Executive Summary

Senegal offers a stable political environment, relatively robust infrastructure, strong institutions and a favorable geographic position with growing opportunities for foreign investment. The Government of Senegal welcomes foreign investment and has prioritized efforts to improve its business climate. Senegal has maintained a stable macroeconomic environment, with its regional currency, the CFA franc, pegged to the Euro and easy repatriation of capital and income. Investors cite high factor costs, bureaucratic hurdles, limited access to financing and a rigid labor market among the obstacles to investment. The government is making efforts address some of these challenges, streamline bureaucratic procedures and improve Senegal's competitiveness.

Senegal is pursuing an ambitious development plan, "Plan Senegal Emergent" (PSE), that calls for a series of economic reforms and increasing private investment in key strategic sectors with the goal of increasing real GDP growth to an average of 7.1% from 2014 to 2018. The government is implementing reforms to the energy sector, higher education and the land tenure system, in order to develop infrastructure, lower factor costs and improve Senegal's competitiveness. Senegal also has ambitions to build on its position as a regional business hub with relatively good transportation links to become a regional center for logistics, services and industry. The Senegalese government is focusing on infrastructure development with several projects under development to improve port facilities, transportation infrastructure and special economic zones. Senegal has joined the New Alliance for Food Security and committed to policy reforms intended to facilitate greater private investment in agricultural and agro-industry. As the government undertakes a range of investment-friendly reforms, capacity constraints and bureaucratic bottlenecks may continue to impede the implementation of this agenda.

Senegal's low ranking (178th out of 189 countries) in the 2014 World Bank Doing Business Report highlighted the substantial bureaucratic challenges that foreign investors can face when pursuing projects in Senegal. The report recognizes Senegal's progress in streamlining the business registration process, but cites slow procedures and high costs involved in registering property, securing building permits, paying taxes and getting electricity. President Macky Sall has initiated a government-wide program to further streamline government procedures and lower costs in order to improve Senegal's Doing Business ranking.

While Senegal has a well-developed legal framework for protecting property rights, settlement of commercial disputes is cumbersome and slow. The government of Senegal has prioritized efforts to fight corruption, increase transparency and improve governance, and Senegal compares favorably with most African countries in corruption indicators, but companies report that some corruption may persist, particularly at lower levels.

France is the largest source of foreign direct investment but the government of Senegal is keen to diversify its sources of investment. The U.S. and Senegal signed a Bilateral Investment Treaty in 1983 that includes provisions on non-discrimination, free transfer of funds, international law standards for expropriation and the use of binding third-party arbitration for resolution of

investment disputes. Investors may consult the website of Senegal's Investment Promotion Agency at www.investinsenegal.com for information on opportunities, incentives and procedures for foreign investment, including a copy of the Investment Code.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude Toward FDI

The Government of Senegal welcomes foreign investment and generally maintains a level playing field for foreign investors to participate in most sectors. There are no barriers to 100 percent ownership of businesses by foreign investors in most sectors with some exceptions for sectors such as water, electricity distribution, and port services where the government and state-owned companies maintain responsibility for most physical infrastructure and some services.

Laws/Regulations of FDI

Senegal's 2004 Investment Code provides basic guarantees for equal treatment of foreign investors and repatriation of profit and capital. It also specifies tax and customs exemptions according to the investment volume, company size and location, with investments outside of Dakar eligible for longer tax exemptions. A law to enhance transparency in public procurement and public tenders entered into force in 2008, establishing a Public Procurement Regulatory body (ARMP) that publishes annually reviews government public procurement contracts. The Government of Senegal enacted a Public Private Partnership Law in 2014 that amended the 2004 Build Operate and Transfer Law to facilitate expedited approval of public-private partnerships for projects that include a minimum share of domestic investment.

Industrial Strategy

Senegal has developed a strategic plan, “Plan Senegal Emergent” (PSE), that includes a priority investment plan for 2014-2018, focusing on priority sectors including agriculture, mining, energy, tourism and infrastructure. The PSE includes 27 priority projects and 17 economic reforms intended to reinforce the enabling environment for private sector investment. The government has indicated it will further focus initial efforts on a handful of priority projects and reforms. The government has established a delivery unit in the President’s office to coordinate and monitor implementation of investment projects by line Ministries. Investors may consult the website of Senegal's Investment Promotion Agency at www.investinsenegal.com for more details on investment priorities.

Limits on Foreign Control

Senegal allows foreign investors equal access to ownership of property and does not impose any general limits on foreign control of investments. Senegal's Investment Code includes guarantees for equal treatment of foreign investors including the right to acquire and dispose of property. There is no provision in Senegalese law permitting domestic businesses to adopt articles of incorporation or association that limit or control foreign investment. There is no pattern of discrimination against foreign firms making investments in Senegal.

Privatization Program

Since the 1980s, Senegal has reduced the involvement of state-owned enterprises in most sectors as the country has steadily shifted towards promotion of private sector investment to drive national development objectives. The government has privatized companies involved in the energy, airline, water, finance, real estate and telecommunications sectors. In the energy sector, the state-owned electricity company, SENELEC, operates transmission and distribution networks while the government has encouraged private companies to take an increasing share of electricity generation. The government has maintained involvement in ports and infrastructure projects but granted a private concession for a container port and used a public-private partnership to complete a toll road connecting the Dakar peninsula with interior roads.

Screening of FDI

The Government of Senegal does some screening of proposed investments, primarily to verify compatibility with the country's overall development goals and compliance with environmental regulations. Senegal's Investment Promotion Agency (APIX) offers a “one stop” service for foreign investors to complete the business registration process. APIX also facilitates government review of investment proposals. The business registration process, involving multiple approvals from APIX, Ministry of Economy and Finance, Senegalese Customs, and other agencies, has been reduced from several weeks to one day. Depending on the proposed business activity, other approvals from specific Ministries, such as Agriculture and Interior, can require additional time.

Investment Trends

France is the largest source of foreign investment in Senegal, though its share of investment has gradually declined as companies from India, Morocco, Togo and the U.S. have undertaken investment projects in Senegal. U.S. firms have invested in power generation, pharmaceutical, natural gas, oil exploration and information technology sectors. Foreign investors have secured contracts to develop mineral resources, provide garbage services, and manage part of Dakar's container port.

TABLE 1: The following chart summarizes Senegal’s ranking on several indices**.**

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(77 of 177)	cpi.transparency.org/cpi2013/results/
Heritage Foundation’s Economic Freedom index	2013	(125 of 177)	www.heritage.org/index/ranking
World Bank’s “Ease of Doing Business” Report	2013	(178 of 189)	doingbusiness.org/rankings
Global Innovation Index	2013	(96 of 142)	www.globalinnovationindex.org

World Bank GNI per capita	2012	$1,030	data.worldbank.org

TABLE 1B - Millennium Challenge Corporation Indicators for Senegal

MCC Indicator	Fiscal Year	Index/Ranking
Government Effectiveness	2014	.47 (89%)
Rule of Law	2014	.57 (91%)
Control of Corruption	2014	.59 (95%)
Fiscal Policy	2014	- 5.7 (13%)
Trade Policy	2014	73.2 (71%)
Regulatory Quality	2014	.65 (98%)
Business Start Up	2014	.90 (57%)
Land Rights Access	2014	.56 (36%)
Natural Resource Protection	2014	99.5 (89%)
Inflation	2014	1.4 (96%)
Health Expenditures	2014	3.45 (79%)
Primary Education Expenditures	2014	2.23 (65%)
Girls Primary Education Completion Rate	2014	64.6 (44%)
Political Rights	2014	32 (93%)
Civil Liberties	2014	43 (93%)
Freedom of Information	2014	50 (65%)
Access to Credit	2014	23 (50%)

Note: Percent rankings for MCC measures indicate a percentile within peer income group. The Millenium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or $4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages /selection/scorecards . Details on each of the MCC's indicators and a guide to reading the scorecards, are available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf

2. Conversion and Transfer Policies

Foreign Exchange

As part of the eight-country West African Economic and Monetary Union (WAEMU), Senegal uses the CFA franc that is pegged to the Euro at 655.957 CFA per Euro. Senegal's Investment Code includes guarantees for access to foreign exchange and repatriation of capital and earnings, though transactions are subject to procedural requirements of financial regulators. Commercial transfers are routinely carried out by local financial institutions without delays. The government limits the amount of foreign exchange that individual travelers may take outside Senegal. Departing travelers may take a maximum of 6 million CFA (approximately USD 12,000) in foreign currency/travelers checks upon presentation of a valid airline ticket.

Remittance Policies

There are no restrictions on the transfer or repatriation of capital and income earned, or on investments financed with convertible foreign currency. Remittances to Senegal from citizens living overseas are routine and provide a significant source of income for many local Senegalese. In 2013, the estimated value of remittances, formal and informal, was estimated by Senegalese authorities at USD 1.7 billion or 10 percent of GDP. Senegal is a member of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and, through GIABA, it is an associate member of the Financial Action Task Force (FATF).

3. Expropriation and Compensation

Senegal's Investment Code includes protection against expropriation or nationalization of private property with exceptions for "reasons of public utility" that would involve "just compensation" in advance. In general, Senegal has no history of expropriation or creeping expropriation against private companies. The government may sometimes use eminent domain justifications to procure land for public infrastructure projects with compensation provided to land owners. Senegal's Bilateral Investment Treaty with the U.S. also specifies that international legal standards are applicable to any cases of expropriation of investment and the payment of compensation.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

While Senegal has well-developed commercial and investment laws, and a legal framework for regulating business disputes, settlement of disputes within the existing framework is cumbersome and slow. Senegal's legal system, based on a French model, is one of the most functional systems in francophone Africa, but it still provides a challenging environment for resolution of commercial disputes. Court cases tend to be expensive with ample opportunity for the parties involved to prolong the proceedings. Even when courts issue judgments, companies may encounter challenges in implementing court decisions and enforcing their contractual rights. Investors may consider including provisions for binding arbitration in their contracts in order to avoid prolonged entanglements in Senegalese courts. To alleviate the growing backlog and delays in resolution of commercial disputes, the government of Senegal has taken steps to establish commercial courts, as part of its investment climate reforms. Senegal is signatory to the Organization for the Harmonization of Corporate Law in AfricaTreaty (OHADA) that provides for common corporate law and arbitration procedures in the 16 member states in western and central Africa.

Bankruptcy

Senegal has commercial and bankruptcy laws that address liquidation of business liabilities. Foreign creditors receive equal treatment under Senegalese bankruptcy law in making claims against liquidated assets. Monetary judgments are normally in local currency. As a member of the Organization and Harmonization of Business Law (OHADA), Senegal permits three different types of bankruptcy liquidation to allow a negotiated settlement, company restructuring, or complete liquidation of assets.

Investment Disputes

International firms have pursued a variety of investment disputes during the last decade, including at least two U.S. firms involved in tax and customs disputes. One U.S. energy firm was involved in a tax dispute and ultimately prevailed in arbitration. Another company has an ongoing case over whether imported industrial inputs would be subject to customs duties. Other foreign companies in the mining and telecommunications sectors have pursued commercial disputes over mining and telecom licensing. These disputes have often been resolved through arbitration or an amicable settlement.

International Arbitration

Senegal has growing experience in using international arbitration for resolution of investment disputes with foreign companies, including some cases involving tax disputes with U.S. firms. The government has also prevailed in some arbitration cases, including a 2013 arbitration decision in a high-profile case with Arcel-Mittelor over an integrated mining/railway/port project, lending greater confidence within the government to the arbitration process.

ICSID Convention and New York Convention

Senegal is a member of the International Center for the Settlement of Investment Disputes (ICSID) and a signatory of the Convention on the Recognition and Enforcement of Arbitral Awards (the New York Convention).

5. Performance Requirements and Investment Incentives

Senegal's Investment Code provides for investment incentives, including temporary exemption from customs duties and income taxes for investment projects. Eligibility for investment incentives depends upon a firm's size and type of activity, the amount of the potential investment, and the location of the project. To qualify for significant investment incentives, firms must invest above CFA 100 million (approximately USD 200,000) or in activities that lead to an increase of 25 percent or more in productive capacity. Investors may also deduct up to 40 percent of retained investment over five years. However, for companies engaged strictly in "trading activities," defined as "activities of resale in their existing state products bought from outside the enterprises," investment incentives might not be available.

Eligible sectors for investment incentives include agriculture and agro-processing, fishing, animal-rearing and related industries, manufacturing, tourism, mineral exploration and mining, banking, and others. All qualifying investments benefit from the "Common Regime," which includes two years of exoneration from duties on imports of goods not produced locally for small and medium sized firms, and three years for all others. Also included is exoneration from direct and indirect taxes for the same period.

Exoneration from the Minimum Personal Income Tax and from the Business License Tax is granted to investors who use local resources for at least 65 percent of their total inputs within a fiscal year. Enterprises that locate in less industrialized areas of Senegal benefit from exemption of the lump-sum payroll tax of three percent, with the exoneration running from five to 12 years, depending on the location of the investment. The investment code provides for exemption from income tax, duties and other taxes, phased out progressively over the last three years of the exoneration period. Most incentives are automatically granted to investment projects meeting the above criteria. The new tax code was published December 31, 2012 (law # 2012-31 of December 2012 published in journal # 6706 of 31/12/2012).

An existing firm requesting an extension of such incentives must be at least 20 percent self-financed. Large firms -- those with at least 200 million CFA (400,000 USD) in equity capital -- are required to create at least 50 full-time positions for Senegalese nationals, to contribute the hard currency equivalent of at least 100 million CFA (200,000 USD), and keep regular accounts that conform to Senegalese (European accounting system) standards. In addition, firms must provide APIX with details on company products, production, employment and consumption of raw materials.

The Government does not, by statute, impose specific conditions or performance requirements on investment activities. However, the Government does negotiate with potential investors on a case-by-case basis.

Acquiring work permits for expatriate staff is typically straightforward. Citizens from WAEMU member countries are permitted to work freely in Senegal. In May of 2004, the Economic Community of West African States (ECOWAS) and WAEMU signed an agreement that, amongst other things, allows employment mobility between member countries.

6. Right to Private Ownership and Establishment

Senegal generally provides foreign investors the same rights to property ownership and business establishment that are available to local investors. Private entities are permitted to establish and own businesses and to engage in most forms of remunerative activity. Foreign nationals are permitted to buy and hold land with no requirement for local majority ownership. Land holdings for investors are frequently offered on the basis of long-term leases (i.e., 99 years). Several of the state-owned firms privatized in recent years were sold in part or in whole to foreign entities.

7. Protection of Property Rights

Real Property

The Senegalese Civil Code provides a framework, based on French law, for enforcing private property rights. The code provides for equality of treatment and non-discrimination against foreign-owned businesses. Senegal maintains a property title and a land registration system, but application is uneven outside of Senegal's urban areas. Confirming ownership rights on real estate can be difficult, but once established, ownership is protected by law.

The Government has undertaken several reforms to make it easier for investors to acquire and register property. It has streamlined procedures and reduce associated costs for property registration. In early 2014, the government approved a new land tenure model that is intended to facilitate land acquisition by resolving conflicts between traditional and government land ownership. When this reform is fully implemented, the government and donors expect that it will facilitate land acquisition and investment in the agricultural sector.

The Government generally pays compensation when it takes private property through eminent domain actions. Senegal's housing finance market is underdeveloped and few long-term mortgage financing vehicles exist. There is no secondary market for mortgages or other bundled revenue streams. The judiciary is inconsistent when adjudicating property disputes.

Intellectual Property Rights

Senegal maintains a legal framework for protection of intellectual property (IP), but has limited institutional capacity to implement this framework and enforce IP protections. Senegal has been a member of the World Intellectual Property Organization (WIPO) since its inception. Senegal is also a member of the African Organization of Intellectual Property (OAPI), a grouping of 15 francophone African countries with a common system for obtaining and maintaining protection for patents, trademarks and industrial designs. Local statutes recognize reciprocal protection for authors or artists who are nationals of countries adhering to the 1991 Paris Convention on Intellectual Property Rights. In particular:

Patents

Patents are protected for 20 years. An annual charge is levied during this period. Trade secrets and computer chip design are respected.

Trademarks

Registered trademarks are protected for a period of 20 years. Trademarks may be renewed indefinitely by subsequent registrations.

Copyrights

Senegal is a signatory to the Bern Copyright Convention. The Senegalese Copyright Office, part of the Ministry of Culture, attempts to enforce copyright obligations. The bootlegging of music cassettes and CDs is common and of concern to the local music industry. The Copyright Office undertook actions in 2001, 2002, 2003 and 2006 to combat media piracy, including seizure of counterfeit cassettes and CD/DVDs and in 2008 established a special police unit to better enforce the country's anti-piracy and counterfeit laws.

However, despite an adequate legal and regulatory framework, enforcement of intellectual property rights is weak. In general, the government has limited capacity to combat IPR violations or to seize counterfeit goods. Customs screening for counterfeit goods coming from China, Nigeria, Dubai and other centers of illegal production is weak and confiscated goods occasionally re-appear in the market. Nonetheless, the government has made efforts to raise awareness on the impact of counterfeit products on the Senegalese marketplace, and officers have participated in trainings offered by manufacturers to identify counterfeit products.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Contact at Mission

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Country/Economy Resources

The American Chamber of Commerce (www.amchamsen.org) can provide additional information on services available in Senegal. A list of attorneys in Senegal can also be found on the Embassy website:
dakar.usembassy.gov/service/living-in-senegal-and-guinea-bissau/attorneys-and-notaries-in-senegal.html

8. Transparency of the Regulatory System

Senegal has made progress towards developing independent regulatory institutions, including regulators for the energy, telecommunication and financial sectors and increasing transparency of its regulatory system. The government of Macky Sall has made good governance and transparency in the management of public affairs a high priority. While Senegal lacks established procedures for a public comment process for proposed laws and regulations, the Government frequently holds public hearings and workshops to discuss proposed initiatives.
The Commission for Regulation of the Electricity Sector (CRSE) was established in 1998 as an independent agency that regulates the electricity sector. The government is preparing to expand the CRSE's role to include regulation of hydrocarbon fuels. The CRSE holds public consultations every three years as part of its technical process for reviewing electricity tariffs.
The Agency for Regulation of Telecommunications and Posts (ARTP) is responsible for licensing and regulation of telecommunications in Senegal and the Central Bank for West African States (BCEAO) is responsible for regulation of financial institutions.
In October 2013, Senegal was approved as a candidate country for the Extractive Industries Transparency Initiative (EITI). The government of Senegal has begun a consultative process of implementing EITI requirements with the goal of preparing Senegal's first EITI report by 2015.

Senegal is a member of the U.N. Conference on Trade and Development's international network of transparent investment procedures: http://senegal.eregulations.org/ (French language only). Foreign and national investors can find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures.

9. Efficient Capital Markets and Portfolio Investment

While Senegal's banking system is generally sound, domestic investment is constrained by an under-developed financial sector. Senegal's twenty commercial banks, primarily from France, Nigeria, Morocco and Togo, generally maintain conservative lending guidelines, high interest rates and collateral requirements that limit access to finance. Few firms are eligible for long-term loans, and small and medium sized enterprises have little access to credit. Citibank (United States) operates in Senegal as an investment bank. U.S. firms also have access to the U.S. Overseas Private Investment Corporation (OPIC) and Export-Import Bank (EXIMBANK) facilities.

In 2011, Senegal issued a 500 million Eurobond that increased Senegal's visibility on international financial markets. Another Eurobond is expected in 2014. The government regularly issues bonds in local currency on the regional market and the regional central bank (BCEAO) supports the development of a regional bond market.

The West African Regional Stock Exchange (BRVM), headquartered in Abidjan, Cote d'Ivoire with local offices in each of the WAEMU member countries offers additional opportunities to attract foreign capital and access diversified sources of financing. However, through 2013, only one Senegalese company, Sonatel, has traded on the BRVM.

Legal, regulatory and accounting systems closely follow French models and WAEMU countries present their financial statements in accordance with the SYSCOA system, which is based on Generally Accepted Accounting Principles in France.

10. Competition from State-Owned Enterprises

Senegal has progressively reduced government involvement in state-owned companies during the last three decades, so that only a handful of state-owned enterprises remain involved in the energy, agriculture and industrial sectors. The state-owned electricity company, SENELEC, retains control over power transmission and distribution, but relies primarily on independent power producers to generate most of Senegal's power supply. The government has also retained control of the state-owned oil company Petrosen which is involved in hydrocarbon exploration in partnership with foreign oil companies and operates a small refinery dependent on government subsidies. The government of Senegal has limited and declining involvement in agricultural, including a state-owned company involved in rice production.

The government created the Strategic Investment Fund (FONSIS) as a sovereign wealth fund that will leverage state-owned assets to co-finance public-private partnerships in development projects. By early 2014, FONSIS began hiring staff and identifying investment projects for further development of structured proposals, including projects in the agriculture and agribusiness sectors.

11. Corporate Social Responsibility

In Senegal's business community, there is nascent awareness of Corporate Social Responsibility (CSR) activities with multinational firms and some local business conglomerates leading the way. There is limited pressure from consumers or shareholders for companies to engage in CSR activities. While many international firms are aware of OECD guidelines and international best practices in CSR, most local firms have limited familiarity with international standards.

12. Political Violence

Senegal has long been regarded as an anchor of stability in the West Africa region that is vulnerable to political unrest. It is the only mainland West African country that has never had a coup d'etat since gaining independence in 1960. Senegal experienced sporadic incidents of political violence during the lead up to national elections in March 2012 due to strong opposition to former President Wade's decision to seek reelection for a third term. However, the 2012 election reinforced Senegal's reputation as the strongest democracy in West Africa. Public protests occasionally spawn isolated incidents of violence when unions, opposition parties, merchants or students demand better salaries, working conditions or other benefits. Sporadic incidents of violence as result of petty banditry continue in the Casamance region, which has suffered from a two-decade-old conflict ignited by a local rebel movement seeking independence for the region, but the level of violence has declined in recent years as the government and rebel groups have engaged in negotiations to resolve the conflict.

13. Corruption

Since taking office in 2012, President Macky Sall has emphasized his commitment to fighting corruption, increasing transparency and promoting good governance. He reactivated the Court of Repossession of Illegally Acquired Assets to investigate corruption by former government officials. Sall also created new institutions such as the National Anti-Corruption (OFNAC) and the Commission of Restitution and Recovery of Illegally Acquired Assets. OFNAC is composed of twelve members appointed by decree with a mission to fight corruption, embezzlement of public funds and fraud. The government of Senegal has also taken steps to increase budget transparency in line with regional standards and it approved a new asset declaration law for public officials in 2014. Senegal ranked 77th out of 177 countries, in Transparency International's 2013 Corruption Perception Index (CPI), representing a substantial increase over Senegal's 99th place ranking in 2011.

Notwithstanding Senegal's positive reputation for corruption relative to regional peers, investors continue to report corruption as a frequent problem in Senegal, particularly at lower levels of the bureaucracy where officials with modest salaries may demand "tips" for advancing permits and other official paperwork. It is important for U.S. companies to assess corruption risks and develop an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. firms operating in Senegal can underscore to interlocutors in Senegal that they are subject to the Foreign Corrupt Practices Act (FCPA) in the U.S. and may consider seeking legal counsel to ensure compliance with anti-corruption laws in the U.S. and Senegal. Senegal is a signatory of the United Nations Convention Against Corruption but it is not a signatory of the OECD Convention to Combat Bribery. Senegal's financial intelligence unit, Cellule Nationale de Traitement des Informations Financières (CENTIF) is responsible for investigating money laundering and terrorist financing. CENTIF has broad authority to investigate suspicious financial transactions, including those of government officials.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize all acts of corruption, including bribery of foreign public officials, and requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract may bring this to the attention of appropriate U.S. agencies.

14. Bilateral Investment Agreements

Senegal and the U.S. have a Bilateral Investment Treaty, which allows for international arbitration. (U.S. companies entering the Senegalese market should ensure that their contracts with third parties make a provision for binding international arbitration in case of a dispute.) The treaty also provides for Most Favored Nation treatment for investors, internationally recognized standards of compensation in the event of expropriation, free transfer of capital and profits, and procedures for dispute settlement, including international arbitration. A copy of the Bilateral Investment Treaty can be found at: http://www.state.gov/documents/organization/43585.pdf. Senegal has signed similar agreements for protection of investment with France, Switzerland, Denmark, Finland, Spain, Italy, the Netherlands, South Korea, Romania, Japan, Australia, China, Iran, Morocco, and Sudan. Senegal has concluded tax treaties with France, Mali, and West African Economic and Monetary Union (WAEMU) member states. There is currently no tax treaty and no imminent prospect of one between the United States and Senegal.

15. OPIC and Other Investment Insurance Programs

OPIC offers financing and investment insurance to support U.S. investment and OPIC services are available to support projects in Senegal. OPIC is currently exploring several investment projects in Senegal. Senegal is a member of the Multilateral Investment Guarantee Agency (MIGA), an arm of the World Bank.

16. Labor

Senegal has an abundant supply of unskilled and semi-skilled labor, with a more limited supply of skilled workers in engineering and technical fields. While Senegal has one of the best higher educational systems in West Africa and produces a substantial pool of educated workers, limited job opportunities in Senegal lead many to look outside of the country for employment.

Relations between employees and employers are governed by the labor code, industry wide collective bargaining agreements, company regulations and individual employment contracts. There are two powerful industry associations that represent management's interests: the National Council of Employers (CNP) and the National Employers' Association (CNES). The principal labor unions are the National Confederation of Senegalese Workers (CNTS), and the National Association of Senegalese Union Workers (UNSAS), a federation of independent labor unions.

Senegalese law permits all workers to form unions with limited exceptions for security force members, including police and gendarmes, customs officers, and judges. The labor code requires prior authorization from the Ministry of Interior by giving the ministry discretionary power to issue a document recognizing a trade union before it can exist legally. The law allows unions to conduct their activities without interference and provides for the right to bargain collectively. Collective bargaining agreements, however, apply only to an estimated 44 percent of union workers. Trade unions organize on an industry-wide basis, very similar to the French system of union organization, though most workers are involved in informal sector occupations where they are often self-employed and not subject to the labor code.
The inflexibility of the Labor Code, the complexity of labor issues and arbitrary court rulings in labor cases are often high on the list of complaints by investors and foreign companies. Foreign firms are often sued in the Senegalese courts by terminated employees who are frequently awarded damages and placement in their former positions. Although these decisions are sometimes overturned on appeal, the appeals process is costly and time consuming.

17. Foreign Trade Zones/Free Ports

Senegal plans to develop the Dakar Integrated Special Economic Zone (DISEZ), under direction of the Export Promotion Authority (APIX) on a designated area adjacent to the Blaise Diagne International Airport currently under construction outside of Dakar. The government plans to develop additional energy and port infrastructure in areas near the DISEZ project site. Once completed the DISEZ project expects to offer industrial development sites with expedited administrative procedures, long-term tax and customs incentives and a package of associated utilities and logistical services. An earlier initiative, the Dakar Free Industrial Zone (ZFID), provided licenses and limited support services for another designated industrial zone, but ZFID stopped issuing new licenses in 1999. Firms already located in ZFID may continue receiving benefits until 2016. Senegal has ambitions to develop additional Special Economic Zones in other cities, including Ziguinchor in the southern Casamance region. For details on DISEZ, see: www.investinsenegal.com/IMG/pdf/dakar_integrated_special_economic_zone_anglais_.pdf

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data
Economic Data	Year	Amount	Year	Amount	

Host Country Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2013	15,791	2013	15,791	http://www.imf.org/external/country/sen/
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data
U.S. FDI in partner country (*Millions U.S. Dollars, stock positions)*	2012	N/A	2012	59	www.bea.gov

TABLE 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	1,158	100%	Total Outward	213	100%
France	527	45%	Guinea	118	55%
India	71	6%	Mali	40	19%
Morocco	66	6%	Guinea-Bissau	23	11%
United States	49	4%	France	15	7%
Togo	37	3%	Burkina Faso	10	5%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: IMF Coordinated Direct Investment Survey: http://cdis.imf.org

19. Contact Point at Post for Public Inquiries

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