EXECUTIVE SUMMARY

BACKGROUND

The Gambia Competition Commission (GCC) is a statutory body established in 2009 to enforce the Competition Act of 2007. The GCC has as its primary objective to promote and maintain competition in The Gambia by curbing practices that have an appreciably adverse effect on competition, by creating a level playing field within which businesses can thrive in a liberal and competitive market.

The Act empowers the GCC to investigate and conduct studies on possible anti-competitive behaviour by enterprises and to compel enterprises and any other person to furnish information it may require in the process of investigation. Under section 15(k) of the Act the Commission can undertake general studies on the effectiveness of competition in individual sectors of the economy of the Gambia. If anti-competitive is established by the investigation, the Commission can intervene to remedy the situation. Where businesses have been found to be deliberately and negligently colluding to fix prices or share markets, the Commission can impose fines.

The following anti-competitive practices are proscribed by the Act:

- Collusive agreements including bid rigging, price fixing, market sharing etc.
- Abuse of monopoly power.
- Mergers which substantially lessen competition.

PURPOSES OF THE MARKET STUDY

This is a market study on the importation and sale of rice and sugar in The Gambia to understand conditions of competition in these commodities and the reasons for any lack of competition, and if necessary to recommend action by Government. A market study is not an investigation of restrictive practices which infringe the Act.

The study was undertaken in response to a request from the Ministry of Trade, Industry and Regional Integration (MOTIRI), to look into the continuous rise in the prices of these two basic commodities on the one hand, and on the other, to determine whether any aspects of the Competition Act have been violated by enterprises engaged in the rice and sugar business. The first is on rice, the second on sugar and the third focuses on the competition issues.

The study focused on prices of the two commodities for the period August 2010 to August 2011 and competition issues, namely:

- The key players in the market including source markets and market shares;
- Abuse of monopoly position resulting in excessive pricing;
- The barriers to entry (if any) into the importation of sugar and rice business which are prohibited by section 25 (1) (2) (a) (b) of the Act.

STUDY METHODOLOGY/PROCESS

The Commission's Secretariat collaborated with the Gambia Bureau of Statistics (GBOS), the Gambia Revenue Authority (GRA), and the Ministry of Trade, Industry and Regional Integration (MOTIRI) in obtaining the necessary information and data. As a member of the International Competition Network (ICN), the Commission was able to secure useful information and data from the Competition Commission of Senegal and the Anti-trust Commission of Brazil (CADE).

FINDINGS

The study revealed that, based on the declaration made by importers to the Customs and Excise Department of the GRA, averaging $185 per metric tonne for sugar and $245 per metric tonne for rice, and taking into account all the relevant costs, there was excessive pricing of sugar and rice in the Gambian market. A difference of D765 was found between the total cost and the wholesale price of sugar, and a difference of D267.33 between the total cost and the wholesale price of rice.

CIF price declared by importers for rice of $245 per metric tonne was found to be accurate considering that the world price of 35% broken Thai rice was around $264 per metric tonne.

Anti-competitive practices such as price fixing and tie-ins existed in the rice and sugar importation business.

There were allegations of predatory pricing leading to foreclosure of some businesses and some abandoning sugar/rice importation.

CONCLUSION

Though there seemed to be fair competition in the sugar and rice business, competition was very limited and dominated by three enterprises.

BACKGROUND TO THE STUDY

Rice and sugar are the most essential basic commodities in The Gambia as they are consumed on a daily basis by almost all households. Therefore, changes in the price of these commodities, no matter how small, affect these households. As basic commodities, their demands are highly inelastic. Besides being economic goods, rice and sugar are politically sensitive commodities and changes in their prices could significantly affect government policies. The bulk of the rice consumed in The Gambia is mainly imported from Pakistan, Thailand and Brazil whilst sugar importation is mainly from Brazil.

The Gambia government attaches great importance to the uninterrupted supply and availability of these basic commodities, especially rice, in the country and stresses that every household should have access to them. In the same vain, consumers should benefit from competition in these markets so that the right prices are charged for these essential commodities. Any sharp surges in the prices of basic commodities therefore become a great concern to the Government. The period between 2008 and 2009 (referred to as years of the global financial crisis) witnessed sharp rises in the prices of these commodities and became a major concern to the authorities, following incessant complaints through the Ministry of Trade by consumers countrywide. To this end, preferential rates (customs and tax) were given to importers of these commodities. This however did not reflect on the prices and defeat the purpose of the concessionary tariff rates given to importers. The situation is worst during festive periods.

With the coming into operation of the GCC in 2009, these burning concerns were forwarded to the Commission by the Ministry of Trade who tasked the Commission to look at the prices of basic commodities as rice, sugar, flour and the competitive nature of these markets. This is in line with the strategic plan of the GCC to conduct at least three (3) investigations or market study in a year and also on the powers conferred upon the Commission under section 15 (b) of the Competition Act 2007.

The Gambia has, since late 1980s, a period characterised by series of economic reforms, adopted a free market approach with less government intervention in determining the outcome of the market. The Gambian market is highly liberal with the market for commodities being no exception. A competitive market is one that promotes efficient allocation of resources through the interaction of the market players and ultimately improves the welfare of consumers. It also prevents the huge deadweight loss and large reduction in consumer surplus which is the case in a monopolistic situation. Competition is envisaged to bring down prices of goods with improved quality and wide range of options for the consumers. This does not seem to be the case in the rice and sugar markets in The Gambia.

PURPOSE AND OBJECTIVES OF THE STUDY

Using the powers conferred upon the Commission under section 15 (b) of the Competition Act 2007, to conduct studies relevant to competition issues, the Secretariat conducted a market study into the rice and sugar market to ascertain whether:

a) consumers were enjoying the full benefits of competition;
b) there existed any distortion in these markets that affected competition and violated the Competition Act.

MARKET DEFINITION

The relevant market is a defined set of products which could compete with other products and a defined geographical area within which competition occurs. The relevant market combines the product market and the geographic market. The product market comprises those entire products which are regarded as interchangeable or substitutable by reason of products' characteristics, their prices and their intended use. The geographic market comprises the area in which the firms/sellers concerned are involved in the supply of the products and in which the conditions of competition are sufficiently homogeneous.

The SSNIP (Small but Significant Non-transitory Increase in Price) test which looks at what would happen to demand for other likely competing products if the price of a product increases by 5-10% was used to determine the relevant product and geographic market.

The relevant product market for sugar is the importation and distribution of refined cane sugar and that of rice is imported rice. The territory of The Gambia is the relevant geographic market for the two commodities.

STUDY METHODOLOGY/APPROACH

The study covered the period August 2010 to August 2011 and took the following approaches:

1. Review of relevant documentation;
2. Analysis of data supplied by various sources;
3. Interviews with major importers of the two commodities; and
4. Discussions with other importers and retailers of the commodities.

The study focused on the cost structure of the major importers of the two commodities in relation to their pricing structure. Key components of the pricing structure include cost, insurance and freight (CIF) values, custom and port duties, handling and other overhead costs for the period under investigation. The study also used descriptive statistics to show the trend in price and cost structure for the period under review. The data furnished by the Competition Commission of Senegal and the Anti-trust Commission of Brazil (CADE) for sugar, as all sugar imports and most rice imports are from this country, and agreed upon add-ons were used as a fool proof costing mechanism.

Price analysis provides a good assessment of the conditions of competition in a market. In a competitive market, high prices are likely to attract new entrants, which would eventually exert a downward pressure on the price levels. This would be in the interest of consumers and would also encourage firms to be more efficient.

Data on average monthly wholesale prices were compared to retail prices, cost, insurance and freight (CIF) values, customs and port duties, and other related costs associated with the importation of the two commodities.

Primary data collected from importers during the interviews, as well as secondary data from the Ministry of Trade, Industry and Regional Integration (MOTIRI), The Gambia Bureau of Statistics (GBOS), The Gambia Revenue Authority (GRA), the Association of Clearing and Forwarding Agencies (ACFA), the Competition Commission of Senegal and the Brazil Competition Commission were analysed. Data obtained from the latter two were used for comparison with what obtained in the global markets.

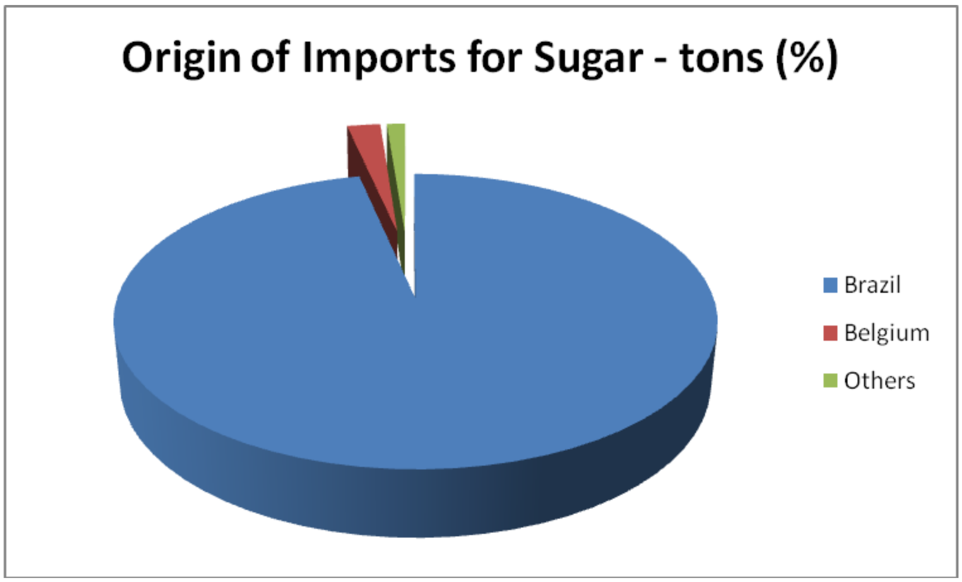
In the absence of competition, particularly or especially in concentrated markets, firms may engage in exploitative behaviour or conduct. This may take the form of excessive price increases and or higher profit margins. Average monthly wholesale prices were compared to retail prices, costs, insurance and freight to provide CIF values. Customs and port duties, and other related costs were then added to arrive at the cost-to-store prices (CTS).

THE SUGAR MARKET

Origin of Sugar Imports

The sugar consumed in the Gambia is 100% imported from different countries. Two categories of sugar are imported namely (i) sugar for domestic consumption and (ii) sugar for industrial use. The chart below depicts the origins of sugar imports for the period August 2010 to August 2011.

Chart 1

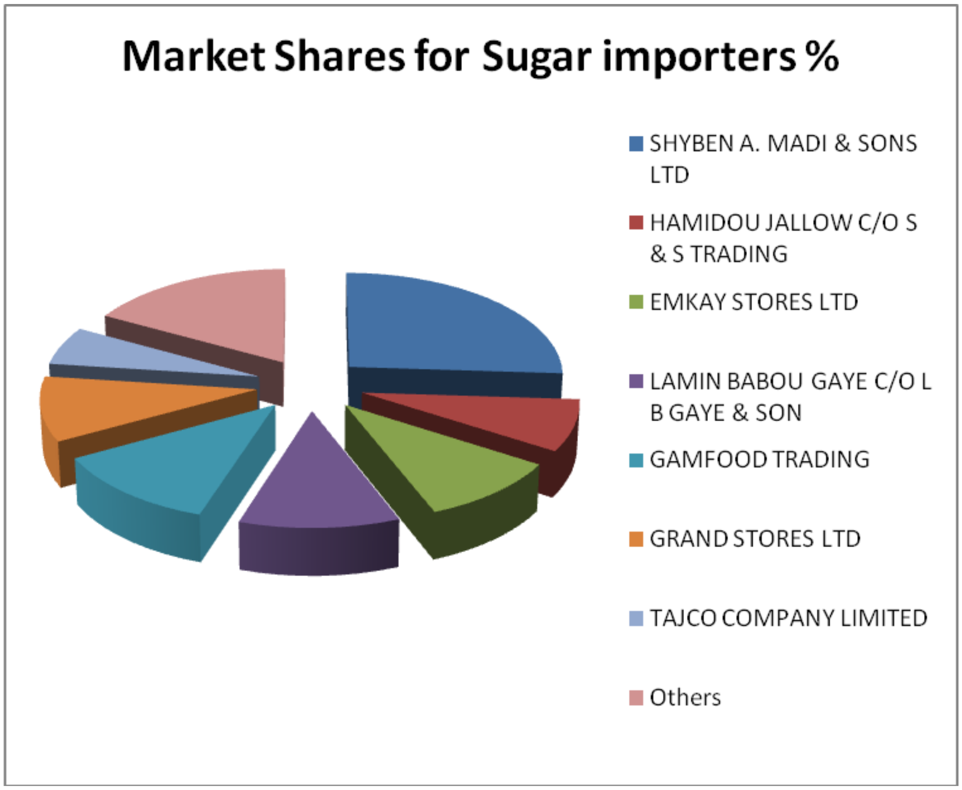


The chart shows the bulk of sugar imported for the period came from Brazil constituting approximately 97%. Only 2% of sugar imports came from Belgium while imports from other countries constituted 1%.

Market share/concentration

For the period under review, the number of sugar importers in The Gambia was fifteen. All importers except Lamin B. Gaye import bagged sugar. He imports the commodity in loose form which is sucked from the vessel and bagged in his bagging plant at the Ports premises. Gambega, a soft-drinks bottling company, is the only importer of industrial sugar for sweetening its products.

Chart 2



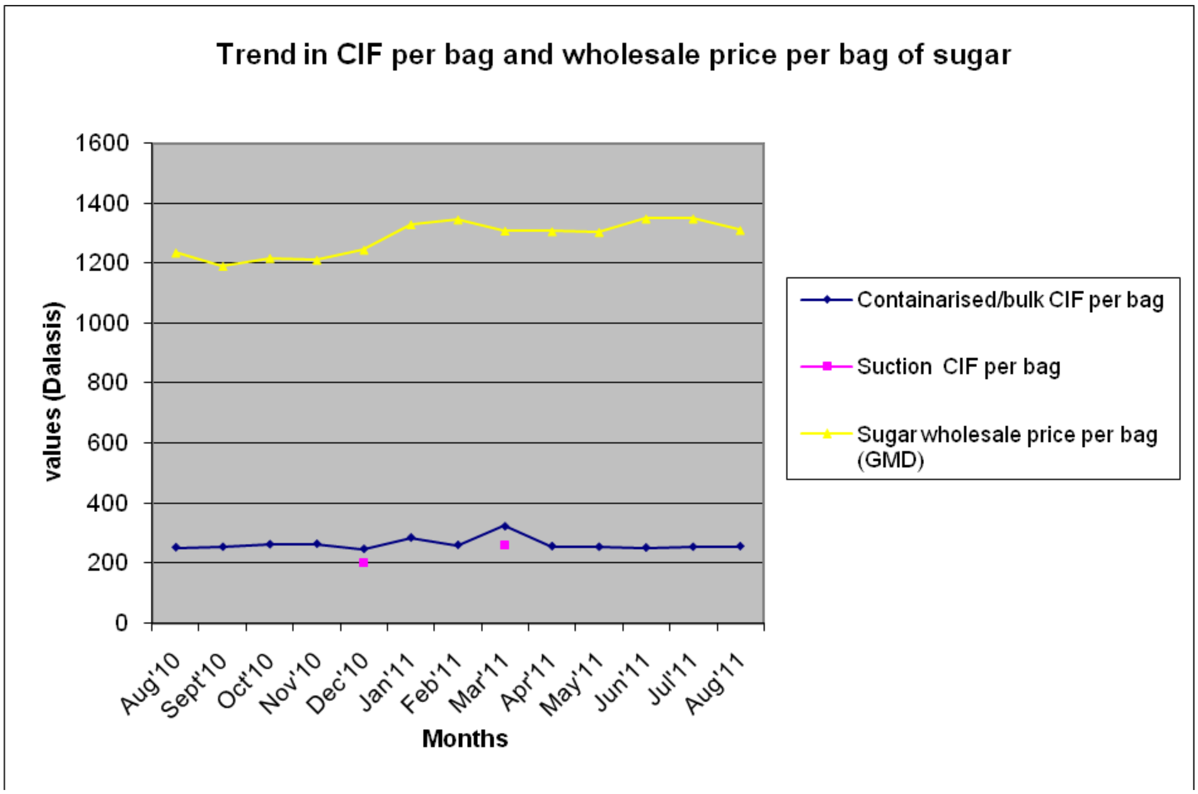
The chart shows the market shares for the various importers. Shyben A. Madi & Sons imported approximately 26% during the period under review, making it the leading importer of the commodity. Gamfood Trading was the second largest importer with 12%, and Lamin B. Gaye & Sons the third, with approximately 11% of the import. Other importers accounted for the balance of approximately 17%.

In August 2010, which coincided with the Muslim month of Ramadan, the wholesale and retail prices per bag were D1,236 and D1,343.40 respectively. Both fell in the following month and remained relatively stable until January 2011 when they rose again to D1,329.50 and D1,381.90 respectively. Both prices remained relatively stable until June 2011 when their average prices per bag increased again to D1,349.25 and D1,423.25 respectively. On average, the margin between the wholesale and retail prices for the commodity for the period under review was 4.6%.

To determine the pricing structure of sugar and total cost to be incurred by importers up to their stores, all the possible cost constituents (CIF, custom duties & taxes, port charges, shipping agency costs, etc.) were analyzed.

Graph 1 below illustrates the trend in CIF and wholesale prices per bag over the period of the study.

Graph 1



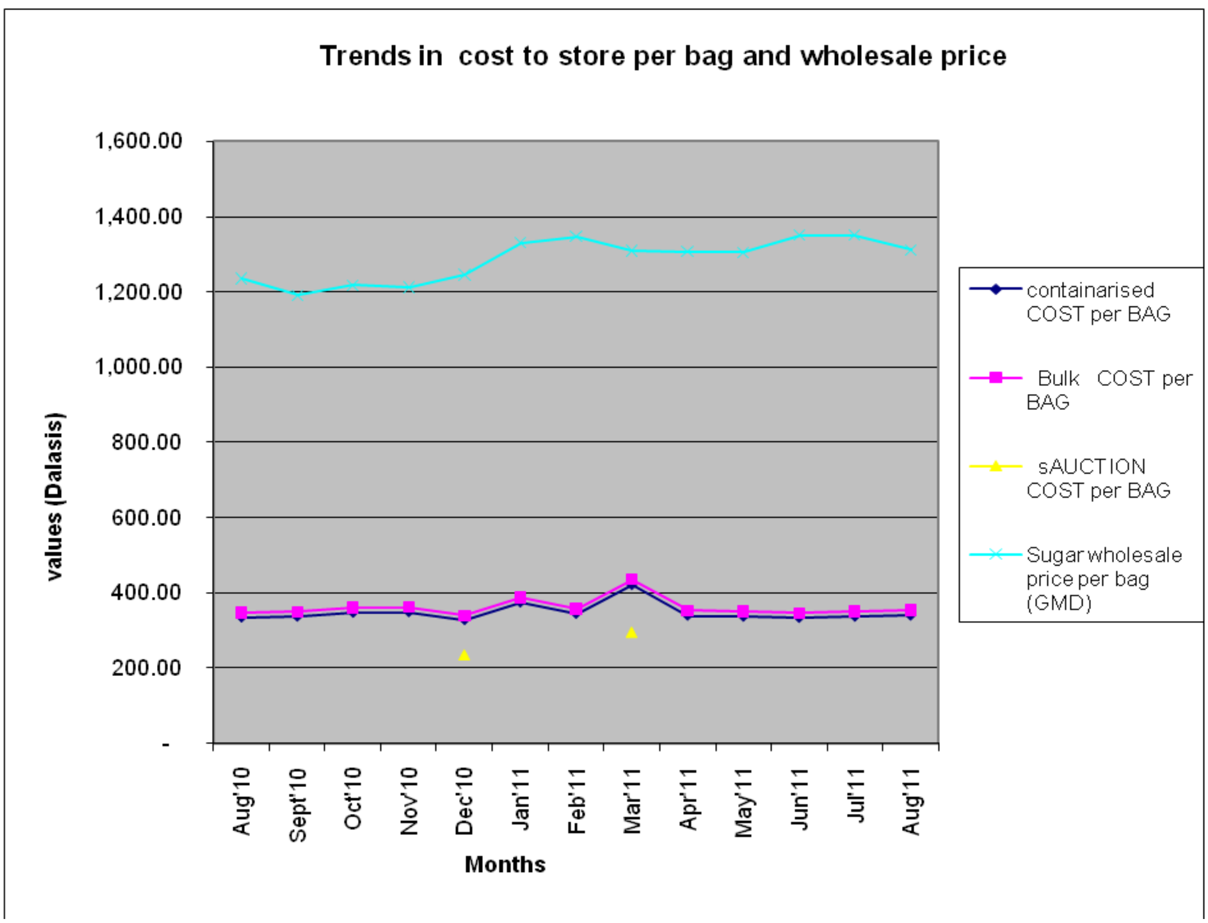
The graph shows the average CIF price per bag was relatively stable over the 12-month period. The highest CIF price per bag of sugar was in March 2011 with an average value of **D324.71** for containerised as well as bulk cargo. The CIF price per bag of suction sugar was comparatively lower than that of containerised or bulk cargo, mainly due to the additional cost incurred in bagging the suction sugar.

Apart from January 2011, there was no correlation between the CIF and wholesale price per bag. The cost differential between the CIF and wholesale price per bag was significant, averaging **386.20%** for the period.

The analysis of the cost structure was divided into three categories because of the varying customs, port and other charges/rates that are applied to containerised, bulk and suction cargoes respectively.

Graph 2 shows the cost-to-store (CTS) that importers incurred, which comprised the CIF values, customs duty, port charges and other costs. For purposes of comparison, the wholesale prices were also incorporated.

Graph 2



The graph shows that the CTS per bag of sugar for containerised and bulk cargo were about the same. The containerised cost per bag was D335.46 and D340.63 in August 2010 and August 2011, while bulk cargo cost per bag was D346.85 and D353.78 for the same months respectively. Except for the month of March 2011 which shows on average higher figures of **D434.46** and **D422.90** for bulk and containerised cargoes respectively, the overall trend for CTS per bag remained relatively stable.

There were only two months' importation for suction cargo in December 2010 and March 2011. The costs per bag for these months were **D234.28** and **D295.92** respectively. These costs excluded bagging and associated costs. The percentage gap between wholesale price and CTS per bag for bulk cargo on average was **256.25%.**

Information obtained from Senegal was used to compare prices with the hope that this would help place the Gambian situation in proper perspective within the global trade in sugar, as both countries imported from the same group of countries and faced similar shipping and other charges up to their national ports. Table 1 shows the comparisons.

Table 1: Sugar prices for 2011(in dalasis)

Country	CIF per tonne	CIF per bag	Retail price (RP) per bag	% gap between RP & CIF per bag	CIF as a % of RP per bag
Gambia	5,425.32	271.27	1,390.66	412.66	19.51
Senegal	26,088.44	1,304.42	1,958.20	50	67

For Senegal, the percentage gap between the retail price and CIF price per bag was **50%**, while that of The Gambia was **412.66%.** The CIF per bag as a percentage of the retail price per bag in The Gambia was only **19.51%,** while that of Senegal was **67%.**

Table 2: Cost components per bag (dalasis)

	Importers' customs declarations
CIF	277
Custom Duties & other direct charges	183.50
Overheads	58.90
Total Cost	519.40
Average Wholesale Price	1285.13
Profit Margin	**765.73 (147%)**

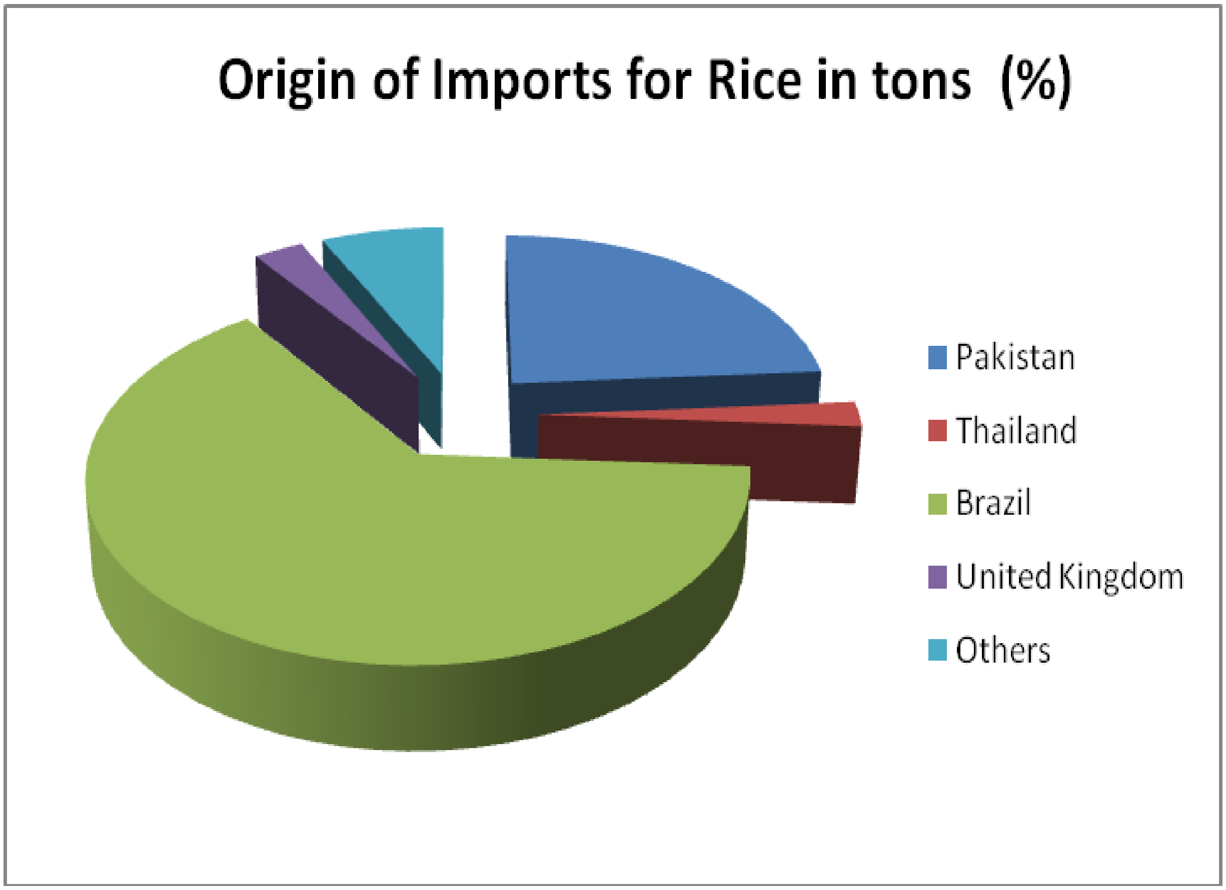
Table 2 shows the price charged for sugar was 147% higher than the economic total cost. There was a huge difference between the CIF price, ports and related charges and the wholesale price, which was inconsistent with the claims of some importers that their profit margins were between D10 and D15 per bag and others that they incurred losses. Analysis of the data suggested profit margins averaging D765.73 per bag.

THE RICE MARKET

Origin of Rice Imports

Rice is imported into The Gambia from several countries around the world. Chart 3 below shows the countries from which rice was imported for the period covered by the study and the proportions.

Chart 3

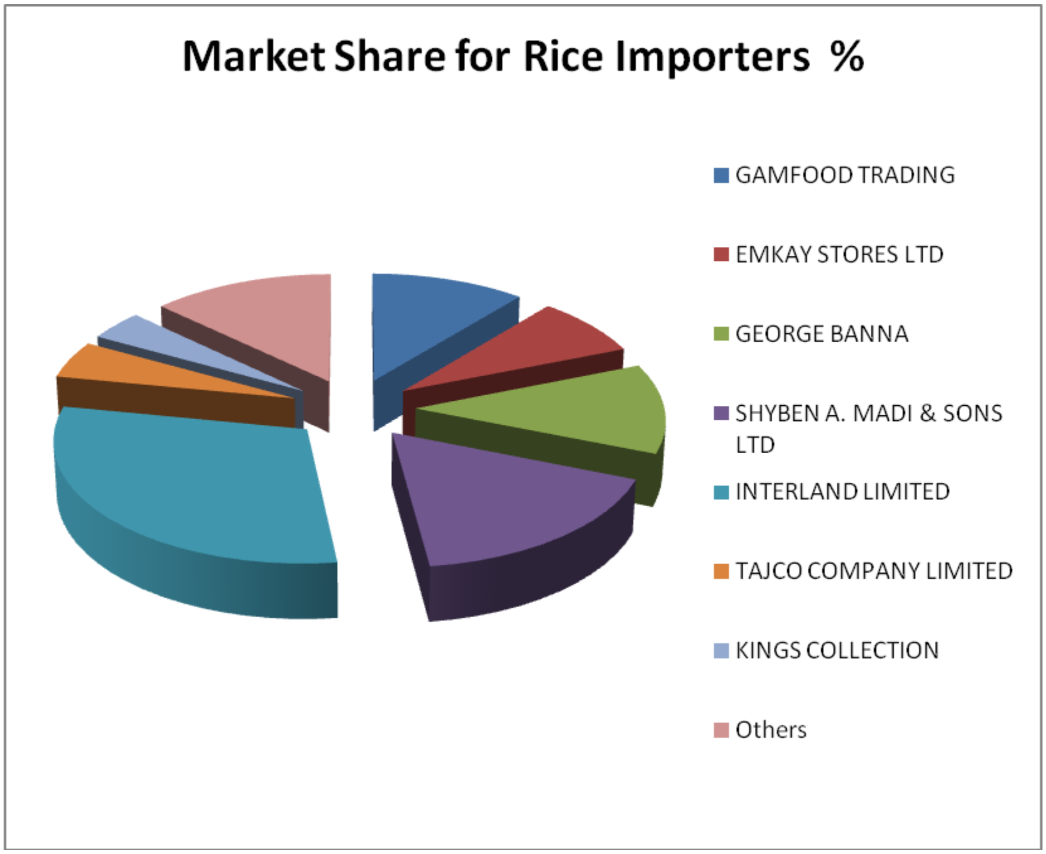


For the period under review, approximately 64% of the commodity was imported from Brazil, making it the largest supplier. Pakistan supplied 24%, while the United Kingdom and Thailand supplied 3% and 2% respectively. Imports from other countries constituted 7%. The combined imports from Brazil and Pakistan accounted for approximately 88%.

Market share/concentration

Chart 4 depicts the proportion imported by the major importers for the period under review.

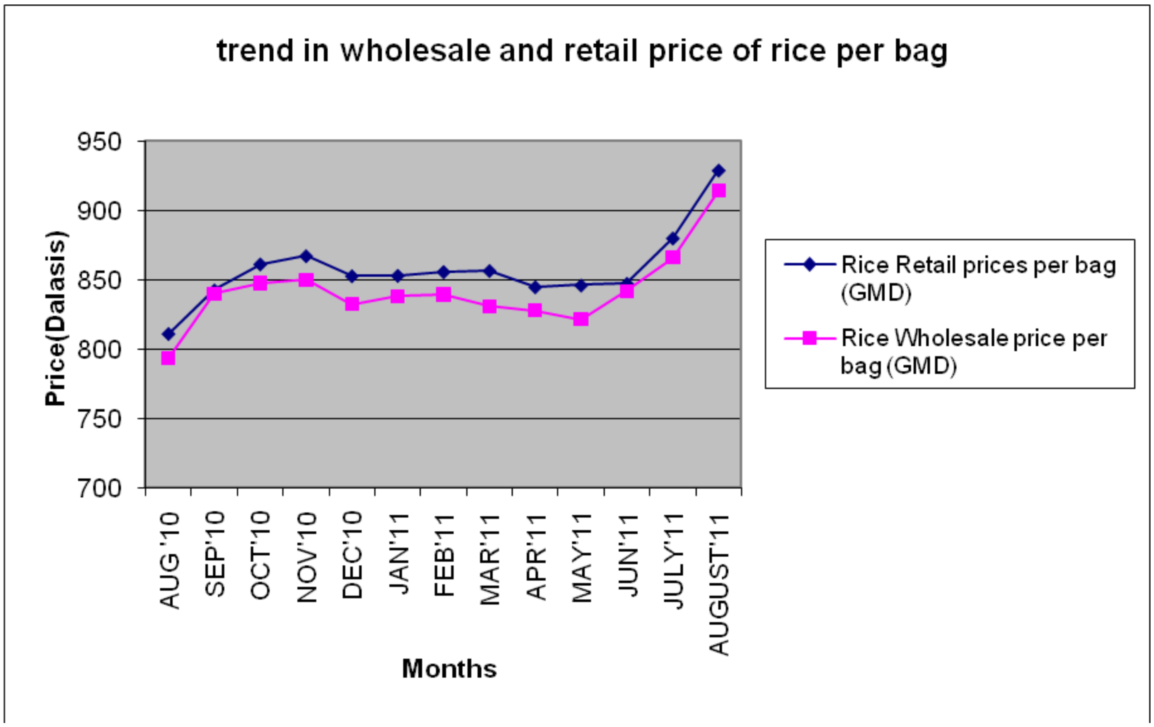
Chart 4



The chart shows Interland Limited imported approximately 30%, making it the biggest importer. Shyben A. Madi & Sons, George Banna and Gamfood imported approximately 17%, 12% and 11% respectively for the period. The others, importing less than 4% each, accounted for 13% of total imports for the period. Going by Section 31 of the Competition Act 2007, Interland Limited appeared to enjoy monopolistic power. The combined import of Interland Limited, and Shyben A. Madi & Sons/George Banna as partners, constituted 60% of the rice imported during the period under review. If the 11% imported by Gamfood is added to this, it is clear that the three monopolized the rice market, which Section 31(a)(b) of the Act prohibits.

The trend in the wholesale and retail prices for rice for the period is depicted in Graph 3. Analysis of the rice cost structure took into account the possible cost components (CIF, customs duty & tax, port charges, shipping agency costs, etc.) leading to the determination of CTS.

Graph 3

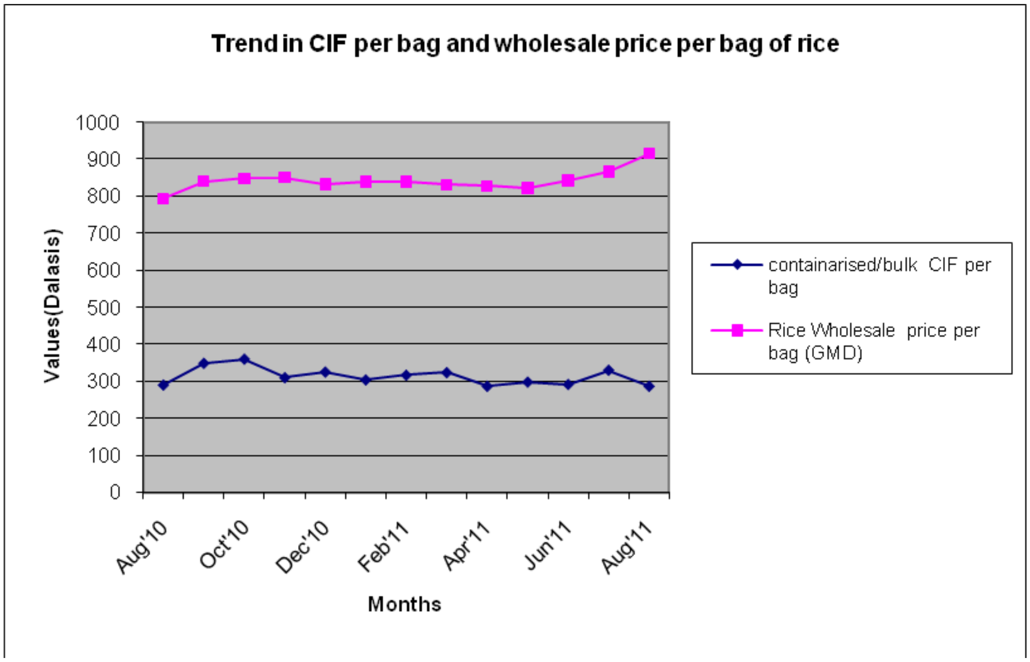


The graph shows a rise in both wholesale and retail price of rice by **15.11%** and **14.54%** respectively, from August 2010 to August 2011. The average retail margin over the period was **1.85%,** a response to wholesalers' prices.

An unsteady pattern in the price of rice was evident, as prices went up in October and November 2010, dropped in December 2010 and remained constant until March 2011 when they dropped again and rose sharply in July and August 2011.

The trend in CIF and wholesale prices per bag over the period under review are illustrated in Graph 4.

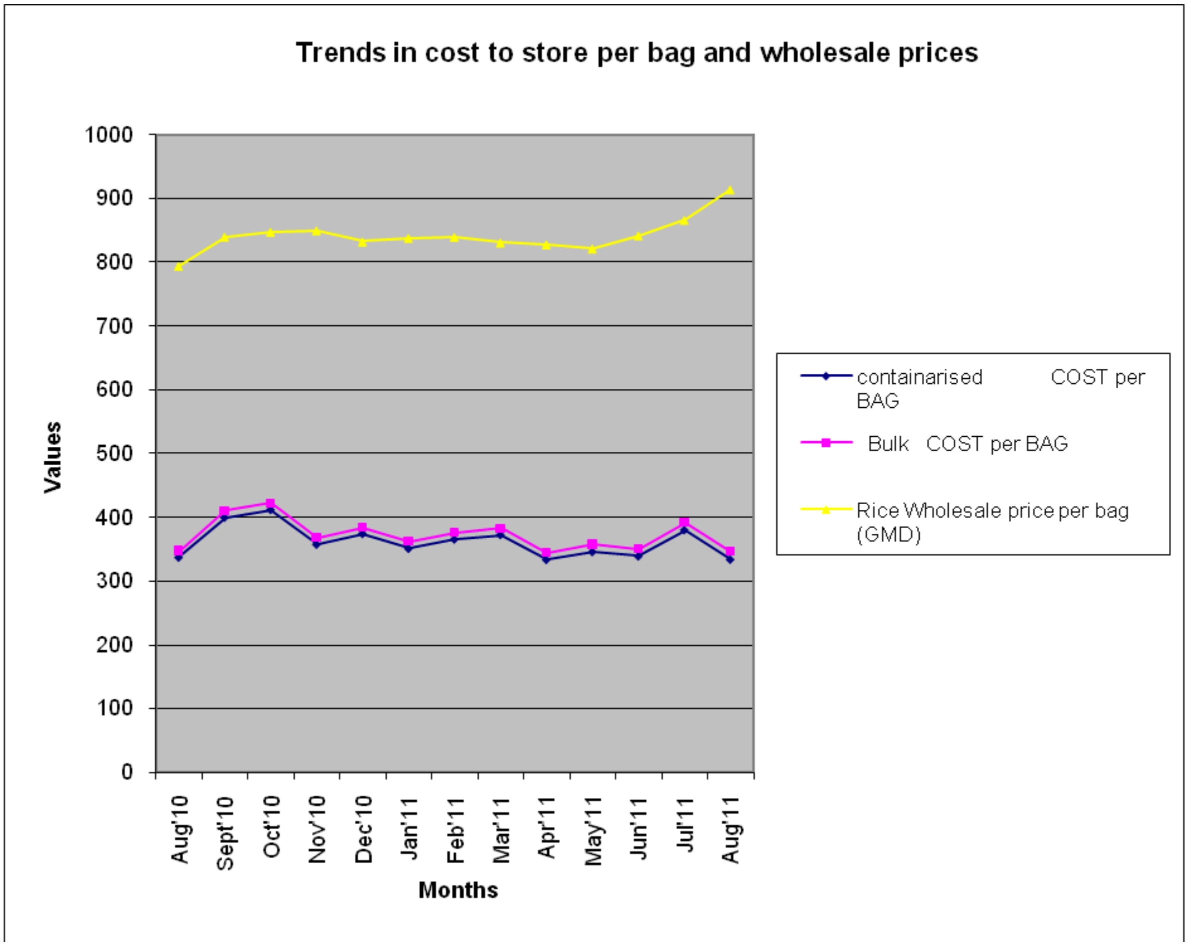
Graph 4



The graph shows that both the CIF and whole sale prices remained relatively stable in the period under review. It is interesting to note that the CIF did not influence the price of rice as depicted by the graph and there was a wide margin of **169.68%** between the CIF and wholesale price. This was cause for concern requiring further investigation.

Graph 5 below shows trends in CTS and wholesale price per bag of rice, exhibiting a huge gap between the CTS and wholesale price averaging **125.93%**. This difference represents the other costs unaccounted for by the CIF values and profit margins of the importers. There appears to be little or no correlation between CTS per bag and wholesale price per bag.

Graph 5



To place the Gambian import costs and prices for the period under review in a regional perspective or context, data on CIF price per tonne and retail price were obtained from Senegal and compared with those of The Gambia. Table 3 shows the differentials. CIF price per bag as a percentage of the retail prices per bag were **38.63%** for The Gambia and **63.94%** for Senegal.

Table 3: Price comparisons with Senegal

Country	CIF per ton (GMD)	CIF per bag (GMD)	Retail price (RP) per bag (GMD)	% Gap between RP and CIF per bag	CIF as a % of RP per bag
Gambia	6,543.40	327.17	864.94	158.87	38.63
Senegal	10,977.57	548.88	858.45	56.40	63.94

However, the cost differentials between the CIF price per bag and the retail price per bag were **158.87%** and **56.40%** for The Gambia and Senegal respectively***.*** This suggests that the added costs (custom duty & tax, port charges, shipping etc.) to CIF values were higher in The Gambia than in Senegal warranting the importers in The Gambia to retail the commodity at those prices.

Table 4: Cost components per bag (dalasis) submitted by importers to Customs

CIF	367
Custom Duties & other direct charges	148.69
Overheads	58.90
Total Cost	574.59
Average Wholesale Price	841.92
Profit Margin	**267.33 (47%)**

Table 4 shows the price charged for rice was 47% higher than the economic total cost. There was a wide gap between the CIF price, ports and related charges and the wholesale price. **This finding is inconsistent with the claims of some importers that their profit margins were between D10 and D15 per bag**, while others that they incurred losses in their rice trading activities. **However, the data analysis suggests that profit margins averaging D267.33 per bag were realised by wholesalers during the period under review.**

Although the CTS for the two commodities were more or less the same, there were significant pricing disparities as the following table shows.

Table 5: Pricing gap between sugar and rice (in dalasis)

Product	CIF per bag	CTS per bag	Wholesale price (WP) per bag	Retail price per bag	CTS as % of WP per bag	% gap between WP and CTS per bag	CIF as % of CTS per bag	% gap between RP& WP
Sugar	264.32	419.64	1,285.13	1,344.16	**32.65**	**206.25**	62.98	4.6
Rice	313.72	431.54	841.92	857.46	**51.25**	**94.92**	72.69	1.8

Uniform rates/charges are applied to both imported sugar and rice upon arrival at the harbour. Table 3 above shows that CTS per bag of sugar was **D419.64** and that for rice **D431.54**. However, the disparity in wholesale prices was wide, pointing to excessive pricing. The percentage difference between the wholesale price and CTS for sugar was **206.25%** and that of rice was **94.92%.** The additional costs (administration & other overheads) of importers for both commodities are deemed similar. The question was whether the cost disparities between **CTS** and **retail price** were economically justified, otherwise they would be suggestive of excessive pricing.

The CTS as a percentage of the wholesale prices raised the same question. For sugar, CTS was **32.65%** of the wholesale price and that of rice was **51.25%** on average. However, the wholesale prices posit that sugar importers incurred greater additional costs than rice importers, thus higher wholesale prices per bag of sugar. The uniformity of charges for both sugar and rice after the goods were landed at the Banjul ports would have called for a higher price per bag of rice than for sugar. CIF as a percentage of sugar and rice wholesale prices were **62.98%** and **72.69%** respectively, which corroborated the foregoing. The margins between the retail and wholesale prices per bag averaged **4.6%** for sugar and **1.8%** for rice. Retailers of rice earned a smaller margin than the retailers of sugar despite having incurred higher CTS.

COMPETITION ISSUES IN THE SUGAR AND RICE MARKETS

In a competitive market, prices are determined by the forces of demand and supply. The advantages of a competitive market are, *inter alia*, encouraging firms to innovate, expand and adopt cost effective production techniques and strive to improve service delivery. Competitive markets also help in achieving lower prices, wider choice and better quality in the supply of goods and services to consumers. Competition ensures that consumers pay a fair price and not one which is artificially inflated.

If the scope for competition is **restrained**, then some, if not most, of the benefits will be lost. To have a truly competitive market, sellers must be **free** to set different prices, with choices by consumers rewarding those with the best offers and penalizing those with the worst. It must also be possible for more successful firms to expand sales, gain market share from the less-successful rivals. In the longer term, new and potential suppliers must be able to come into the market, possibly displacing less efficient players. Ultimately, suppliers who are unable to compete effectively must be allowed to fail. No real-world market is perfect, but without these basic elements, the competitive process cannot produce good outcomes.

In an effort to ensure security of supply of rice and sugar and for consumers to benefit from competitive prices, the Gambia Government has given importers of rice and sugar preferential customs duty and sales tax as shown in the table below.

	Sales Tax	Duty	Processing Fee	ECOWAS levy	Total
Rice	5	0	1.55	0.5	7.05
Sugar	15	5	1.55	0.5	22.8

Importers argued that the difficulty experienced in obtaining hard currency was one of the reasons for exacting such prices for the commodities. They contended that they were sometimes forced to cancel orders because they could not secure enough hard currency to pay for their orders, and the fluctuations in the value of the hard currencies used in settlement of bills further compounded the situation.

Although some importers alleged preferential treatment for competitors by Customs in the amount of duty charged for the commodities, the study established that customs duties were uniformly applied to all importers of a particular commodity.

STUDY FINDINGS AND CONCLUSION

The following were the findings and conclusions of the market study:

- Tajco, Grand Stores and Interland Trading were managed by the same person, and together controlled 35% and 20% of the rice and sugar markets respectively.

- Importers used the quoted world market prices for the best quality products to price their goods as opposed to the actual cost of the particular quality/grade they imported.

- The bulk of the rice imported was 100% broken, the lowest grade of exported rice, and the CIF price based on declarations averaged D7,340.00 ($245) per tonne.

- The average CIF price for sugar based on declarations was D5,540.10 ($185) per tonne.

- The price charged for rice was 47% more than the economic total cost which was a huge gap between the CIF price and the wholesale price.

- There was some indication of concerted agreement by importers to fix the price of sugar and rice as confirmed by one of the importers. There was a conscious decision to charge the same price for rice and sugar by all importers. This constitutes a violation of the GCC Act 2007 particularly section 25.

- Only about 10% of the sugar imported for domestic consumption is consumed in the country. The bulk is re-exported to neighbouring countries.

- The major importers of rice and sugar were also the dominant players in other commodities like cooking oil, onions, potatoes, and, therefore, tremendously influenced the general price levels in the country.

- There was some indication of **tie-in** by some of the major importers of rice and sugar.

- The prices of the two commodities were influenced by fluctuations in the exchange rates of foreign currencies which importers relied on and secured for the settlement of future consignments.

- The wholesale price fluctuations were far in excess of the fluctuations of the dalasi-dollar rates for the period.

- The huge gap between the cost, insurance and freight (CIF) prices and the retail prices per bag indicated excessive pricing.

- On average the CTS per bag of sugar and rice were relatively the same for all importers. However, the percentage gap between CTS and wholesale prices were **206.25%** for sugar and **94.92%** for rice for the period under review, both of which were high. The wider gap per bag of sugar connotes some degree of excessive pricing.

- There is indication of parallel pricing by importers for both rice and sugar, should not necessarily be so considering that not all importers have the same cost structure.

There was evidence that competition is seriously being restrained in the rice and sugar markets. There was an indication of price fixing and tie-ins. Price fixing is prohibited under section 25 (1) (2) (a) (b) of the GCC Act and is punishable by a fine of up to 10% of turnover for three years. Tie-ins are also prohibited under Section 25 (2) (b) of the Competition Act.

It was realised that the three largest importers of rice and sugar lead in setting prices, and that they met from time to time to agree on prices of the commodities.

There was evidence that some of the major importers are also involved in the retail trade. This means that they act as both wholesalers and retailers thus making it easier to control and or manipulate the pricing chain. It was revealed that on occasions, smaller businessmen (retailers) were sold rice and sugar at certain price levels and then undercut by the same wholesalers through their retail outlets days or weeks later thus forcing them out of business or into outright insolvency. Evidence suggests that smaller importers of rice/sugar have little or no choice but to sell at the prices set by the major importers or else risk possible retaliation from them which might lead to business foreclosure.

The wide margin of **169.68%** between the CIF and wholesale price for rice is cause for concern and calls for further investigation.

RECOMMENDATIONS

In the light of the findings of the study, the Secretariat recommends that the Commission takes the following actions:

- A session be convened with the importers to discuss the results of the study, especially the excessive prices being charged for rice and sugar, to ensure consumers pay a fair market price for these very essential commodities.

- A formal investigation into the violations of the Competition Act be launched to look into price fixing, tie-ins and predatory pricing and possible abuse of dominance, and whether or not the partnerships identified between various importers of rice and sugar constitutes cartelization arrangements of the respective markets.

ANNEXES

ANNEX 1: PRICING MECHANISM

The pricing structure of bagged rice/sugar includes the following:

- **CIF** - The CIF value was obtained from the customs declaration.

- **Unloading and loading charges**. - The amount of D4.00 was accepted as the loading and unloading charges (per bag) representing an average of the figures given to GCC by importers.

- **Transport cost** - The amount of D3.00 was accepted as transport cost charges (per bag) representing the average of the figures given by importers.

- **Warehouse cost** - The amount of D9.50 was accepted as warehouse charges (per bag) representing the average of the figures given by importers.

- **Finance charges** - For the year 2010 to 2011, US$ 10.00 per tonne is included in the pricing structure to allow importers to cover their finance charges related to the importation of rice and sugar.

- **Administrative expenses** - For the year 2010 to 2011, US$ 2.00 per tonne is included in the pricing structure to allow importers to cover their administrative costs related to the importation of rice/sugar. This figure represents the highest figure given to us as administrative expenses.

- **Port charges - S**

- **Customs duty/sales tax**

ANNEXE 2: LIST OF SUGAR AND RICE IMPORTERS INTERVIEWED

SUGAR AND RICE IMPORTERS

IMPORTERS OF SUGAR ONLY

IMPORTERS OF RICE ONLY

- Grand Stores
- George Banna
- Shyben A. Madi & Sons
- Emkay Stores
- Hamidou Jallow (S & S Trading)
- GamFood Trading
- Interland Trading
- Tajco
- Lamin B. Gaye & Sons
- Kings Collection
- SAS Ent (Cheikh Khadim Sidi)
- Sakan Enterprise
- Continental Commodities (Conticom)
- VG Trading
- Shivan Trading
- Michel Feres Hochiemy
- Rishi Kumar Chelbani
- Suresh Wadhwani
- Mouhtara Holdings