SUMMARY

1. With the exception of Côte d'Ivoire, which is a developing country, the seven other member States of the West African Economic and Monetary Union (WAEMU), namely Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal and Togo, are all least developed countries (LDCs). The eight member States as a whole have a GDP of around €97 billion. Depending on the member State, the informal sector accounts from between one to two thirds of real GDP. The total population, numbering 119 million in 2017, is spread over an immense region of 3.5 million km^2, a large part of it desert, and is growing at an average rate of 3.1% annually.

2. Member States have immense natural resources, including minerals, and vast agricultural potential. Gold is mined in Burkina Faso and Mali, for which it is the most important export. Niger is one of the world's leading producers and exporters of uranium, as is Togo for phosphates. The WAEMU members produce and export limited quantities of mineral resources. Although all eight States have agricultural potential, Côte d'Ivoire reaps the greatest benefit. Its agricultural strategy has enabled it to diversify production and become one of the foremost producers and exporters of several agricultural products such as cocoa, coffee and cashew nuts. For Benin, Burkina Faso and Mali, cotton is a major export, as are fish and shellfish for Senegal, while Guinea-Bissau relies on its exports of cashew nuts.

3. In most countries where they are exploited, mining resources have not so far yielded many benefits for the national economy or the population. In all eight countries, the majority of the population is essentially involved in agriculture, including raising livestock. Nevertheless, apart from hydrocarbons, animal products and cereals, particularly rice and wheat, are the principal imports and their share of imports has not decreased. The other principal imports include chemicals and transport equipment.

4. WAEMU's economic growth overall has been lower than that recorded by the group of African LDCs, no doubt because of the socio-political problems in the region. Over the period 2009-2015, WAEMU's annual economic growth was an average of 5%, driven by Côte d'Ivoire, which accounts for over one third of the Union's GDP. Furthermore, WAEMU's macroeconomic stability, achieved as a result of monetary discipline and, to a certain extent, the budgetary discipline imposed by membership of such a Union, has enabled it to absorb the shocks caused by sharp fluctuations in global prices for the raw materials exported.

5. The share of total trade (intra- and extra-community) in goods and services in WAEMU's GDP rose by seven percentage points between 2009 and 2016 to reach 70.4%. The percentage varies from less than 60% in Guinea-Bissau and the Saharan countries (Burkina Faso, Mali, Niger) to over 100% in Togo, 75% in Senegal, 73% in Côte d'Ivoire and 70% in Benin. Over 90% of the Union's trade in goods (amounting to €22 billion for imports and €20 billion for exports) takes place outside the community, with the European Union (EU), Switzerland, China and India as the major partners. The value of intra-WAEMU trade has increased at a slower pace than trade outside the community and represented around 10% of the total value of member States' trade in 2015, less than the 13% recorded in 2010. It should be noted that the extent of informal trade means that statistics on intra-community trade are undoubtedly under-estimated.

6. Investment in the Union has the advantage of a legal framework for business law that has been harmonized by implementation of the nine uniform acts of OHADA. The Investment Codes of WAEMU members are in general liberal, with no important restrictions on foreign presence, and provide foreign investors with the usual guarantees. They have not, however, yet been the subject of harmonization at the community level and include numerous exceptions and exemptions made necessary by relatively high corporation tax, amounting to 25% and 30% of the profits, as provided in the community provisions. In addition, problems of electricity supply and its high cost are one of the major obstacles to investment within the Union.

7. With the exception of Guinea-Bissau, which has no permanent Mission in Geneva, all WAEMU member States take part in the WTO's activities through their Missions. The eight member States are examining the possibility of utilizing the WAEMU delegation to become better organized and so fulfil their notification obligations and coordinate their participation in the WTO in general. Members, with the exception of Guinea-Bissau and Niger in recent years owing to their contribution arrears, have the benefit of all WTO's technical assistance activities. Prior to this first

common review of the trade policies of all eight WAEMU member States, some of these countries were first reviewed separately and then in groups of two or three. The introduction of an annual review of reforms, policies, programmes and projects in the community by the WAEMU Commission in 2013 also responds to the concern for transparency and has helped members to improve the transposition and implementation of community acts. The simultaneous existence of WAEMU and ECOWAS, each with its own Commission, has meant that overlapping has persisted, has increased costs (for WAEMU members which all belong to ECOWAS) and has slowed down the trade integration impetus, which is much stronger within WAEMU than within ECOWAS. In addition, in August 2016, Côte d'Ivoire ratified the interim Economic Partnership Agreement signed with the EU in November 2008, but by July 2017 had still not started to dismantle tariffs, as required by the Agreement.

8. Among the many documents required for importation and which have not yet been harmonized by the Union's member States are the prior or advance declaration forms, the inspection certificate and the foreign exchange authorization; the export declaration by the country of origin (mandatory in Côte d'Ivoire and Niger); and the cargo tracking note (BSC) issued by private companies authorized by the governments requiring it. The BSC provides information which is usually available in other customs documents. Electronic platforms for exchanging documents, linked to the Customs electronic windows, exist in Benin, Côte d'Ivoire, Senegal and Togo. By May 2017, all WAEMU member States, except for Benin, Burkina Faso and Guinea-Bissau, had ratified the WTO Agreement on Trade Facilitation.

9. Several institutions are involved in import and export procedures alongside the Customs. These include the compulsory customs agents (also required for export); officials of various ministries checking whether or not the various prior authorizations required are submitted, including those from the Directorate-General of the Treasury, which issues foreign exchange commitments, and approved banks which sign them; producers' or exporters' associations, which register exports and sometimes tax them; Chambers of Commerce, involved in guarantees for the transport of goods in transit and weighing them; and inspection companies. With the exception of Niger, which did not renew its contract with the preshipment inspection company but still levies the inspection fee of 1% of the c.i.f value of the goods, and Guinea-Bissau, which suspended this procedure in November 2016, all the other WAEMU member States still impose preshipment inspection, sometimes involving several companies, as is the case in Benin. For all these reasons, streamlining import and export procedures is seen as a priority by all operators. Furthermore, pursuing the efforts made by member States in terms of compliance with the multilateral provisions on customs valuation could make the use of private companies for customs valuation redundant.

10. Despite the determination to achieve fiscal transition declared at the regional level, the taxation of trade remains an important source of government revenue for member States (around 15% in Burkina Faso to over 38% in Côte d'Ivoire, with an average of 24% for WAEMU as a whole), which hampers any initiative to try to reduce it. The ECOWAS common external tariff (CET) has been applied in all member States since January 2015, with the exception of Guinea-Bissau where it came into force in October 2016. It comprises five bands (zero, 5%, 10%, 20% and 35%) and replaced the WAEMU tariff, which had been in force since 2004. For 90% of tariff lines, the ECOWAS CET is identical to the WAEMU tariff, except that rather than the four bands in the WAEMU CET, the ECOWAS CET has a fifth band at a rate of 35% applicable to 130 tariff lines. The average rate of the ECOWAS CET is 12.3%, compared to 12.1% for the WAEMU CET. An optional supplementary measure of national application is supposed to allow member States, if needed, to adjust over a transitional period of five years until 1 January 2020.

11. This supplementary provision comprises an import adjustment tax, which allows tariff protection to be raised or lowered according to a country's needs, and a supplementary protection tax (TCP). This is similar to a safeguard tax and is supposed to replace a similar provision introduced by WAEMU, namely, the special import tax, still in force in some member States (Côte d'Ivoire, Mali and Senegal). Together with its accompanying measures, the ECOWAS CET is thus more complex and involves a greater risk of variation in its application by member States than that of WAEMU.

12. The rates of the ECOWAS CET exceed bindings at the WTO for all member States except for Guinea-Bissau and Togo. Moreover, the numerous other duties and levies imposed by member States and described below are in fact bound at zero, posing a problem of consistency with the

bound tariff lines. In addition to the CET and the two new import taxes described above, WAEMU member States also apply myriad other duties and levies which already existed in WAEMU's tariff, namely: the community solidarity levy of 1%, imposed by WAEMU member States on imports from countries outside ECOWAS; the ECOWAS community levy of 0.5%; and the statistical tax of 1%. If need be, member States individually impose levies on certain products such as sugar in the form of "special", "compensatory" or variable duties. In order to resolve the inconsistency between their taxation regimes and their multilateral commitments, all WAEMU member States, except for Guinea-Bissau, have reserved the right to renegotiate their bound tariffs pursuant to Article XXVIII of the GATT over the period 2015 to 2017, but this renegotiation process has not yet begun.

13. Within ECOWAS, and also WAEMU, trade in local products is, in principle, free of duty and import taxes. Tariff preferences for processed products require two prior approvals (of the product and the manufacturer) in addition to the certificate of origin in order to guarantee the origin of the product and the nationality of the manufacturer. Numerous problems apply to the free movement of community goods (either of origin or after release for consumption in a member State) or those in transit, related, *inter alia*, to each member State's need for revenue or to the existence of fraud. Furthermore, because the security amounting to 0.5% of the c.i.f. value of goods in transit is not high enough – Guinea-Bissau imposes a 2% tax instead – and the goods are unloaded illegally in markets of member States along the route, some member States, including Côte d'Ivoire, require a second guarantee equivalent to at least the total amount of the import duties and taxes suspended, which is refunded after receiving proof that the goods have left national customs territory. Although it is now much less common, a customs escort is still compulsory on several routes, for example, between Mali and Senegal. In May 2017, pilot projects to interlink customs posts were being implemented between Burkina Faso and Togo, and among Côte d'Ivoire, Burkina Faso, Mali and Senegal.

14. All WAEMU member States apply internal taxes, whose regimes have been harmonized, but not the rates. These consist of VAT (Guinea-Bissau applies a general sales tax (IGV) instead), excise duty (including the single special tax on petroleum products) and the advance on profits tax (AIB); ranges are determined for their rates. Except for Niger, which only applies excise duty on imports, all other member States observe the principle of national treatment when applying VAT and excise duty. The AIB is usually only imposed on imports. Member States do not always observe the harmonized regimes (at the community level) for tax exemptions, especially internal taxes.

15. The export regime is still less harmonized than the import regime. Exports are subject to various taxes which have not been harmonized at the community level, while their competitiveness suffers the negative impact of high taxes on inputs, foreign exchange regulations and a number of other factors that affect the business climate, including the cost of access to energy and financing. Benin, Côte d'Ivoire, Mali, Senegal and Togo have industrial free export zones which allow companies proving that they export at least 65% to 80% of their turnover to benefit from a number of concessions. These entail costs for States which the gains from the free zone regime do not appear to cover.

16. Since 2010, the WAEMU Commission has been responsible for the mechanism for the adoption of technical regulations within the Union, in cooperation with the Regional Standardization, Certification and Quality Promotion Organization (NORMCERQ), on the basis of international standards and technical regulations such as those of the Codex Alimentarius and the International Organization for Standardization, to which all the member States belong with the exception of Niger, which is a correspondent member, Guinea-Bissau and Togo. The objective is to improve the quality of local or imported products. There is still room for progress, however, to bring the relevant national regimes up to the minimum international level. The West African Accreditation System (SOAC), revised in 2010, was not yet operational in May 2017.

17. The process of harmonizing national sanitary and phytosanitary (SPS) legislative texts, measures and practices has been going on within WAEMU for a dozen years or so. Attention should be drawn to problems in effective implementation of domestic legislation, which is obsolete in most of the countries, notably the absence or deficiencies of SPS control capacity. In countries where they exist, national SPS committees do not have the means needed to operate correctly. Closer coordination among competent structures as regards SPS control and the introduction of modern risk management approaches are required.

18. In February 2015, regulations on the prevention of biotechnological risks were endorsed by WAEMU, together with ECOWAS and CILSS. These will apply to any use of modified living organisms and their by-products, which might have a negative effect on the environment, especially on biological diversity or human or animal health, with the exception of pharmaceuticals. Within WAEMU, regulations to ban plastic bags and their components were being adopted; similar measures are in place at the national level. National initiatives to ban the import of some products (meat products in particular) within the Union should be noted, particularly in Senegal in the case of poultry, in Mali for beef and poultry, and in Togo for frozen beef, *inter alia*.

19. The protection of intellectual property rights (IPRs) remains a challenge, even though all WAEMU member States have signed the Bangui Agreement, whose uniform provisions are essentially consistent with the WTO's TRIPS Agreement, and have created a common bureau, namely the African Intellectual Property Organization (OAPI). In 2013, OAPI recorded its first protected geographical indications. A revision of the Bangui Agreement in December 2015 now allows the Customs to detain *ex officio* goods they suspect of being counterfeit. By May 2017, Côte d'Ivoire, Guinea-Bissau and Niger had still not accepted the Protocol of Amendment to the TRIPS Agreement, ratified on 23 January 2017, and intended to facilitate access to essential medicines.

20. A large percentage of the working population in the Union's member States is still employed in agriculture. Food insecurity remains a permanent feature in several States, however, exacerbated by the problem of trade in regions affected by terrorist attacks since 2010. Despite the declared objective, per capita food production did not increase to any great extent in member States (with the exception of Benin) over the period 2010-2016, and even fell in some. Nevertheless, higher prices for producers of various food crops since 2010 have led to a substantial rise in production in several States, thereby confirming that agricultural production responds dynamically to price fluctuations. The numerous taxes levied on agricultural products by some member States do not, however, encourage producers.

21. Overall, WAEMU's member States did not generally utilize quantitative restrictions on imports of agricultural products during the review period. In addition to the maximum tariff protection, however, the sugar subsector is still protected by a number of trade barriers such as variable duty, as in Côte d'Ivoire; the obligation to purchase local sugar in Burkina Faso and Mali; and quantitative restrictions on imports in Côte d'Ivoire, Benin and Senegal. Livestock breeding is a priority for increased trade among WAEMU member States, as the main self-sufficient informal activity, notably in Burkina Faso, Mali and Niger, but also as the supplier of dairy products, meat, and hides and skins for export. It would appear that informal exports play a major role because of the plethora of taxes and other levies when crossing borders, despite the free trade that is in principle applied by member States.

22. The fisheries sector plays a key role in the economies of all member States both as regards revenue and food security, even though it is more important in countries such as Senegal and Guinea-Bissau. In general, fisheries do not appear to receive any government support. Fisheries yield substantial revenue from the sale of fishing rights, but without any obligation to unload catches or process them locally. Furthermore, problems of compliance with the health regulations in the major export markets have been noted. Two directives, which also cover (legal or illegal) over-fishing affecting most species, were adopted by the Commission in 2014, although implementing them is proving very difficult.

23. Except for Côte d'Ivoire, which is relatively more industrialized, the manufacturing sector in WAEMU's other member States is little developed, with a few light industries. The availability of secure, clean and inexpensive energy remains the major handicap for industrialization and diversification of WAEMU's economies. Less than 6% of the inhabitants in rural areas have access to electricity in Burkina Faso, Guinea-Bissau and Niger; and only Senegal and Togo have greatly increased their rural populations' access to electricity to 28% and 33%, respectively, close to the level in Côte d'Ivoire. There is no community legislation on electric power, and the relevant domestic laws are divergent. Inefficient monopolies of transport and electricity distribution, together with price fixing mechanisms, exist in most of the countries and discourage investment. Few measures have been adopted to encourage renewable energy. There are initiatives (not yet completed) to interconnect electricity grids between Senegal and Guinea-Bissau and among Benin, Burkina Faso, Mali and Togo. The interconnection between Côte d'Ivoire and Mali has been operating since 2011. Niger has just a few links with Nigeria.

24. Electric power within the Union is essentially of thermal origin, even though there is only very limited production of hydrocarbons in the Union. Only Côte d'Ivoire and, since 2011, Niger, produce crude petroleum. Regulations affecting trade in petroleum products at community level are being streamlined and harmonized so as to lower the financial and environmental cost and the consequent risk of fraud. Systems for the taxation of imports of petroleum products, in particular, respond to distinct and sometimes inconsistent objectives of maximizing fiscal revenue and keeping prices affordable for the population and industries in national territory. The hydrocarbons subsector is subject to various trade measures, including taxes that have generally been harmonized at community level, consumer subsidies, private or public monopolies and quantitative import restrictions in member States which produce crude petroleum or refine it, for example in Niger.

25. In the mining sector, compliance with the Extractive Industries Transparency Initiative (EITI) by all member States (except for Guinea-Bissau) underlines their determination to strive to improve governance in this sector. Small-scale mining and gold panning, in particular are outside this control, however, even though they constitute a non-negligible part of such activities. The State's right to 10% of the capital of mining companies, without payment, has now become a traditional part of mining royalties. The extent of exemptions from various taxes, duties and levies given for mining investment has seriously undermined the net gains for these States, to such an extent that in some countries, such as Niger, the fiscal provisions relating to mining are being reviewed.

26. Services are increasingly playing a predominant role in the economies of WAEMU member States. The areas which have recorded the best performances include mobile financial services, telecommunications and business services, following the installation of fibre optics. A liberal trade policy towards foreign suppliers of services has helped to achieve this, promoting competition and partnerships in several member States. Access to fibre optic infrastructure, however, suffers from a lack of competition, which has incited several regulators in the Union to intervene, notably by putting a ceiling on certain rates. The recent amalgamations and takeovers in the telecommunication sector, by increasing its concentration, could slow down this subsector's performance.

27. In the area of air transport, the Yamoussoukro Decision of 2000 and the community provisions of 2002 opened markets up to regional companies. Prices are slow to decrease, however, because supply is limited. In member States with a coastline, maritime transport services are mostly provided by the major world shipping lines and countries do not usually have their own fleet. One of the many taxes and surcharges imposed at the ports level, the terminal handling charge, introduced in March 2016 for the benefit of shippers, was abolished in January 2017 in Côte d'Ivoire, but is still levied in some other Union ports and raises the cost of imports. As regards rail transport, the renovation and expansion of the two railways between Niamey and Cotonou and between Abidjan and Ouagadougou could boost competition in the land transport sector. Furthermore, the regional transport facilitation programme launched by the WAEMU Commission in 2009 should help to end the chaotic competition that is a feature of road transport, encourage the entry of new operators and thus allow costs to fall and improve the security and reliability of these services.

28. Banking and insurance in member States are open to foreign presence, which is substantial. Their activities are governed by the regulations of the West African Monetary Union (UMOA) for banking services, and the Code of the Inter-African Conference on Insurance Markets (CIMA) for insurance services. Only Benin, Côte d'Ivoire and Senegal made specific commitments on financial services (excluding insurance) under the GATS in 1994. Among recent developments was the simultaneous transposition of the regulatory provisions of "Basel II" and "Basel III" in 2016. Moreover, since 2016, any reinsurance contract assigned abroad concerning over 50% (75% prior to 2016) of a risk has required authorization. In addition, 15% and 5% of the amounts reinsured must be assigned in priority to CICA-RE and Africa-Re, respectively, two multilateral reinsurance companies.

29. Although persons offering most professional services must be citizens of a WAEMU member State, such services are the subject of several regulations designed to install the free movement and establishment of authorized professionals citizens of WAEMU within the community area. Under the GATS, only Côte d'Ivoire and Senegal undertook certain commitments on professional services. For accounting services, the West African accounting standards (SYSCOA) allow financial

information on companies to be obtained; since 2013, it has incorporated the International Financial Reporting Standards (IFRS). In order to help companies in the informal sector to join the formal sector, professionals in approved management centres (CGA) help businessmen to create small or medium-sized enterprises and to keep their accounts according to the SYSCOA. Tax reductions for CGA members are given in some member States.