

I. GATS 2000: As seen from Senegal

A. Senegal's commitments at the end of the Uruguay Round

1. The growing role of services in the world economy

For many years the marginalization of Africa has been the subject of impassioned debate. Sub-Saharan Africa's share of exports fell from 3.1 percent of world exports in 1955 to 1.2 percent in 1990ⁱ. This was due partly to a decline in world demand for the main exported products but also to a marked erosion of the market share of Sub-Saharan Africa. Commercial obstacles do not appear to have played a major role in this decline. It seems, rather, that the policies of the countries of Sub-Saharan Africa with respect to trade and transport heavily penalize exports and make them less competitive on the international markets. While Africa has lost market share in the global trade in goods, it should learn from that experience so as not to miss the rapidly growing trade in services.

Services currently represent over 60 percent of GNP in most of the developed economies and create the majority of jobs in those countriesⁱⁱ. Service activities are involved in all economic sectors. They play a fundamental role not only in the service industries themselves but also in manufacturing and resource industries. In the United States, for example, 55 to 75 percent of jobs in the manufacturing sector are related to service activitiesⁱⁱⁱ. In trade generally, services are the fastest growing component. Trade in commercial services increased on average by 7.7 percent per year between 1980 and 1993; the increase in the trade in goods was 4.9 percent in cash terms. The share of commercial services in world trade increased from 17 percent in 1980 to over 22 percent in 1993. The most dynamic component of this category of services comes under the heading "other private services," which includes long-range services.

The fall in the cost of information technology offers the developing countries an opportunity to forge ahead with their technological development and to explore new fields of comparative advantage. The countries that will be in a position to exploit these opportunities will find that the internationalization of services helps them to catch up economically with the high-income countries. These opportunities go hand-in-hand with the need to improve the efficiency of the provision of services. This is a precondition not only in order to take advantage of new export opportunities but also because access to efficient services is going to play an increasingly important role in determining competitiveness as the share of services in the production process increases.

It will be essential for those countries to adopt a liberal trade and investment regime if they wish to derive the maximum advantages from the internationalization of services. It will also be important for them to have an adequate material and human infrastructure, particularly by developing telecommunications and information technology networks and by sharpening the corresponding skills which they will need to benefit from the export opportunities that will open up in the rapidly expanding sector of the information-technology-intensive services.

2. Senegal's strategy with regard to commitments

Senegal was quick to realize its potential in the field of services and it has declared its commitment to become a service-providing country on an international scale. Its attributes include: its geographical

location, which makes its port a transit point between Europe, Latin America and Africa south of the Sahara; its international airport, which since colonial times has been among the best equipped; and its climate, its coastal resorts and its culture, which constitute the basis of its tourism potential. Its capital, Dakar, hosts prestigious meetings such as the Francophonie summit (1989), the Organization of African Unit summit (1992) and the Education For All conference (2000). Dakar is also the headquarters of a large number of international and subregional organizations. The Dakar International Fair, which takes place every two years and which is a meeting place for industrialists, entrepreneurs and businessmen from throughout the world, has done much to shape its image as an international city. Dakar also hosts the biennial arts fair and the biennial African science and technology fair.

In order to play its full role as a service-providing country, Senegal invested early on in modern telecommunication infrastructure (e.g. fiber-optic cables) and undertook reforms to bring about a greater liberalization of the economy by privatizing the water and electricity distribution enterprises and the national telecommunication operator which play a vital role in the Senegalese economy. In order to enable the private sector to serve as the engine of development and to attract direct foreign investment, the State has set up a wide range of arrangements to promote investment such as the 'one-stop shop' ("*guichet unique*") which centralizes all the administrative formalities and procedures for approval connected with the Investment Code. Certain service activities, in particular production support services, come under the Code.

The conditional offer of Senegal concerning its initial commitments in the field of services submitted in August 1993, on the eve of the closure of the Uruguay Round negotiations, was made subject to the satisfactory conclusion of negotiations to establish a General Agreement on Trade in Services and on securing balanced overall results in the Uruguay Round negotiations. Senegal's commitment depended on a set of balanced results that serve the interests of all the developing countries and which, at the same time, give Senegal good opportunities to export services and to benefit from an inflow of investment and a real transfer of technology.

The Coordinated African Programme of Assistance on Services (CAPAS)^{iv}, for which this paper was written, has contributed to strengthening Senegalese capacity through an overview study on trade in services and in-depth surveys of four of the seven sectors covered by the Senegalese commitments: telecommunications, tourism and travel, support services for maritime transport, and financial services. The situation for all the seven sectors is summarized below.

(a) Services to enterprises

The offer by Senegal relates to professional services (architecture and medical and dental services) and financial leasing services. In the field of architecture, the profession is well organized through the Council of the Order of Architects which monitors compliance with the rules of professional conduct among its members. Senegal has qualified human resources trained in European and American schools as well as in the University of Dakar and more specifically the School of Architecture and Town Planning. This expertise, which has been in existence since the country gained its independence in the early 1960s, made it possible, very early on, to export this service to other countries in the subregion. Thus, Senegalese architects carried out major construction projects (mainly buildings for professional use) in several African countries, often following international calls for tender. The artistic and cultural dimension, which Senegalese architects incorporate in their designs over and above the requirements of

modern technical standards, has been highly appreciated by the export market. Architectural design practices have constantly kept up to date by equipping themselves with the most modern computer tools and specialized software.

In its schedule of specific commitments, Senegal did not bind modes 1, 3 and 4 with respect to limitations on market access. No limitation was set on national treatment except for mode 4 (movement of natural persons) where Senegal retained the status quo. Senegal reserves the possibility to make bolder commitments in the future in the direction of greater liberalization of the sector in conjunction with the Council of the Order of Architects. From the outset, this sector has included foreign architects (in the form of overseas architectural design practices). These practices are members of the Order and enjoy the same prerogatives as national practices.

In the medical field, the faculty of medicine and pharmacy has, since colonial times, trained numerous African doctors and pharmacists, most of whom settled in Dakar after completing their studies. Nationals who are certificated by schools of medicine in developed countries tend to return home and to open their own medical practices after having worked for a number of years in hospitals or in the faculty of medicine. However, many of them have taken advantage of post-university scholarship grants to specialize in a state-of-the-art discipline. In this way, the medical services provided by such professionals have become diversified, increasingly specialized and of a quality equal to that of the developed countries in terms of know-how and technical expertise. These professionals have even acquired distinctive expertise in certain fields such as tropical diseases or the utilization of the traditional pharmacopeia in conjunction with modern medicine. The use of the new information and communication technologies and, more specifically, of telemedicine, bears witness to the immense effort made by the medical sector in order to keep up with technological progress and tailor it to its own situation. Unfortunately, the sector is still subject to the constraints of a developing country; for this reason, there are quite commonly major shortages of basic equipment in the public sector.

At the international level, the health sector is characterized by increasingly sophisticated equipment incorporating the most advanced technologies (computers, laser, digitalization, etc.) and by highly advanced techniques (biotechnology, microsurgery, laser treatment, etc.) which are the product of research laboratories whose budgets are out of all proportion to the resources of the developing countries. Senegal has opted to become a regional center for the provision of medical services. In order to benefit from all these technologies, which are developing at an increasing pace, the best strategy would be to liberalize the sector in order to attract capital, technology and know-how. Already, the success that has been achieved in the creation of a number of clinics with sophisticated equipment (e.g. laser scanners) together with private national and foreign partners, is a sign of what could be achieved through the opening up of the sector.

In its offer on medical and dental services, Senegal's commitments were dictated by prudence. Concerning market access, Senegal did not bind mode 1 while there is no limit for mode 2 (consumption abroad). Senegal thus wished to preserve, on the one hand, the possibility for nationals of the subregion to continue to come to Dakar for treatment and, on the other, the possibility of ensuring medical evacuation for nationals who can afford it to countries that are better equipped or more highly specialized in certain fields. Mode 3 (commercial presence) remains subject to authorization. Mode 4 (presence of natural persons) is not bound, probably because of the fact that the profession is highly organized around the Order of Doctors which safeguards both the interests of the profession and the observance of the rules of professional practice which protect patients.

(b) Communication services

In the field of postal services, the National Postal Company (*Société Nationale des Postes*), which is a state company with managerial independence, used to have a monopoly. However, with respect to express mail, the State has adopted a flexible and progressive liberalization policy which has attracted the major world-wide express courier companies (DHL, UPS, Federal Express, Airborne Express, and so forth) which have air and land transport facilities of their own as well as highly sophisticated international logistics. The presence of these operators encouraged the Senegalese postal service, which had previously been a monopoly, to create its own express courier service (EMS) and, stimulated by the competition thus created, to offer services of higher quality than its other services had traditionally offered.

Senegal has always been at the forefront of investment in the telecommunication sector in Africa. The national telecommunication company (SONATEL) has since 1986 been implementing an investment program to provide all the regions of Senegal with modern infrastructure, including digital telephone exchanges, and to break the isolation of rural localities (rural telephone). Thus, as early as 1988, the extension and modernization of the Dakar network provided a means of meeting the needs of enterprises and offering them a higher quality of service. The implementation of the national packet data communication network (SENPAC) offers enterprises and administrations a high-performance data transmission tool: access to data banks, interconnection to the foreign networks of France, Switzerland, Germany, Canada, the United States, Belgium, and so forth. Between 1986 and 1995, more than 150 villages were provided with modern telecommunication systems which gave them access to the automatic network and to a large range of new services (detailed billing, temporary call forwarding, automatic wake-up, and so forth). The *Axe Nord 11* project, which was designed to extend and modernize the northern regions, introduced digital fiber-optic communication for the first time and launched Senegal into the age of advanced technology that had hitherto been almost unknown in Africa. It also made it possible not only to equip 65 rural localities in inland regions but also to place a reliable high-performance transmission facility at the disposal of industrialists and economic interest groups.

Senegal's offer concerning communication services was made in two phases. The April 1994 schedule had simply retained the status quo in relation to existing regulations. At that time, SONATEL, whose capital was fully owned by the State, had a telecommunications monopoly. In the framework of the reforms of the telecommunication sector, the State announced in 1995 its policy to privatize the national operator. A strategic foreign partner was selected following an international call for tender. The State granted the partner about one third of the capital and kept the same proportion. The remaining shares were distributed among the staff of the enterprise and the public. During this process of privatization, a Telecommunication Code was drafted which took into account the advent of new information and communication technologies and classified the activities of the sector in three categories: those that were a monopoly, those that were subject to authorization and those that had been liberalized. The State extended the monopoly element of the new structure until at least 2003, at which time it will consider the possibility of opening up the sector to other operators.

The desire of SONATEL to relinquish part of the operation of the telephone network to private individuals dates back to 1992. A great deal is to be learned from the extraordinary success of the private

telecenters and the information gathered may prove useful in the strategy for disseminating the services. In addition to the telephone service, which is the major feature, some of these communication centers also possess fax machines, Minitel terminals to give access to local and international data banks, photocopiers and laptop computers with word-processing software. Increasing numbers of telecenters now offer the opportunity of connection to the Internet. Telecenters were responsible for the creation of over 10,000 jobs between 1992 and 1998 and are widely available in rural areas; their turnover reached CFAF 9,226 million in 1995^v.

During the same period, as soon as the Uruguay Round ended, Governments agreed to continue negotiations in four areas, including basic telecommunications. They had not offered to make commitments during the Uruguay Round essentially because the privatization of state monopolies had raised complex problems in other countries. Negotiations on basic telecommunications were completed in January 1997 and new national commitments were due to take effect in January 1998.

The schedule of Senegal's specific commitments dates from April 1997. The part of the schedule concerning telecommunication services replaced the initial schedule of 1994. Senegal's schedule took into account the outcome of the reform of the sector which had been institutionalized in the Telecommunication Code. As far as limitations on market access were concerned, Senegal did not make any commitment on the cross-border provision of basic local, intercity and international services provided in the public telecommunication networks which still came under the monopoly of SONATEL. The same applied to commercial presence. Concerning mobile cellular services, Senegal had announced in its schedule the intention to launch an international call for tender for the selection of one or two operators. A second operator, SENTEL (a subsidiary of the international financial group Millicom) was selected and began its activities in April 1999.

The other telecommunication services may be provided either freely or subject to prior authorization. This applies in particular to value-added services such as Internet service providers, data transmission, radio paging, video conferencing, the engineering of communication systems, inshore communications and one-way or two-way earth stations.

(c) Distribution services

Immediately following independence, distribution was in the hands of Lebanese-Syrian enterprises. Senegalese nationals progressively became involved in the sector beginning at the level of retail and then wholesale commerce, before embarking on the importation of goods. Better known as the informal sector, they became involved in all types of commerce and finished by dominating the distribution sector. However, during the last 15 years, Senegal has embarked on a policy of liberalization which did away with the majority of the prior authorizations and import licenses. The opening up of the sector made it possible to attract major distribution chains such as Leader Price of the United States which established a dynamic system of franchises and the Korean LG (more specialized in the distribution of household electrical goods). Senegal's offer is the confirmation of this desire to liberalize and to attract foreign investors to the distribution sector.

(d) Services relating to tourism and travel

With revenue of CFAF 100.1 billion in 1998^{vi}, tourism is in second place after fisheries in the export earnings of Senegal, and ahead of groundnuts and phosphates. In 1998, the number of tourists totaled 468,835 as against 419,683 in 1997, a rise of 11.7 percent. Tourism has always played a strategic role in the development of Senegal. The main sources of tourists are France (with 56.6 percent of non-resident visitor-nights), and Africa (14.9 percent), followed by Germany, the Benelux countries and Italy.

Business hotels accounted for one-third of visitor-nights, while holiday villages and hotels accounted for the remainder. The average bed-occupancy rate of tourist establishments was 40 percent in 1998. The spare capacity shows that more effort should be made to attract a larger number of tourists, in particular through the diversification of markets. The potential of the American market is far from having been exploited.

The schedule of Senegal's commitments covers hotels, tourist campsites and other commercial accommodation sites, as one group, and restaurants, bars and canteens as a second group. These commitments are fully in keeping with Senegal's desire to promote direct foreign investment in the sector.

(e) Recreational, cultural and sports services

Senegal has included recreational fishing under this heading. This activity is directly connected with tourism and travel to the extent that the target market is the same. The sport fishing club of the multinational company Air Afrique has contributed substantially to the promotion of this activity. A permit is nevertheless required to settle in Senegal and engage in this type of activity.

(f) Transport services

Negotiations on maritime transport were originally to have been completed in June 1996 but the participants were unable to reach agreement on a set of commitments. Discussions will resume with the next round of negotiations on services. Commitments have already been included in the schedules of certain countries covering the three main areas of this sector: access to port facilities; support services; and shipping on the high seas.

The schedule of Senegal's commitments covers maritime transport support services, in particular shipping agency services, handling and transit services, and ship chandlery. In its ninth development plan Senegal identifies itself as a service-providing country one of whose focal points is the port of Dakar. A recent study (conducted by port management) shows that the port of Dakar remains highly competitive as compared with other ports on the West African coast, in spite of the scope that remains for improvement both with respect to costs and to the quality of services provided.

These sectors, which entail a major outlay of capital investment, were traditionally dominated by branches of foreign firms. Mergers have subsequently taken place between foreign companies, strengthening their dominant position and resulting in an increase in the cost of services. This situation partly accounts for the high cost of services in the handling sector in particular. Handling alone represents 38.7 percent of the cost of a ton of goods passing through the port of Dakar. Local enterprises had difficulty in gaining access to these sectors because of the high level of investment required and the requirement for prior authorization from the Ministry of Finance which emphasizes good character and

solvency checks, in particular in the field of transit and customs clearance. Indeed, many local enterprises which had made a start in the transit and customs clearance sector and had received a customs waiver from the Ministry of Finance ultimately accumulated substantial debts that they were incapable of repaying because of their poor financial standing.

The opening up of the shipping services support sector was to attract other operators from throughout the world and create a competitive environment, resulting in lower costs and enhancing the competitiveness of the port of Dakar. Unfortunately, Senegal's offer has not yet had any effect. There have been few foreign investments. This may be due to the fact that the enterprises that had dominated the sector had been established for a long time (dating back to the colonial period) and so it was difficult for newcomers to compete with them in an unfamiliar country, or because the conditions for a high standard of competitiveness had not yet been met, in particular due to cumbersome administrative procedures. These are questions that must be clarified in order to enable Senegal to receive more direct investment in the maritime sector.

In its schedule for exemption from article II (MFN) Senegal included coastal trading, as a means of stimulating trade between States and promoting regional economic integration. Similarly, the desire to comply with the resolutions of the Ministerial Conference of West and Central African States on Maritime Transport (MCWS) so as to give effect to the UNCTAD arrangement which provides for the sharing of 80 percent of liner trade flows with the national shipping company of the State of destination, induced Senegal to include shipping in its MFN waiver schedule. However, one may question the relevance of such a decision in the light of the fact that most of the attempts to create a national shipping company have failed. Moreover, the high level of investment makes it essential to turn to foreign investors and that would restore the situation that provided the original motivation for such a decision.

(g) Financial services

At the end of the Uruguay Round negotiations in 1993, negotiations on financial services, as well as those relating to basic telecommunications and maritime transport, had not been completed. Specific commitments concerning market access and the granting of national treatment had been made in this sector but they were not considered adequate to bring the negotiations to a conclusion. There were substantial exemptions to the MFN obligation based on reciprocity. The second annex of the GATS and the Decision on financial services adopted at the end of the Uruguay Round envisaged further negotiations in this sector. The negotiations concluded on December 12, 1997 and the Fifth Protocol, which legally enshrines the outcome of those negotiations, was due to enter into force on March 1, 1999 at the latest.

The schedule of specific commitments by Senegal on financial services covers insurance and related services, and banking and other financial services. It must be noted that the policies relating to the financial sector, which are increasingly tending to be defined on a regional basis, together with the sensitivity of the sector, were among the factors that induced Senegal to invoke the provisions of paragraph 2 (a) of the annex which provides that countries may take measures for prudential reasons, in particular for the protection of investors, depositors and the holders of insurance policies, and to preserve the integrity and stability of the financial system.

As Senegal is a signatory of the CIMA Code (Inter-African Conference on Insurance Markets) it endeavors to safeguard the preferential treatment granted to signatory States under which insurance

contracts applying to persons who have the status of resident or to property located in Senegal, as well as liability insurance, can only be taken out with bodies approved to conduct insurance business in Senegal. As the financial market of West Africa is in the process of being set up, the States justify the preferential treatment on grounds of the need to support the effort to harmonize national policies in the insurance sector with a view to achieving a competitive position world-wide.

At the level of banking services, Senegal is a member of WAMU (West African Monetary Union) and of WAEMU (West African Economic and Monetary Union) which provide the framework governing the monetary policies of the Member States. Senegal's schedule merely reflects the banking regulations that apply uniformly to all the member countries of WAEMU. It relates to the acceptance of deposits and other reimbursable funds from the public, to loans of all types and to all settlement and cash transfer services, including credit cards, charge cards and so forth, travelers checks and drafts. Only approved banks and financial establishments can carry out these activities in accordance with procedures that are clearly defined by banking legislation.

B. Service sectors with export potential

1. Maritime transport

Senegal has always wished to play a major role in ship repair in West Africa. The Dakar Marine shipyard was created at a time when, for several years, the Suez Canal was closed to maritime traffic, as a result of which ships sailing between Europe, the Far East and Asia had to make a detour passing Dakar and the Cape in South Africa. The state company enjoyed a golden age up to the reopening of the Suez Canal. Thereafter, a difficult period began during which demand was very inadequate relative to the oversized capacity of the shipyard. In spite of various rescue attempts (staff cuts, termination or curtailment of certain activities) the enterprise continued to be in difficulty. The State embarked on a process of privatization which was only finally completed in 1999 with Portuguese participation in the capital of the new company, thenceforth named DAKARNAVE. The experience of the Portuguese partners in the field of maritime transport and the increase in the demand for services in this sector, in particular with the Asia crisis which included countries traditionally offering this kind of service, were to restore the position of Dakar as a center for the provision of services to foreign shipping.

The West African coast is customarily served by regular shipping conference lines between Europe and Africa which regularly call only at certain ports (Dakar, Abidjan, Lomé, Cotonou, Douala, Libreville). The idea of creating a coastal trading company arose from the need to transport the remaining cargo that was not handled by the major shipping companies. This coastal trading company, which is aimed at a niche market, will initially concentrate its activities on the portion of coastline between the port of Nouadhibou in Mauritania and that of Abidjan in Côte d'Ivoire. This link will subsequently be extended to Togo and Benin if the market survey is positive. The various shippers of the sub-region will be involved, thereby strengthening intra-regional trade.

The reforms of the port of Dakar and the projected investments are designed to make Dakar a hub in the sub-region. Indeed, Dakar could serve neighboring countries such as Mauritania, Mali, the Gambia and Guinea-Bissau on condition that it becomes a highly competitive port with modern equipment (gantry cranes, more advanced computerization) and can offer prompt, high quality services.

2. Land transport

In order to enhance its role as a transit country for goods bound for Mali, the Government of Senegal has devised a multi-pronged strategy entailing the building of the Dakar-Bamako trunk road and the relaunching of the Dakar-Bamako railway, as well as the construction of Senegalese warehouses in Mali. Dakar lost its position as the chief city for the transit of Malian cargo to Abidjan, which had more highly developed road links with Mali. However, the development of the Dakar-Bamako trunk road would provide a means of redressing this situation. By adopting the Inter-State Road Transit Convention (ISRT) – which considerably simplifies the formalities for the inspection of goods carried by road to neighboring States – Senegal has confirmed its chosen role as a transit country and as a transshipment terminal.

The Dakar-Bamako railway, which has been in existence since colonial times, has created a trade flow which has become a tradition between Senegal and Mali. Accordingly, there has been a large settled Malian community in Dakar since that time, employed mainly in the railway traffic business, and a similar Senegalese colony in Bamako. Moreover, even if most of the cargo is landed at Dakar and Bamako, there are towns which act as staging posts on either side of the frontier where goods are loaded and unloaded at a steady rate. This activity cannot be replaced by the Abidjan-Bamako link road.

In addition, the Malian warehouse facilities in Dakar, which have been in existence for a very long time, have no equivalent in Bamako. Thus, in order to make the link more profitable it is necessary to generate traffic in both directions. The construction of the Senegalese warehouses in Mali will contribute to improving the traffic along this link.

Lastly, the decision by the Malian and Senegalese authorities to privatize the railway companies by creating, in particular, a new private company with private Malian and Senegalese capital will enable the link to be managed more rationally and effectively. Bearing in mind the level of investment required to rehabilitate the plant, however, a strategic foreign partner will probably be sought to provide the technology and financing.

3. Telecommunications

The quality of Senegalese telecommunication infrastructure, the quality of its human resources and the trend toward outsourcing that has been taking place at the international level, open up many possibilities for the country in the field of tele-services: the provision of value-added services, between distinct juridical entities, using the tools of communication. This opens up new prospects for job creation in the age of the information society. The following is a short list of a number of tele-service activities:

- Functional tele-services entailing services to enterprises characterized by the remote provision of services: tele-secretarial services, tele-acquisition, tele-translation, tele-management, tele-counseling;
- Tele-informatics: the range of information services provided remotely such as: engineering, software development, installation and maintenance, backup and archiving;
- Tele-management and tele-monitoring of equipment or networks;

- Tele-education;
- Tele-medicine (medical assistance, diagnosis, transfer of images for therapy, and simulation);
- Tele-services for information, brokerage, computer-based mediation; and
- Tele-procurement (transaction services).

In view of the export potential of this sector, the Government is considering measures that might promote tele-services in Senegal, including:

- The eligibility of tele-service enterprises to benefit from the regime that applies to duty-free export enterprises and confers fiscal and customs benefits on them. This is a significant advance in the taxation of services which are in future to be on the same footing as industrial goods.
- Providing the Supreme Council of Industry with the financial and technical resources to facilitate the certification of tele-service enterprises under the standards of ISO 9000;
- Inducing SONATEL (national operator) to set a standard rate for Internet connections on the basis of a rate lower than that in force for local calls. The standard rate would be the same throughout the territory.
- Setting up service incubators; and
- Promoting electronic commerce.

Certain recently created private enterprises are already using telematics to export services, in particular through remote capture and the processing of manually drawn architectural plans using architectural design software, and industrial drawings for European clients. As far as the written press is concerned, certain daily newspapers are inputted and formatted every day in Dakar and then sent electronically for printing. Finally, one enterprise is trying to produce cartoons through computer-aided drawings for European clients. Senegal has computer engineers certified by the world leaders in software engineering and is therefore very well-placed to participate in software development for the international market.

4. Education

Senegal has three universities (two public and one private) and many public and private vocational training establishments. A dozen higher education training institutes have been set up over the past 10 years and are far from being able to meet the demand for education from thousands of students and mid-career professionals who apply to them each year. In order to meet this growing demand, Senegal should not only increase the number of training places on offer but also decentralize training activities throughout the sub-region, either through traveling seminars or in partnership with local training facilities in each country.

At the level of general and vocational education, Senegal has since 1972 been a signatory of technical cooperation agreements with Gabon with a view to providing that country with teachers to work in the Gabonese education system, and large numbers of teachers have carried out fairly long missions in Gabon over the past twenty years. Today, 14 teachers occupy teaching posts in that country in the

framework of this official cooperation program. But the Gabonese market has also attracted other Senegalese teachers. There are today 250 of them, including 150 with expatriate contracts and 100 with local contracts. Other African countries have followed the example of Gabon, in particular the Central African Republic, the Comoros and Djibouti.

There is also an increasing availability of training opportunities in bilingual (English and French) programs. Private bilingual schools are coming into existence at the primary, secondary and higher levels. There has been a favorable response to such initiatives as shown by the fact that all these schools are operating at full capacity. Senegal might submit a schedule of commitments in this sector in order to attract other investors.

5. Certain professional services

Senegalese accountancy firms and consultants (freelance or established practices) customarily work in other African countries in order to support them in their development process. Accountancy as a profession developed very soon after independence because of the presence of offices representing the major international groups, commonly called "the Big Six" (which later became "the Big Four" because of mergers). Although most of the Senegalese accountants are trained in Europe, training colleges offering courses leading to an accountancy qualification have enabled many managers to join the profession. They have international standing because of the international practices to which they are affiliated and they carry out numerous audit missions commissioned by development agencies in the sub-region. To a lesser extent, non-Senegalese experts have been employed in Senegal, in particular with sub-regional bodies, as either external or internal auditors.

The consulting profession developed early in the 1970s when Senegal, which was feeling the full impact of the oil crisis, was unable to absorb the personnel graduating from its higher education system. In addition, managers in both the public and the private sector are increasingly tending to leave their employment to become consultants. As a result of their availability, bilateral and multilateral cooperation bodies have begun to seek local expertise to take part in joint missions with international experts. There have also been programs financed by development partners which have helped the national consultants to join together to form professional associations. These bodies have done much to make potential clients (public administrations, donors, private sector) more aware, and above all to upgrade the profession. The quality of the services offered on the international market has prompted the same clients (who, in many cases, are decision-makers in other countries) to involve them in the sub-region.

Increasing numbers of foreign engineering and design offices are now seeking local practices or consultants as partners in missions which the former have to carry out in Senegal or in the sub-region. Certain countries, such as the United States, oblige their consulting firms to associate with local consultants in Africa if they wish to submit offers in response to calls for tender launched by the Government (or one of its agencies) in order to carry out a survey mission in an African country. This arrangement increases the outsourcing opportunities for local practices and even facilitates closer and more balanced participation in the case of partnership where a tender is submitted. Unfortunately, not all countries that support Africa in its development have adopted such arrangements.

In the field of construction, Senegalese manpower has always been much in demand in Africa and the Middle East. Toward the end of the 1960s, Gabon, which was at that time a country fully engaged in construction, called for qualified Senegalese manpower in the building trades and public works. Every year, several hundred Senegalese workers went to Gabon on an official basis. Kuwait, in its reconstruction phase after the war, also called on Senegalese workers in various trades. On a more sporadic basis, qualified Senegalese workers are recruited by construction firms working in Saudi Arabia.

As can be seen, the services linked to the expertise of Senegalese human resources have a great deal of export potential. But rather than responding to this world-wide demand on an official but piecemeal basis, or on an unofficial or undeclared basis, Senegal could devise a real strategy for the export of the services of its qualified human resources, for example by means of a data bank on opportunities for appointment abroad which would be widely publicized among Senegalese manpower and among enterprises specializing in the recruitment and placement of qualified workers.

C. Fields in which Senegal might relax its restrictions

1. Land transport

Public transport in Dakar and its suburbs used to be provided by a state company, SOTRAC. However, it had managerial problems and difficulties connected with the replacement of its fleet of vehicles and as a result the Government closed the company down. A set of specifications was drawn up with a view to launching an international call for tenders for the management of the new transport structure that was to be created, together with the option of setting up a bus assembly plant. This sector is a classic example of a case in which the lifting of certain constraints, such as the requirement to obtain operating permits, might attract foreign investors with adequate capital and expertise in transport logistics. It is also necessary to emphasize the need to improve the transport environment: to combat the anarchy of black market carriers, to repair the roads, and to improve road signs and signals, and traffic flow.

2. Maritime transport support services

Certain activities such as the piloting of ships into the harbor of Dakar might be progressively liberalized in order to enable other investors to enter the sector, thus bringing the charges for such services down to a more competitive level. At present, ships arriving at the port have no choice with respect to the tariff charged by the towing company. Moreover, the diversification and increased availability of handling facilities should promote the creation of a more open market and therefore lead to more competitive pricing.

3. Audiovisual

The progressive liberalization of radio broadcasting has enabled many private stations to establish themselves in Dakar and the regions. RTS (the national company responsible for radio and television production and broadcasting) provides wide radio and television coverage throughout the territory. Five private national FM radio programs compete with it, with varying coverage. Two other international radio

stations relay their international frequency modulated signal to Dakar. Although permits still have to be obtained to engage in radio broadcasting activities, the increase in the number of programs available has led to more varied program content, has resulted in more competitive rates and, above all, has made it possible to target the concerns of the public more effectively.

As far as television is concerned, RTS still has a monopoly on certain programs such as news bulletins which are commonly called the "*Journal parlé*." On the other hand, foreign channels, such as the international channel CANAL+HORIZON (which charges a fee) are authorized to broadcast in Senegalese territory. One private operator (EXCAF TELECOM) operates an MMDS^{vii} system to broadcast some ten international television channels. After these programs had been broadcast free for several years, the company decided in 1999 to introduce charges.

The lifting of restrictions in the audiovisual field would enable private television channels to emerge with all the attendant advantages of a competitive environment. The establishment of the High Council of Radio and Television, which plays the role of arbitrator when different political parties request access to the state media, has brought greater transparency into their utilization.

4. Basic telecommunication services

The agreement between the State and SONATEL confers on the latter a monopoly over basic telecommunications until 2003. Thereafter, the State may either extend the monopoly or partially open it up. In the spirit of the changes that are taking place internationally, the State might authorize the access of a second operator to the sector, thus enhancing competition and paving the way for a reduction in the charges for local and international telephone communications to international levels. It has been observed throughout the world that the more a country moves toward greater liberalization of basic telecommunications, the more competitive it becomes at the international level, as was the case with Chile. Senegal has all the advantages that would enable it to play the role of a hub in the sub-region and to gain new markets if it were to offer rates closer to those charged on the international scene.

The same reasoning may be applied to mobile telephony. The advent of a second mobile telephone operator has had the immediate result of cutting the cost of communications and multiplying the range of facilities offered by the two competitors, thus giving consumers greater choice. However, the costs of acquiring and using a mobile telephone are still high and it remains the preserve of an elite. Senegal might have opted for the broader use of this new technology, for which the cost of extending geographical coverage is much lower than that of a wire-based network. This approach would enable it to become a tool of mass communication. Such an extension of the market might attract other operators, a step that would enrich the competitive environment, thus creating a virtuous circle of tariff cuts and increases in the size of the market and in the volume of consumption.

5. Telecommunication services

The Telecommunication Code defines the services that are subject to prior authorization, such as radio messaging and the establishment of radio broadcasting stations of all types. The Code provides for the creation of a regulatory agency for telecommunications to monitor all operators, including SONATEL, thus ensuring greater transparency of the rules of competition. No decision has yet been taken to make

the agency operational. Thus, SONATEL, which in the past granted authorizations by delegation from the responsible ministry, continues to grant approvals to private enterprises that wish to offer certain telecommunication services. The procedures for the approval of private tele-centers have therefore been entirely defined by SONATEL: the same applies to the requirements to set up as an Internet access provider, in particular with respect to charging.

In signing the Information Technology Agreement (ITA) following the WTO Ministerial Conference in Singapore, Senegal took a decisive step toward becoming a country determined to offer value-added services. By taking progressive measures to liberalize basic telecommunications and by abolishing customs duties on computer equipment as of July 1998 in order to make this type of equipment accessible, Senegal has already taken a step toward establishing an infrastructure for information technology and competitive communication.

D. Fields in which it would be possible to develop a joint position with the countries of the sub-region

1. Insurance services

States can take a joint position on insurance services and related services such as direct life and other types of insurance, reinsurance services, and inter-mediation services such as brokerage and agency services. Indeed, at the regional level, States are signatories to the CIMA (CICARE) agreements and those of the OAU (AFRICARE) which regulate reinsurance companies.

The ideas put forward within CIMA include:

- Repealing legislation obliging any importer of goods to take out an insurance policy with a company established in the country of residence,
- Enabling foreign companies to operate in the African market without being required to establish a branch there, and
- Reviewing certain provisions of the CIMA Code which provide that risks must be insured with a company having its head office in a member country.

2. Banking services

The WAEMU Treaty, which was signed in Dakar and entered into force on August 1, 1994, offers the eight member countries opportunities for harmonizing their sectoral policies and their trade relations with third countries. Thus, the member countries adopt the same monetary and exchange policies. In the area of finance, a law regulates banks established in Senegal in accordance with the provisions of the Convention establishing the Banking Committee of WAMU while, at the same time, modernizing legislation to adapt it to the new monetary management arrangements. The member countries of the Union may develop a common position on banking and other financial services such as the acceptance of deposits and other reimbursable funds from the public, loans of all types, including consumer credit, mortgage credit, factoring and the financing of commercial transactions, settlement and cash

transfer services (such as credit cards and charge cards), travelers checks and drafts. The member countries may address the question of the best arrangements to make in order to attract banks and financial establishments specializing in the medium- and long-term funding of enterprises.

3. Maritime transport services

The membership of WAEMU includes five coastal countries with a port and three land-locked members, namely Burkina Faso, Mali and Niger. Goods imported by those countries transit mainly through the ports of Dakar, Abidjan, Lomé and Cotonou. In spite of their land-locked position, these countries have set up bodies dealing with maritime transport. The countries of WAEMU are therefore in a position to decide on joint positions which meet their concern to increase the frequency of lines on the West African coast and to reduce freight costs to levels comparable to those found in Asia. The ECOWAS member countries have always said that they were interested in cooperating in the transit of goods. In addition to the WAEMU countries, the membership of ECOWAS comprises Nigeria, Ghana, Liberia, Sierra Leone, Guinea, the Gambia, Cape Verde and Mauritania.

4. Air transport services

The air transport sector has been dominated by the multinational company Air Afrique, which was created by the Yaoundé Convention and by the States of West and Central Africa. The Convention gave the company a monopoly right to engage in air traffic between the member countries other than routes between immediate neighbors. Various difficulties, including the recovery of debts owed by member states, made it possible for national companies, regional private companies and foreign charter operators to occupy a number of niche markets (short inter-State links, the carriage of tourists). In spite of numerous recovery attempts, difficulties remained and the States are now considering the future of the company. However, in a dramatic agreement reached in Yamoussoukro, Côte d'Ivoire in November 1999 they agreed to remove its monopoly rights. In fact, with most other African governments also in attendance, it was agreed to liberalize air transport across Africa – immediately for routes within Africa, and within two years for international routes to other continents. This should help the African members of the WTO reach a joint position and participate in the GATS negotiations with a coordinated and well-developed strategy. It also offers the opportunity for Senegal and the rest of Africa to lock-in this important yet difficult decision and reassure local and foreign investors of its durability.

E. Conclusion

Senegal became involved very early in the GATT negotiations, and consequently in those of GATS with the inception of WTO, and has been able to develop an expertise that is aware of what is at stake in the negotiations and understands the process. This situation created an imbalance with a private sector which had always felt itself to be remote from those negotiations.

The Coordinated African Programme of Assistance on Services (CAPAS) has helped to restore the balance of expertise in the private and public sectors by involving the various actors in a process of preparation based on in-depth sectoral research in the field of services over several years. The program has thus been able to promote a spirit of partnership between the public and private sectors with a view to gaining the best advantage from future negotiations. One key element has been the establishment of a national committee to prepare for the multilateral trade negotiations in Seattle comprising the various stakeholders in the public sector (ministries, public bodies) and the private sector (employers' organizations, experts). The committee considers the various service sectors, together with agriculture, with a view to participating more actively in the forthcoming negotiations.

Moreover, coordination with the other countries of the sub-region with a view to finalizing joint positions on issues of regional or sub-regional scope will give greater weight to each member in the negotiations. WAEMU has been able to derive greater benefit from the various integration experiments in Africa and should make it possible for the member countries to address certain issues which will be discussed on the basis of a joint declaration.

i. A. Yeats, A. Amjadi, U. Reineke and F. Ng, "What Caused Sub-Saharan Africa's Marginalization in World Trade?", Finance and Development, Dec. 98, pp. 38-41.

ii. M. Kono, WTO in Trade in Services, ed., Islamic Center for Development of Trade, 1997.

iii. World Bank, Global Economic Perspectives and the Developing Countries, 1995.

iv. This is a joint program of UNCTAD, UN-DESA, and ITU, funded primarily by IDRC and the Carnegie Foundation, which started in 1992. The World Bank began collaboration in 1999.

v. *Conseil Supérieure de l'Industrie - Conseil Interministériel sur les Téléservices* - 1999.

vi. *Ministère du Tourisme et des Transports aériens: Statistiques du tourisme* 1998.

vii. Multipoint Multichannel Distribution System: a signal distribution system which, like cables, enables several television channels to be carried simultaneously on a main carrier wave. It is not interactive.