2	36.6	48.0	76.4	132.7	155.8	108.8	38.6
Price	83.6	106.6	96.3	61.1	82.6	92.2	93.5	91.8
Seeds	0.3	0.6	1.0	1.0	0.9	1.4	0.9	0.0
Volume	1.0	2.1	2.9	2.9	2.5	3.7	3.1	0.1
Price	277.8	295.4	354.0	354.0	373.6	373.8	297.1	293.0
Phosphates	19.2	18.7	13.9	21.0	14.7	13.7	12.2	5.3
Volume	944.3	720.5	515.8	770.4	513.9	510.4	486.0	203.9
Price	20.4	25.9	26.9	27.2	28.6	26.8	25.1	26.2
Fish	146.2	162.9	168.9	179.8	162.4	175.8	173.9	157.3
Fresh fish	25.2	27.6	25.1	23.1	31.0	26.3	29.1	34.4
Volume	12.1	12.1	9.7	8.7	11.4	9.9	9.3	7.2
Price	2,075.3	2,272.4	2,589.9	2,659.0	2,724.0	2,648.3	3,113.4	4,786.2
Frozen fish	98.3	111.4	112.9	139.4	118.4	136.4	131.1	109.2
Volume	67.84	71.6	74.2	98.8	63.304	60.882	63.443	71.6
Price	1,449.0	1,555.7	1,521.6	1,411.3	1,870.0	2,240.7	2,066.2	1,524.8
Canned fish	22.7	23.9	30.9	17.2	13.0	13.1	13.7	13.7
Volume	19.4	19.3	17.9	11.8	8.8	10.6	9.1	9.5
Price	1,170.2	1,239.4	1,724.0	1,453.0	1,476.7	1,233.2	1,508.0	1,449.5
Cotton	9.6	11.0	13.0	3.7	4.4	5.9	9.7	12.4
Volume	10.9	13.6	14.2	4.5	6.7	7.3	14.3	16.8
Price	879.3	807.4	912.3	832.7	650.6	812.8	676.5	740.9
Salt	3.4	5.7	5.7	4.6	5.0	6.5	7.2	6.8
Volume	81.9	131.5	126.0	107.5	119.9	146.3	157.2	149.4
Price	41.2	43.1	45.4	42.8	41.6	44.4	45.6	45.8
Fertilizer	17.0	24.7	23.0	14.3	9.5	15.9	17.5	22.8
Volume	140.9	185.6	183.2	115.5	84.7	116.8	155.7	195.5
Price	121.0	132.9	125.6	123.4	112.5	136.4	112.3	116.9
Phosphoric acid	41.4	41.8	47.7	45.5	47.5	56.2	91.7	69.3
Volume	258.4	219.9	244.3	225.0	232.7	284.8	506.2	439.9
Price	160.0	189.9	195.4	202.3	204.0	197.4	181.2	157.6
Petroleum products	10.2	12.7	9.8	13.6	28.5	16.5	23.4	33.5
Volume	97.3	110.0	114.3	128.8	153.1	87.0	146.1	197.3
Price	105.2	115.5	86.0	106.0	186.0	189.6	159.8	169.9
Other	174.3	189.2	207.7	255.7	298.0	303.1	295.7	333.8
Reexports	43.2	32.1	61.0	67.9	68.5	68.5	63.9	64.0
Total exports, f.o.b.	505.4	528.0	581.6	644.8	697.9	735.3	743.3	730.5

Sources: Senegalese authorities; and staff estimates.

Table 51. Senegal: Merchandise Imports, 1996-2003

(Values in billions of CFA francs; volumes in thousands of metric tons;
prices in CFA francs per kilogram)

	1996	1997	1998	1999	2000	2001	2002	2003
Food products								
Rice	89.6	69.9	83.1	101.4	94.9	103.9	130.4	126.4
Volume	607.8	445.6	535.3	646.4	632.1	696.9	866.4	890.0
Price	147.4	156.8	155.2	156.8	150.2	149.0	150.5	142.0
Wheat	25.0	26.6	28.4	21.7	26.4	29.1	30.3	28.5
Volume	184.6	206.4	225.2	199.1	237.3	234.0	247.9	250.9
Price	135.6	129.0	125.9	109.1	111.2	124.3	122.3	113.7
Other	66.1	71.9	95.3	97.9	95.0	130.5	147.6	173.6
Beverages and tobacco	7.6	8.7	7.9	7.8	20.0	23.2	27.0	32.9
Petroleum								
Crude oil	52.1	73.7	60.8	76.5	138.4	144.9	114.3	158.9
Volume	645.0	771.3	890.5	890.5	890.7	960.1	863.4	1,179.2
Price	80.8	95.5	68.3	85.9	155.3	150.9	132.3	134.8
Refined oil	38.1	37.7	31.0	51.9	104.2	87.6	83.6	71.8
Volume	405.4	386.2	414.4	540.8	570.5	557.7	556.9	462.6
Price	93.9	97.7	74.9	95.9	182.6	157.0	150.1	155.3
Other consumer goods	96.1	109.0	108.0	116.0	112.5	132.1	137.8	169.0
Capital goods	98.5	112.2	126.5	149.7	166.8	177.6	226.8	210.0
Intermediate goods	212.8	217.5	267.2	291.9	281.2	306.9	323.0	361.5
Change in warehouse stocks	30.1	35.0	37.3	37.8	37.8	38.3	38.3	21.2
Total imports, c.i.f.	734.8	780.0	858.6	962.7	1,081.3	1,189.7	1,268.3	1,363.1
Freight and insurance	88.2	93.6	103.0	117.4	129.8	142.6	150.4	162.6
Total imports, f.o.b.	646.6	686.4	755.5	845.3	951.6	1,047.1	1,117.9	1,200.5

Sources: Senegalese authorities; and staff estimates.

Table 52. Senegal : Direction of Foreign Trade, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
(In percent of total exports)								
Industrial countries	42.0	45.0	43.0	48.6	49.3	43.5	35.3	32.6
France	19.0	23.8	18.7	17.9	18.4	16.8	13.0	12.2
Germany	0.9	1.6	0.6	1.0	1.5	0.9	0.9	0.5
Italy	8.3	4.1	6.3	13.0	11.0	6.0	4.4	8.5
Japan	1.5	1.2	0.9	2.9	1.2	0.0	0.1	0.6
Netherlands	2.0	2.3	4.4	0.6	2.5	2.7	1.6	0.9
Spain	4.7	4.3	5.0	5.5	6.3	4.0	3.2	5.0
United Kingdom	0.9	1.0	0.3	1.3	1.2	1.3	1.2	0.2
United states	0.2	0.2	0.4	0.2	0.5	0.3	0.3	0.7
Other countries	4.6	6.5	6.4	6.1	6.6	11.6	10.7	4.0
Developing countries	58.0	55.0	57.0	51.4	50.7	56.5	64.7	67.4
Africa	25.6	26.0	27.4	25.8	28.2	29.9	32.7	37.3
Cameroun	2.5	1.8	1.8	1.7	1.3	1.2	0.8	0.9
Côte d'Ivoire	2.5	4.2	3.9	3.6	2.1	3.3	3.5	5.4
Mali	6.6	5.5	5.3	5.2	6.2	6.9	8.9	9.5
Mauritania	2.1	2.1	2.6	3.5	2.6	3.9	3.1	2.6
Nigeria	1.0	0.4	0.7	0.2	0.6	0.7	0.5	0.2
Other countries	10.9	12.0	13.2	11.6	15.5	14.0	16.1	18.8
Asia	19.3	18.3	20.2	18.0	14.5	13.8	22.1	15.9
Europe	0.0	0.0	0.0	0.4	0.1	0.1	0.1	0.0
Middle East	2.3	0.6	0.5	0.5	0.5	0.3	0.1	0.3
Western Hemisphere	1.6	0.4	0.7	0.0	0.5	0.2	0.1	0.1
Other countries	9.1	9.7	8.1	6.6	6.9	12.2	9.7	13.8
Total exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(In percent of total imports)								
Industrial countries	64.5	63.1	66.9	64.1	59.8	60.3	60.5	53.6
France	29.6	30.7	32.5	30.2	29.0	27.8	25.6	24.9
Germany	6.4	3.7	4.4	4.3	3.7	4.8	5.4	3.4
Italy	3.5	3.4	3.7	5.9	3.3	4.0	4.5	3.6
Japan	3.1	3.0	3.3	3.4	2.7	2.7	2.6	2.2
Netherlands	3.2	2.7	2.8	2.5	3.2	3.3	3.1	2.9
Spain	4.3	4.4	3.7	4.0	3.6	4.3	4.0	4.3
United Kingdom	2.0	1.8	2.1	2.1	2.1	1.4	1.3	1.5
United states	5.3	4.8	5.6	4.1	3.9	4.2	5.4	3.6
Other countries	7.2	8.5	8.9	7.7	8.2	8.0	8.6	7.2
Developing countries	35.5	36.9	33.1	35.9	40.2	39.6	39.5	46.3
Africa	11.0	13.6	12.1	13.8	20.8	17.4	16.3	20.5
Cameroun	0.5	0.7	0.5	0.5	0.5	0.4	0.4	0.4
Côte d'Ivoire	2.8	2.6	2.6	3.1	2.8	2.9	2.8	3.6
Gabon	1.2	0.1	0.9	0.1	0.3	0.2	0.3	0.2
Nigeria	5.3	7.2	6.0	7.1	13.9	9.8	8.7	12.2
Other countries	1.3	2.9	2.2	3.0	3.3	4.2	4.0	4.2
Asia	16.6	14.4	13.8	16.0	14.5	14.6	14.5	14.3
Europe	1.7	3.2	3.1	3.2	2.5	3.1	3.2	4.1
Middle East	1.7	2.4	0.6	0.7	0.7	1.8	2.2	2.3
Western Hemisphere	4.5	3.3	3.4	2.2	1.7	2.6	3.3	5.0
Other countries	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : IMF, International Financial Statistics, Direction of Trade Statistics.

Table 53. Senegal: Services and Transfers Accounts, 1996-2003

(In billions of CFA francs)

	1996	1997	1998	1999	2000	2001	2002	2003
Non factor services, net	-8.7	22.2	-4.9	4.5	-12.9	-11.4	-12.7	-13.1
Exports of non factor services	193.8	250.8	256.3	269.5	275.5	291.8	318.0	330.7
Freight	0.8	0.9	0.9	1.0	4.4	3.9	3.5	4.1
Other transportation services	36.1	30.0	28.4	21.0	18.3	17.5	22.6	40.3
Travel	79.9	94.8	101.3	106.9	102.5	127.8	132.1	121.2
Administrative services	32.4	25.0	34.6	39.9	40.8	39.2	46.9	46.9
Other services	44.6	66.3	85.6	87.5	109.5	103.4	112.9	118.2
Imports of non factor services	-202.5	-228.6	-261.2	-265.0	-288.4	-303.2	-330.7	-343.8
Freight	-73.5	-78.0	-85.8	-98.2	-108.1	-118.8	-125.3	-135.5
Other transportation services	-43.8	-49.6	-53.9	-57.7	-62.7	-54.4	-51.9	-51.9
Travel	-27.3	-30.8	-31.8	-33.2	-33.5	-31.4	-30.2	-32.2
Administrative services	-5.3	-1.4	-6.2	-6.8	-6.2	-8.0	-12.4	-13.9
Other services	-52.6	-68.8	-83.5	-69.1	-77.8	-90.5	-110.8	-110.3
Income (factor services), net	-37.3	-36.4	-26.9	-54.2	-61.0	-55.1	-78.5	-73.5
Credit	41.6	45.2	51.3	54.2	60.7	49.2	47.0	69.4
Labor incomes	34.8	33.3	34.7	36.4	38.6	33.0	33.3	36.4
Investment incomes	6.8	11.9	16.6	17.8	22.1	16.2	13.6	32.9
Debit	-78.9	-81.6	-78.2	-108.4	-121.7	-104.3	-125.4	-142.9
Labor incomes	-4.0	-3.1	-3.4	-4.2	-5.2	-6.3	-3.5	-5.2
Investment incomes	-74.9	-78.5	-74.8	-104.2	-116.5	-98.0	-122.0	-137.7
Interest	-63.9	-64.2	-42.5	-50.8	-47.5	-34.2	-48.1	-58.2
Public	-58.6	-59.0	-36.7	-37.1	-39.6	-23.7	-35.4	-40.0
Private	-5.3	-5.2	-5.8	-13.7	-7.9	-10.5	-12.7	-18.2
Other	-11.0	-14.3	-32.3	-53.4	-69.1	-63.9	-73.8	-79.5
Services and incomes balance	-45.9	-14.3	-31.8	-49.7	-73.9	-66.5	-91.2	-86.6
Unrequited transfers (net)	85.1	104.1	101.0	97.9	164.3	223.1	260.0	312.6
Private (net)	20.4	20.4	21.4	50.7	100.1	172.8	192.2	241.0
Receipts	53.6	61.3	62.8	87.8	138.8	207.9	220.1	274.1
Payments	-33.2	-40.9	-41.4	-37.1	-38.7	-35.1	-27.9	-33.1
Public (net)	64.7	83.7	79.6	47.2	64.2	50.3	67.8	71.6
Credit	71.3	89.7	87.5	50.9	69.0	54.4	71.8	76.4
Budgetary (incl. STABEX)	17.7	11.9	18.7	4.1	14.1	0.0	1.9	17.6
IMF HIPC interim assistance	...	...	...	...	1.3	3.1	3.0	5.1
Other	53.6	77.8	68.8	46.8	53.6	51.3	66.8	54.7
Debit	-6.6	-6.0	-7.9	-3.7	-4.8	-4.1	-4.0	-4.8
Services, incomes and transfers (net)	39.2	89.8	69.2	48.2	90.4	156.6	168.8	226.0

Source: Senegalese authorities.

Table 54. Senegal: External Public Debt Outstanding, 1996-2003

(In billions of CFA francs; end of period)

	1996	1997	1998	1999	2000	2001	2002	2003
Total	1,900.7	1,984.3	2,114.5	2,227.2	2,219.8	2,248.8	2,294.9	2,028.9
Medium- and long-term debt	1,712.3	1,793.9	1,948.2	2,073.2	2,065.7	2,095.7	2,137.5	1,904.4
Multilateral 1/	1,003.3	1,043.3	1,153.0	1,229.4	1,230.5	1,289.0	1,346.0	1,243.6
IBRD/IDA	705.0	720.2	738.1	896.7	913.5	965.5	964.7	914.2
EDF/EIB	58.4	61.4	69.2	62.8	60.9	55.5	50.6	57.1
AfDB/AfDF	199.9	204.5	230.2	214.1	201.8	210.5	224.7	185.1
OPEC/IDB/BADEA	26.3	43.3	66.2	47.5	48.7	55.0	72.0	70.7
Other	13.7	14.4	49.3	8.3	5.6	2.5	34.0	16.5
Bilateral 2/	363.8	354.7	453.1	439.7	437.0	406.6	428.7	360.0
OECD countries	132.8	146.4	141.2	135.8	125.0	120.6	182.5	178.5
Arab countries 3/	173.7	192.9	210.4	238.4	230.5	213.5	228.4	166.8
Other countries	57.3	15.4	101.5	65.5	81.5	72.5	17.8	14.7
Commercial debt 3/ 4/	0.0	45.8	0.0	57.7	54.3	56.9	50.0	43.8
Guaranteed debt	0.0	45.4	0.0	57.7	54.3	56.9	50.0	43.8
Nonguaranteed debt	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	345.2	350.1	342.1	346.4	343.9	343.2	312.8	257.0
Paris Club	283.6	290.8	290.7	291.6	287.7	288.1	272.4	222.4
London terms	7.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Other	54.1	53.4	51.4	54.8	56.2	55.0	40.4	34.6
IMF credit	163.8	170.9	166.3	154.0	154.1	153.1	157.4	124.5
Use of Fund resources	22.9	15.5	3.1	0.0	0.0	0.0	0.0	0.0
Structure Adjustment Facility	...	...	...	...	...	...	...	...
PRGF	140.9	155.4	163.2	154.0	154.1	153.1	157.4	124.5
Short-term debt 4/	24.6	19.5	0.0	0.0	0.0	0.0	0.0	0.0

Source: Senegalese authorities.

1/ EDF/EIB = European Development Fund/European Investment Bank; AfDB/AfDF = OPEC/IDB/BADEA = Organization of Petroleum Exporting Countries/Islamic Development Bank/ African Development Bank/Fund; Arab Bank for Economic and Development in Africa.

2/ Excludes rescheduled debt; OECD = Organization for Economic Cooperation and Development.

3/ From 1994 onward, includes Dépôt Koweïtien.

4/ Short-term foreign liabilities of the central bank, related to the operations account.

Table 55. Senegal: External Public Debt Ratios, 1996-2003

(End of period)

	1996	1997	1998	1999	2000	2001	2002	2003
(In percent of GDP)								
Total	77.5	77.0	75.6	74.2	69.5	67.3	66.1	54.5
Medium- and long-term debt	69.8	69.6	69.7	69.1	64.7	62.7	61.6	51.1
Multilateral	42.2	43.2	44.2	45.2	46.2	47.2	48.2	49.2
Bilateral	14.8	13.8	16.2	14.7	13.7	12.2	12.3	9.7
Commercial debt	0.0	1.8	0.0	1.9	1.7	1.7	1.4	1.2
Guaranteed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonguaranteed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	14.1	13.6	12.2	11.5	10.8	10.3	9.0	6.9
IMF credit	6.7	6.6	5.9	5.1	4.8	4.6	4.5	3.3
Short-term debt 2/	1.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
(In percent of total debt)								
Medium- and long-term debt	90.1	90.4	92.1	93.1	93.1	93.2	93.1	93.9
Multilateral	52.8	52.6	54.5	55.2	55.4	57.3	58.7	61.3
Bilateral	19.1	17.9	21.4	19.7	19.7	18.1	18.7	17.7
Commercial debt	0.0	2.3	0.0	2.6	2.4	2.5	2.2	2.2
Guaranteed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonguaranteed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	18.2	17.6	16.2	15.6	15.5	15.3	13.6	12.7
IMF credit	8.6	8.6	7.9	6.9	6.9	6.8	6.9	6.1
Short-term debt 1/	1.3	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum item								
GDP (In CFA francs billions)	2,452	2,576	2,797	3,000	3,192	3,343	3,473	3,725

Source: Senegalese authorities.

1/ Short-term foreign liabilities of the central bank, related to the operations account.

Table 56. Senegal: Structure and Terms of External Borrowing, 1996-2003

	1996	1997	1998	1999	2000	2001	2002	2003
(In billions of CFA francs)								
New commitments	66.4	54.8	95.3	116.0	221.2	181.0	99.2	86.0
Multilateral	51.5	46.3	85.6	116.0	210.9	166.7	65.7	85.5
Bilateral	14.9	8.5	9.7	0.0	10.3	14.3	33.5	0.5
Guaranteed commercial debt	...	...	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...	...	...
(In percent per year)								
Average interest rate 2/	2.1	2.3	1.9	0.8	0.9	0.8	1.6	1.4
Multilateral	0.9	1.6	1.1	0.8	0.7	0.9	1.4	1.4
Bilateral	1.3	0.7	0.8	0.0	3.3	0.4	1.9	...
Guaranteed commercial debt	...	...	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...	...	...
(In years)								
Average maturity period 2/	23.8	26.9	37.0	38.0	42.0	46.5	34.0	40.2
Multilateral	23.0	30.8	29.8	38.0	39.0	47.9	35.0	40.3
Bilateral	22.5	16.0	36.0	0.0	20.0	30.0	31.0	30.0
Guaranteed commercial debt	...	...	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...	...	...
Average grace period 2/	6.0	6.6	9.4	9.0	10.0	9.7	9.0	8.7
Multilateral	7.5	7.3	9.3	9.0	9.0	9.6	9.0	8.7
Bilateral	5.3	4.6	10.0	0.0	5.0	10.5	10.0	10.0
Guaranteed commercial debt	...	...	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...	...	...

Source: Senegalese authorities.

1/ Medium- and long-term government and government-guaranteed debts, excluding IMF credits and rescheduled debt.

2/ Weighted average of new disbursements.

Table 57. Senegal: External Public Debt Service, 1996-2003 1/

	1996	1997	1998	1999	2000	2001	2002	2003
(In billions of CFA francs, unless indicated otherwise)								
Debt service								
before rescheduling 2/	143.8	158.7	123.6	111.2	123.1	113.0	139.1	137.6
Principal	95.5	108.7	93.7	77.4	81.2	87.5	102.4	96.6
Medium and long term	72.7	72.0	58.4	57.3	65.2	64.2	81.0	73.9
IMF repurchases	22.8	36.7	35.3	20.1	16.0	23.3	21.4	22.7
Interest	48.3	50.1	29.9	33.9	41.9	25.4	36.6	41.0
Medium and long term	45.9	47.5	27.8	32.3	39.6	23.7	35.4	40.0
IMF charges	2.4	2.6	2.1	1.6	2.3	1.7	1.2	1.0
Debt rescheduling	29.2	17.2	0.0	0.0	4.2	15.8	36.7	44.0
Debt service after rescheduling	114.6	141.5	123.6	111.2	118.9	97.2	102.4	93.6
(In percent of exports of goods and nonfactor services; unless otherwise indicated)								
Debt service								
before rescheduling 2/	20.6	20.4	14.8	12.2	12.6	11.0	13.1	13.0
Principal	13.7	14.0	11.2	8.5	8.3	8.5	9.7	9.1
Medium and long term	10.4	9.2	7.0	6.3	6.7	6.3	7.6	7.0
IMF repurchases	3.3	4.7	4.2	2.2	1.6	2.3	2.0	2.1
Interest	6.9	6.4	3.6	3.7	4.3	2.5	3.5	3.9
Medium and long term	6.6	6.1	3.3	3.5	4.1	2.3	3.3	3.8
IMF charges	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1
Debt rescheduling	4.2	2.2	0.0	0.0	0.4	1.5	3.5	4.1
Debt service after rescheduling	16.4	18.2	14.8	12.2	12.2	9.5	9.6	8.8
<i>Memorandum item:</i>								
Exports of goods and nonfactor services (in billions of CFA francs)	699.2	778.7	837.9	914.3	973.4	1,027.1	1,061.3	1,061.2

Sources: Senegalese authorities; and staff estimates.

1/ Provided by the authorities. Medium- and long-term government and government-guaranteed debts, excluding debt-service obligations of the multilateral companies, Air Afrique, and Agence pour la Sécurité de la Navigation Aérienne.

2/ After debt cancellation obtained through 1995. Beginning in 1998, debt service is net of debt relief obtained from the Paris Club stock-of-debt operation of June 1998.

Table 58. Senegal: Exchange Rates, 1991-2003

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Period averages													
CFA Francs/SDR	386.0	372.8	395.4	794.9	757.1	742.7	803.2	795.6	840.8	936.5	932.3	900.0	812.1
CFA Francs/U.S. dollar	282.1	264.7	283.2	555.2	499.1	511.6	583.7	590.0	615.7	712.0	733.0	697.0	581.2
End of period													
CFA Francs/SDR	370.5	378.6	404.9	780.4	728.4	753.1	807.9	791.6	896.2	918.5	935.4	850.4	771.8
CFA Francs/U.S. dollar	259.0	275.3	294.8	534.6	490.0	523.7	598.8	562.2	653.0	705.0	744.3	625.5	519.4

Source: IMF, International Financial Statistics (IFS).

Table 59. Senegal: Nominal and Real Effective Exchange Rates, 1994-2004
(1990 = 100)

	Nominal	Real	Relative Price
1994	65.9	59.3	89.9
1995	69.1	64.2	92.9
1996	69.5	64.6	93.0
1997	67.1	62.2	92.7
1998	68.6	55.0	80.1
1999	67.5	53.9	79.9
2000	64.1	50.5	79.5
I	65.2	51.9	79.5
II	64.2	50.9	79.3
III	63.7	49.6	77.8
IV	63.2	49.4	78.1
2001	64.9	51.4	79.2
I	65.1	51.4	78.8
II	64.3	50.7	78.7
III	64.9	51.4	79.2
IV	65.2	52.2	80.0
2002	66.4	52.8	79.5
I	60.1	51.9	65.9
II	60.6	59.3	80.1
III	61.0	53.2	79.4
IV	60.7	53.5	78.8
2003	69.9	54.3	78.4
I	69.3	54.3	77.8
II	70.2	54.7	77.4
III	69.8	54.0	76.9
IV	70.4	54.2	76.8
2004	71.2	54.6	76.6
I	70.8	54.4	76.8
II	70.6	54.1	76.5
III	71.0	54.4	76.6
IV	72.4	55.4	76.5

Source: IMF, Information Notice System (INS)

Senegal: Summary of the Tax System
(As of December 2004)

Tax	Nature of Tax	Deductions and Exemptions	Rates
<p>I. Taxes on net income and profits I.1 Corporate income tax (<i>Impôt sur les sociétés</i>)</p>	<p>Levied annually on net profits from industrial, commercial, and agricultural activities realized during the previous year by companies and other legal entities. Companies are assessed on an actual profit basis (<i>régime du bénéfice réel</i>).</p>	<p>The following are exempt:</p> <ul style="list-style-type: none"> - consumer cooperatives; - agricultural credit agencies; - agricultural insurance and reinsurance companies; - mutual aid associations; - rural development and management associations; - nonprofit associations or organizations; - public administrative or professional agencies. <p>Deductible expenses include, particularly:</p> <ul style="list-style-type: none"> - overhead (rent, payroll expenses, etc.); - financing expenses (interest expense, bank charges); - depreciation charges (ranging from 5 percent to 33.33 percent). 	<p>33 percent</p> <p>15 percent for export processing enterprises under special regime (<i>Entreprises franchises d'exportation</i>)</p>
<p>I.2 Minimum presumptive tax on enterprises (<i>Impôt minimum forfaitaire sur les sociétés</i>) (I.M.F.)</p>	<p>Annual amount fixed in relation to prior year turnover net of tax.</p> <p>Levied on enterprises with:</p> <ul style="list-style-type: none"> - assessable profits up to CFAF 1,428,000 and turnover up to CFAF 500,000,000 - assessable profits up to CFAF 2,856,000 and turnover above CFAF 500,000,000 	<p>The following are exempt:</p> <ul style="list-style-type: none"> - enterprises commencing activities in the previous year; - enterprises completing their first balance sheet statement during or at the end of the previous year; - enterprises having as their sole purpose the publication, printing, or sale of periodicals; - enterprises ceasing trading before January 1 of the year in which the tax is levied. - enterprises or legal entities benefiting from a deduction for investment of CFAF 715,000 or above; - state-owned and privatized public enterprises. 	<p>CFAF 500,000 for turnover $r \leq$ CFAF 250,000,000</p> <p>CFAF 750,000</p> <p>250,000,000 < turnover \leq 500,000,000</p> <p>CFAF 1,000,000 For turnover > 500,000,000</p>

Tax	Nature of Tax	Deductions and Exemptions	Rates
<p>I.3 Individual income tax (<i>Impôt sur le revenu des personnes physiques</i>) (I.R.P.P.)</p>	<p>Includes a proportional tax and a graduated tax. The amount of the tax is capped at 50 percent of taxable income for individuals. The proportional tax is levied on each category of income. The graduated tax applies to the taxpayer's total income. The proportional tax is levied on:</p> <ul style="list-style-type: none"> - wages, salaries, pensions, and life annuities. - income from land and buildings 	<p>Exemption for retirement allowances and severance pay; Exemption for severance pay negotiated as a result of a redundancy program or restructuring of the enterprise concerned.</p>	<p>(CFAF) 0-600,000 exempt over 600,000 11 percent</p>
	<ul style="list-style-type: none"> - income from land and buildings 	<p>Maintenance expenses, property taxes, and interest on loans borrowed for acquisition, construction, or maintenance of buildings are deductible. In addition, up to 20 percent lump sum deduction is allowed from gross income for the amortization of insurance premiums, and administrative expenses.</p>	<p>20 percent</p>
	<ul style="list-style-type: none"> - industrial, commercial, and agricultural profits; - noncommercial profits 	<p>Same as in I-1. Expenses related to professional activity are deductible.</p>	<p>(CFAF) 0-330,000 exempt over 330,000 25 percent</p>
	<ul style="list-style-type: none"> - income from dividends and interest 		<p>10 percent for income from shares; 13 percent for income from bonds; 6 percent flat rate for income from bonds with maturities of at least 5 years 16 percent for other income, and income from claims, deposits, and guarantees; 8 percent for income from deposit accounts and current accounts at banks and similar institutions. Note: The 10 percent withholding can be used to discharge individual income tax.</p>
	<p>The graduated scale is applied to the total income of taxpayers residing in Senegal (subject to international double taxation treaties).</p>	<p>Deductible expenses include: - annuity and alimony payments; - life insurance premiums. Taxable income is divided into a number of splits based on the size of the taxpayer's family. The maximum number</p>	<p>(CFAF) 0-600,00 0 percent 600,000-890,000 18 percent 890,000-1,010,000 22 percent 1,010,000-1,410,000 25 percent 1,410,000-2,475,000 28 percent 2,475,000-3,540,000 30 percent</p>

Tax	Nature of Tax	Deductions and Exemptions	Rates
		of splits is five.	3,540,000-7,650,000 35 percent 7,650,000-9,650,000 40 percent 9,650,000-12,650,000 45 percent Over 12,650,000 50 percent
I.4 Single General Contribution (<i>Contribution Global Unique</i>)	Applicable to enterprises whose turnover does not exceed CFAF 50 million. It replaces for these enterprises five previous taxes (tax on revenue, minimum presumptive tax, business license fees, VAT, and the employer payroll tax).	Non-commercial activities Real state operations	Rates applicable to commercial activities Turnover 0-330,000 Tax 5,000 330,001-500,000 15,000 500,001-1,000,000 30,000 1,000,001-2,000,000 50,000 2,000,001-3,000,000 75,000 3,000,001-4,000,000 100,000 4,000,001-5,000,000 150,000 5,000,000-7,500,000 300,000 7,500,001-10,000,000 600,000 10,000,001-15,000,000 900,000 15,000,001-20,000,000 1,200,000 20,000,001-25,000,000 1,500,000 25,000,001-28,000,000 1,800,000 28,000,001-31,000,000 2,200,000 31,000,001-34,000,000 2,500,000 34,000,001-37,000,000 2,800,000 37,000,001-41,000,000 3,000,000 41,000,001-44,000,000 3,200,000 44,000,001-47,000,000 3,600,000 47,000,001-50,000,000 4,200,000
II. Employer's payroll taxes	Levied on the amount of wages, salaries, and allowances paid.	Central government, local authorities, foreign public entities, and international organizations are exempt.	Salaries paid to: - Senegalese nationals 3 percent - foreigners 6 percent
III. Taxes on property III.1 Tax on buildings (<i>Contribution foncière des propriétés bâties</i>) (C.F.P.B.)	Levied annually on the net rental income of all built-up land, i.e. having permanent structures on it, including factories.	Exemptions include: public buildings and buildings used for religious worship or educational purposes, and buildings used to house farm animals or to store agricultural harvests, etc. Deduction of 40 percent for houses and 50 percent for factories from the rental value of the buildings, in lieu of maintenance	15 percent

Tax	Nature of Tax	Deductions and Exemptions	Rates
III.2 Tax on unimproved property (<i>Contribution foncière des propriétés non bâties</i>)	Levied annually on unimproved property.	expenses. New buildings are exempted for 5 years.	5 percent of the presumptive market value (<i>valeur vénale</i>) of the property.
III.3 Surtax on unimproved or insufficiently improved land (<i>Surtaxe sur les terrains non bâtis ou insuffisamment bâtis</i>)	Levied annually on insufficiently improved land.	Land with general restrictions against construction.	Rates vary on a graduated scale from 1 percent to 3 percent of the presumptive market value, and they also vary according to the location.
III.4 Death and gift duties (<i>Droits sur les successions, donations et legs</i>)	Levied on the net value of property transferred by inheritance or inter vivos within Senegal.	A global deduction of CFAF 150 million.	Marginal rates vary between 3 percent and 50 percent, depending on the relation of the beneficiary to the deceased or to the donor.
III.5 Property transfer taxes (<i>Droits d'enregistrement</i>)	Levied on company creation and company mergers; on capital increases, transfer of shares, and transfer of securities; on the sale, lease, exchange, and mortgage of real estate; on the sale and lease of movable property; and on selected transactions, namely transfer of goodwill, financial claims, and sales at auction.		Proportional rate varying between 0.2 percent and 15 percent depending on the transaction involved. One percent on the amount of capital over 10 million. Fixed amount of 25,000 CFAF for capital under 10 million. In addition, duties ranging from CFAF 2,000 to CFAF 32,000 are provided for various acts.
III.6 Stamp duties (<i>Droits de timbre</i>)	Levied on all documents drawn up for purposes of civil and judicial acts, and documents that may be used in legal proceedings.		Rates vary from CFAF 100 to CFAF 50,000.
IV. Taxes on goods and services IV.1 Value-added tax (<i>Taxe sur la valeur ajoutée</i>) (V. A. T.)	Levied on all business relating to an economic activity (industrial, commercial, noncommercial, craft, extraction, and civil activities), with the exception of agricultural production and salaried activities. VAT	Exports, administrative services rendered by public entities, the sale of buildings, insurance business, etc. are exempt.	Single rate 18 percent Law 2001-07 of Sept. 18, 2001

Tax	Nature of Tax	Deductions and Exemptions	Rates																						
	applies to imports and any act of production. VAT does not apply to wholesale and retail trade. For imports, the basis of assessment is c.i.f. value augmented by all other import duties and taxes except the VAT.																								
IV.2 Bank transaction tax (<i>Taxe sur les opérations bancaires</i>)	Levied on interest, commissions, and remuneration received by banks and financial institutions.		Normal rate: 17 percent Reduced rate: 7 percent on export-related transactions.																						
IV.3 Excise duties (<i>Taxes de consommation</i>)	Levied on: - raw or processed tobacco, alcoholic beverages, soft drinks, edible oils, kola nuts, tea, and coffee. - import value, including taxes and duties imposed at customs, and on the normal domestic sales price excluding VAT and the specific tax itself.	Exemptions include exports, and alcohol used for medicinal or religious purposes, etc. -Economic cigarettes→16 percent -Standard cigarettes→31 percent - Premium cigarettes→45 percent	<table border="0"> <tr> <td><u>Product</u></td> <td><u>Percent</u></td> </tr> <tr> <td>Alcohol and alcoholic beverages:</td> <td>30</td> </tr> <tr> <td>Perfumes:</td> <td>10</td> </tr> <tr> <td>Soft drinks:</td> <td>2.75</td> </tr> <tr> <td>Coffee:</td> <td>3.8</td> </tr> <tr> <td>Tea:</td> <td>3.8</td> </tr> <tr> <td>Tobacco:</td> <td>30</td> </tr> <tr> <td>Economical cigarettes:</td> <td>15</td> </tr> <tr> <td>Kola nuts:</td> <td>30</td> </tr> <tr> <td>Edible fats (creams, etc.):</td> <td></td> </tr> <tr> <td>- Refined oils: 15 - Other fats:</td> <td>5</td> </tr> </table>	<u>Product</u>	<u>Percent</u>	Alcohol and alcoholic beverages:	30	Perfumes:	10	Soft drinks:	2.75	Coffee:	3.8	Tea:	3.8	Tobacco:	30	Economical cigarettes:	15	Kola nuts:	30	Edible fats (creams, etc.):		- Refined oils: 15 - Other fats:	5
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	- petroleum products (super, regular gasoline, boat fuel (<i>essence pirogue</i>), and diesel oil).		Rates: Super: 20,665 CFAF/HL Regular: 18,847 CFAF/HL Boat fuel: 3,856 CFAF/HL Diesel oil: 9,395 CFAF/HL																						
IV.4 Tax on insurance contracts (<i>Taxe sur les contrats d'assurances</i>)	Levied on insurance premiums and related charges collected by the insurer.	Elimination of the tax on life insurance and similar products.	<table border="0"> <tr> <td>Insurance policies</td> <td>Percent</td> </tr> <tr> <td>Fire</td> <td>20</td> </tr> <tr> <td>Sea, river and air transport</td> <td>5</td> </tr> <tr> <td>Group insurance</td> <td>3</td> </tr> <tr> <td>Life annuities</td> <td>6</td> </tr> <tr> <td>Export credit</td> <td>0.25</td> </tr> <tr> <td>Other</td> <td>10</td> </tr> </table>	Insurance policies	Percent	Fire	20	Sea, river and air transport	5	Group insurance	3	Life annuities	6	Export credit	0.25	Other	10								
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Tax	Nature of Tax	Deductions and Exemptions	Rates																														
IV.5 Tax on vehicles (<i>Taxe sur les véhicules à moteur</i>)	Levied annually on owners of motor vehicles, varies according to the vehicle's engine capacity.	Government-owned vehicles and other specific vehicles are exempt.	<p>Rates, private vehicles (in CFAP)</p> <table border="1"> <thead> <tr> <th>Horsepower</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>0-8</td> <td>18,000</td> </tr> <tr> <td>9-12</td> <td>28,000</td> </tr> <tr> <td>13-16</td> <td>80,000</td> </tr> <tr> <td>17-19</td> <td>140,000</td> </tr> <tr> <td>20 or more</td> <td>200,000</td> </tr> </tbody> </table> <p>Rates, commercial vehicles (in CFAP)</p> <table border="1"> <thead> <tr> <th>Horsepower</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>0-8</td> <td>7,500</td> </tr> <tr> <td>9-12</td> <td>9,000</td> </tr> <tr> <td>13-16</td> <td>15,000</td> </tr> <tr> <td>Over 16</td> <td>30,000</td> </tr> </tbody> </table> <p>* Two- or three-wheeled vehicles</p> <table border="1"> <tbody> <tr> <td>0-50 cc</td> <td>3,000</td> </tr> <tr> <td>51-125 cc</td> <td>9,000</td> </tr> <tr> <td>126-300 cc</td> <td>12,000</td> </tr> <tr> <td>Over 300 cc</td> <td>36,000</td> </tr> </tbody> </table>	Horsepower	Amount	0-8	18,000	9-12	28,000	13-16	80,000	17-19	140,000	20 or more	200,000	Horsepower	Amount	0-8	7,500	9-12	9,000	13-16	15,000	Over 16	30,000	0-50 cc	3,000	51-125 cc	9,000	126-300 cc	12,000	Over 300 cc	36,000
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IV.6 Special tax on company-owned vehicles (<i>Taxe spéciale sur les véhicules des sociétés</i>)	Levied annually on company-owned cars in addition to tax on vehicle (see IV-5 above).		<table border="1"> <tbody> <tr> <td>Up to 4 hp:</td> <td>CFAF 50,000</td> </tr> <tr> <td>5-11 hp:</td> <td>CFAF 100,000</td> </tr> <tr> <td>Over 11 hp:</td> <td>CFAF 200,000</td> </tr> </tbody> </table>	Up to 4 hp:	CFAF 50,000	5-11 hp:	CFAF 100,000	Over 11 hp:	CFAF 200,000																								
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IV.7 Business license fees (<i>Contribution des patentes et licences</i>)	The <i>patente</i> is levied annually on any individual engaged in trade, industry, or a professional activity. The <i>licence</i> is levied annually on all individuals or companies engaged in the selling of alcoholic beverages.	Newly established industries are exempt from the <i>patente</i> for the first five years of operation; also exempt are craftsmen, farmers, and fishermen.	<p>The <i>patente</i> levied on commercial, industrial, or professional activities includes:</p> <ul style="list-style-type: none"> - a fixed tax according to turnover, number of staff, and value of equipment; - a proportional levy that applies to the rental value of premises. 																														
IV.8 Tax on firearms (<i>Taxe sur les armes à feu</i>)	Levied on all owners of firearms.	Firearms used by police and armed forces.	Various specific rates ranging from CFAF 2,000 to CFAF 20,000.																														
V. Taxes on foreign trade V.1 Import duties and Supplementary tax arrangements V.1.1 Customs duty (<i>Droit de douane</i>)	Levied on the c.i.f. value of imports. Since the introduction of the Customs Union all imported goods are subject to the common external tariff (CET).	Upon entry into a member country, unregistered industrial goods originating in the WAEMU benefit from a 5 percent reduction in the import duties and taxes applied to equivalent goods imported from third countries. In addition, upon entry into a member	Four rates according to the product category: - 0 percent for "social" goods in category 0; - 5 percent for essential goods, commodities, capital goods, and specific input products in category I;																														

Tax	Nature of Tax	Deductions and Exemptions	Rates
		country, industrial goods registered under the preferential community tax (TPC) benefit from total exemption from the import duties and taxes applied to equivalent goods imported from third countries excluding any specific, or ad valorem domestic taxes that may be applicable.	- 10 percent for inputs and intermediate goods in category II; - 20 percent for final consumer goods in category III.
V.1.2 Statistical fee (<i>Redevance statistique</i>)	Levied on goods imported from third countries, both exempt and nonexempt.	Goods purchased as part of foreign financings and goods imported under diplomatic privilege.	1 percent
V.2 Supplementary tax arrangements V.2.1 Contingent import tax (<i>Taxe conjoncturelle à l'importation</i>) (TCI)	This is a supplementary tax arrangement to support the CET. However, other goods, such as flour, rice, cigarettes, etc. are liable to the TCI.	Relevant goods originating in WAEMU member countries.	The TCI is levied on soybeans, rapeseed, and groundnut vegetable oils by applying a rate of 10 percent to the value determined by the trigger price (CFAF 388/kg for soybean and rapeseed oil and CFAF 656/kg for groundnut oil). It was suspended in June 2004. The TCI is charged on sugar by the equalization mechanism based on the difference between the trigger price (CFAF 325.056 /metric ton of granulated sugar and CFAF 385.059/ metric ton of lump sugar) and the c.i.f. value.
V.2.2 Degressive protection tax (<i>Taxe dégressive de protection</i>) (TDP)	The TDP is levied to provide degressive and temporary compensation for the effect on community enterprises of the lowering of protective tariffs.	Relevant goods originating in WAEMU member countries.	Initially planned to expire on December 31, 2002, the TDP was extended and set at rates of 2.5 and 5 percent.
V.3 Other taxes and surcharge V.3.1 Community solidarity levy (<i>Prélèvement communautaire de solidarité</i>) (PCS)	This is a payment to the union. It is levied on goods originating in third countries.	Diplomatic privileges, oil products, grants and aid to the government or to charity funds, goods in transit or purchased with foreign financing, returning goods originating in the customs territory, goods in storage or on which the PCS has already been paid.	1 percent
V.3.2 ECOWAS levy	Levied on the basis of c.i.f. value on all goods imported from countries outside the	Goods originating in third countries that have been imported for consumption use	0.5 percent

Tax	Nature of Tax	Deductions and Exemptions	Rates
V.3.3 Tax on textiles	ECOWAS and for consumption use.	in a member country and reexported to another member country; nonreimbursable subsidies, grants and aid contributions to the government, to public law entities and to charity funds recognized to be of benefit to the public; all goods exempted from the community solidarity levy .	1 percent
V.3.4 Surtaxes	Levied on the c.i.f. value of certain imported textiles. Applied to the c.i.f. value at importation of various products.	All products other than those mentioned.	20 percent on onions, potatoes, bananas, cigarettes, and rice; 10 percent on millet and sorghum. (Law 98 - 35 of April 17, 1998.)
V.4 Value-added tax on imports	Applied to the c.i.f. value plus customs duties and taxes.	<ul style="list-style-type: none"> - Fresh food products (fish, meat, vegetables, fruit, etc.); - various chemical products; - medicines and pharmaceutical products; - specialized products and equipment for medical activities. 	18 percent (Community Directives and Law 2001-07 of September 18, 2001)
V.5 Import excise duties	Tax levied on processed or unprocessed tobacco, alcoholic beverages or carbonated soft drinks, edible oils, cola nuts, tea, and coffee. It is applied to the c.i.f. value at importation plus customs duties and taxes.	Exports and alcohol used for medicinal or religious purposes.	<ul style="list-style-type: none"> - Alcoholic beverages and liquids, 30 percent; - Perfume, 10 percent; - Carbonated soft drinks, 2.75 percent; - Coffee and tea, 3.8 percent; - Tobacco, 45, 31 and 16 percent; - Edible fats and oils (refined oils, 15 percent; butter, dairy cream and cream substitutes, 12 percent; other fats, 5 percent). (Community Directive and Law 2002-07 of February 22, 2002.)

Source: Data provided by the Senegalese authorities