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INTERNATIONAL MONETARY FUND

THE GAMBIA

Selected Issues

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Approved by the African Department

July 6, 2000

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The Gambia: Basic Data¹

Area, population, and GNP per capita

Area	10,700 sq. km.
Population	
Total (1999)	1.3 million
Growth rate (1980-96; average)	3.6 percent
GNP per capita (1997)	US\$338

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Est.
(In millions of dalasis, unless otherwise indicated)								
National accounts								
GDP at constant 1976/77 prices	572.1	594.1	573.9	604.4	609.1	641.0	672.5	710.1
Of which (in percent of GDP)								
Agriculture	18.3	20.5	20.6	20.7	18.3	19.0	19.6	21.8
Manufacturing	5.8	6.0	5.9	5.6	5.6	5.3	5.1	5.0
Trade	15.7	12.8	13.9	12.2	12.0	11.4	11.8	11.3
Nominal GDP	3,228.6	3,460.8	3,492.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6
Gross domestic investment (in percent of GDP)	22.6	19.5	16.0	23.4	19.3	17.2	18.3	17.8
Gross domestic savings (in percent of GDP)	8.5	6.9	3.5	2.9	6.0	7.1	7.5	8.9
Central government finance								
Total revenue and grants	890.2	897.6	770.3	755.8	844.7	852.5	919.9	944.5
Domestic revenue	766.9	771.1	680.7	672.6	775.3	799.5	831.5	878.7
Foreign grants	123.3	126.5	89.6	83.2	69.4	53.0	88.5	65.8
Total expenditure and net lending	839.4	862.0	853.9	1,133.8	1,231.9	1,123.6	1,028.2	1,118.2
Of which								
Recurrent	570.7	613.3	618.3	668.5	738.5	794.6	799.8	887.0
Development and net lending	265.3	242.9	235.6	465.3	493.4	329.0	228.7	231.2
Overall deficit (commitment basis)								
Excluding grants	-237.8	-85.1	-204.4	-461.3	-456.5	-324.1	-197.0	-239.5
Including grants	-570.7	41.4	-114.8	-378.0	-387.2	-271.1	-108.5	-173.7
Financing	-295.2	-47.2	114.8	371.3	367.6	232.5	133.0	208.2
Foreign	90.3	46.5	5.1	209.9	295.6	171.9	54.5	30.0
Domestic	-385.5	-93.7	109.7	161.4	72.0	60.6	78.5	178.2
Money and credit								
Net domestic assets ²	-1.0	-6.0	8.9	-11.5	13.2	15.9	-1.9	8.7
Credit to the government ²	-29.5	-17.1	9.8	8.2	2.8	2.4	-1.7	5.4
Credit to the private sector ^{2,3}	24.3	10.5	5.0	-13.7	2.2	9.9	5.6	8.2
Broad money	19.5	3.3	8.1	8.8	16.7	22.3	10.2	12.1

The Gambia: Basic Data

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Est.
(In millions of SDRs, unless otherwise indicated)								
Balance of payments								
Trade balance	-41.2	-49.7	-26.1	-58.7	-52.8	-49.0	-56.9	-53.3
Exports, f.o.b.	110.7	89.4	82.5	80.3	78.1	78.8	95.8	87.5
Imports, f.o.b.	-151.9	-139.2	-108.6	-139.0	-131.0	-127.9	-152.7	-140.8
Services (net)	-8.3	4.0	-14.9	-6.6	4.3	5.2	3.8	4.7
Transfers	37.8	38.7	30.4	29.7	29.5	32.8	43.8	37.7
Private	9.2	9.9	10.1	11.9	12.1	12.4	17.5	14.8
Official	28.6	28.8	20.3	17.8	17.4	20.4	26.3	22.9
Current account balance								
Excluding official transfers	-40.3	-35.9	-30.8	-53.4	-36.3	-31.4	-35.6	-33.7
Including official transfers	-11.7	-7.0	-10.6	-35.6	-19.0	-11.0	-9.3	-10.8
Capital account	22.0	11.5	6.0	47.9	24.2	15.7	16.4	13.2
Official	7.2	4.6	7.0	25.1	12.4	8.4	3.8	3.0
Private	14.9	7.0	-0.9	22.8	11.8	7.3	12.6	10.2
Overall balance	10.3	4.5	-4.6	12.4	5.2	4.7	7.1	2.4
Current account balance (in percent of GDP)								
Excluding official transfers	-17.2	-13.7	-12.5	-20.1	-12.8	-10.6	-11.5	-10.6
Including official transfers	-5.0	-2.7	-4.3	-13.4	-6.7	-3.7	-3.0	-3.4
Gross official reserves								
In millions of SDRs	74.5	73.3	62.5	70.1	70.4	69.6	75.4	78.1
In months of imports, c.i.f.	5.1	5.5	5.9	5.2	5.5	5.6	5.1	5.7
External public debt								
In millions of SDRs	268.8	268.1	268.9	294.7	303.7	308.7	317.4	310.9
In percent of GDP	104.5	104.2	109.2	111.1	107.0	104.4	102.7	97.8
Debt-service ratio								
(In percent of exports and travel income)								
Including the Fund	12.3	12.9	18.1	16.2	13.1	13.5	11.4	10.9
Excluding the Fund	10.9	11.1	14.4	11.8	8.9	9.2	8.5	8.4

¹Until 1996/97, fiscal years (July-June); from 1997, calendar years.

²In percent of broad money at the beginning of the period.

³Includes public enterprises.

I. OVERVIEW OF RECENT ECONOMIC DEVELOPMENTS

A. Background

1. The Gambia is a small, open economy, located on the west coast of Africa; it extends inland for 320 kilometers along both banks of the River Gambia, at widths varying from 24 to 48 kilometers. The only land borders of the country are with Senegal. With a population of 1.3 million (1999) and population growth of 4.2 percent per annum, the population density is one of the world's highest at about 124 persons per square kilometer. Almost 40 percent of the population is concentrated in the urban areas around Banjul, and about 60 percent is less than 25 years old.

2. In the decade following independence in 1965, The Gambia maintained broadly stable macroeconomic conditions and experienced modest economic growth. However, after 1983, economic performance deteriorated significantly as a result of adverse terms of trade shocks and significant domestic borrowing to finance the budget deficit. The increased reliance on government intervention in allocating credit and promoting economic development, primarily in the agricultural sector, and the lack of competition in the economy created an unsustainable economic environment. To address the situation, the authorities embarked in 1985 on an ambitious Economic Reform Program (ERP), succeeded in 1990 by the Program for Sustained Development (PSD). The military coup of July 1994 interrupted nearly three decades of multiparty democracy and adversely affected the ongoing economic reforms. In the aftermath of the coup, donors cut assistance to The Gambia, while the negative travel advisories by key tourist countries resulted in a significant drop in tourism receipts, which led to a further deterioration of economic performance. In addition, the reexport trade was hurt by the devaluation of the CFA franc in 1994.

3. The presidential and parliamentary elections, which were held in 1996 and 1997, respectively, marked the end of the transition from military to civilian government and helped to establish the conditions for resuming donor support and economic reforms. In June 1998, the government entered into a three-year arrangement under the Enhanced Structural Adjustment Facility (ESAF), subsequently the Poverty Reduction and Growth Facility (PRGF), with the objective of achieving macroeconomic stability and establishing the conditions for sustained economic growth. The Fund Board approved the second annual arrangement under this facility in November 1999.

B. Real Sector Performance

Developments in output, savings, and investment

4. Real output growth, which had slowed substantially during 1993-96, mainly because of a 60 percent downturn in tourist activity, rebounded significantly during 1997-99, led by the recovery in the tourism and agricultural sectors, which averaged 34¼ percent and 8¾ percent, respectively, per annum.

5. In 1999, groundnut production increased by 63 percent to 123,000 tons, following very good rains and building on the recovery begun after 1996/97, when production had bottomed out at 46,000 tons (Statistical Appendix Table 14). Compared with 1998, the area cultivated increased by 50 percent, while the yield increased by 20 percent. However, despite the record harvest, farmers' earnings remained depressed owing to institutional problems, particularly the breakdown of groundnut marketing arrangements. Groundnut marketing suffered because of an insufficient number of mainly small-scale buyers and stagnating prices (Statistical Appendix Tables 14 and 15). The 2000 interim marketing arrangement is relying on new, inexperienced buyers who cannot provide financing. In response, the European Union has provided assistance with price supports for farmers and credit guarantees to the buyers. In the meantime, the government continues to engage in bilateral discussions with Alimenta aimed at strengthening the marketing system by restoring order to the marketing of groundnuts.

6. In 1999, the production of food crops (millet, sorghum and maize) increased by 32 percent, while rice production continued the recent years' upward trend, reaching about 32,000 tons. Fisheries' production rebounded after a poor catch in 1998, mainly owing to favorable weather conditions. Artisanal fishery production returned to the 1996-97 level of about 31,000 metric tons, while industrial production grew by 17 percent to a record high of some 8,200 metric tons.

7. The performance of the services sector was mixed in 1999: while the tourism and communication sectors performed well, the reexport trade fell significantly. Overall growth in the services sector remained unchanged from the previous year at 4.3 percent. Tourism witnessed a record year as the number of charter tourist arrivals increased by 34 percent to 122,000 (Statistical Appendix Table 17), which, in turn, benefited the hotel and restaurant business and the communications sector. Activity in the reexport sector was adversely affected by the introduction of the preshipment inspection (PSI) scheme in the fourth quarter of 1999, traditionally a high-activity period (see Box 1); consequently, real value-added in the sector was limited, compared with the robust average growth of 7 percent during 1997-98.

8. Gross domestic savings amounted to 8.9 percent of GDP in 1999, compared with 7.5 percent in the previous year (Statistical Appendix Table 13). Gross national savings remained unchanged from the previous year at 14.4 percent of GDP. Gross domestic

¹ In January 1999, the government seized the groundnut processing plant belonging to the Gambia Groundnut Corporation (GGC), a private groundnut marketing monopoly. The predecessor of the GGC, the Gambia Oilseeds Processing and Marketing Company (GOPMAC), was a wholly owned government enterprise involved in groundnut marketing and the provision of credit and extension services to farmers. GOPMAC was privatized in July 1993. The new owners are Alimenta, a Swiss company.

Box 1. Problems in Implementing the Preshipment Inspection (PSI) Scheme

The government introduced the preshipment inspection (PSI) scheme on imports destined to The Gambia effective October 1999 by awarding an uncompetitive bid to BIVAC. Although at the time PSI was expected to improve customs revenue collection, there were inadequate preparations and lack of consultations with key institutions like the Customs Department and the Port Authority. Thus, a number of problems, including those listed below, led to the conclusion that the scheme is not suited to The Gambia.

- Administrative problems with PSI included the lack of coordination with the Port Authority and the Customs Department, and significant delays—of up to eight weeks—occurred in clearing goods and in the collection of customs revenue. In February 2000, the local manager of BIVAC had to be removed.
- PSI valuation was lower than that of the Customs Department for a number of items, leading to some loss of revenue.
- PSI fees were quite high at 1.4 percent of the c.i.f. value with no exemptions. Fees were payable in U.S. dollars with a minimum fee of US\$250.
- The Gambian economy is highly dependent on trade (25 percent of GDP) and over 50 percent of imports are reexported to the region. Reexports account for 87 percent of total exports of goods and nonfactor services. Employment in the sector including at the port, warehouses and even at the retail level is significant. The higher financial costs and delays caused by PSI led to a substantial trade diversion to the region.
- Port Authority data indicate that port traffic declined by 22.5 percent during December 1999 to January 2000 compared with a similar period in the previous year. For 1999, imports declined by 8 percent, while reexports fell by 15 percent compared with 1998.
- During the fourth quarter of 1999, customs receipts and sales tax on imports had a shortfall of D 58 million (1.2 percent of GDP). In December 1999, customs revenue was only 62 percent of comparable collections in December 1998, and even 4 percent below similar collections in December 1994.

investment declined from 1998 by 0.5 percent to 17.8 percent of GDP in 1999, on account of a decline in government investment, while private investment remained constant (Figure 1).²

Developments in prices, employment, and wages

9. Price increases, as measured by the consumer price index (CPI), remained modest in 1999 as food prices, which account for about 60 percent of the CPI basket, moderated owing to the good rains (Figure 1). The average inflation rate accelerated to 3.8 percent in 1999 compared with 1.1 percent in 1998, largely because firewood prices rose on average by 12 percent (Statistical Appendix Table 21). This rise reflected the wide spread use of generators by private operators, as the power cuts became more frequent owing to operational problems experienced by the National Water and Electricity Company (NAWEC). However, the end-period inflation rate was contained at below 2 percent in 1999. Public sector nominal wages increased by less than 1 percent in 1999, while average minimum wages in the private sector remained unchanged.

10. Employment statistics are incomplete. However, on the basis of the most recent employment data, formal sector employment rose by 3.2 percent per annum to about 37,500 in 1998 from about 32,280 in 1993 (Statistical Appendix Tables 23 and 24). However, the share of private sector employment fell to 58 percent of total formal sector employment in 1998 from 62 percent in 1993. The sector with the largest employment—agriculture, fishing, and forestry—accounted for 25 percent of total private formal employment, followed by hotels and restaurants, and transport, storage, and communication, comprising 20 percent and 12 percent of total private sector employment, respectively (Statistical Appendix Table 24). Public sector employment increased only by a modest 1 percent in 1999 compared with a growth rate of 4 percent in 1998 (Statistical Appendix Table 25).

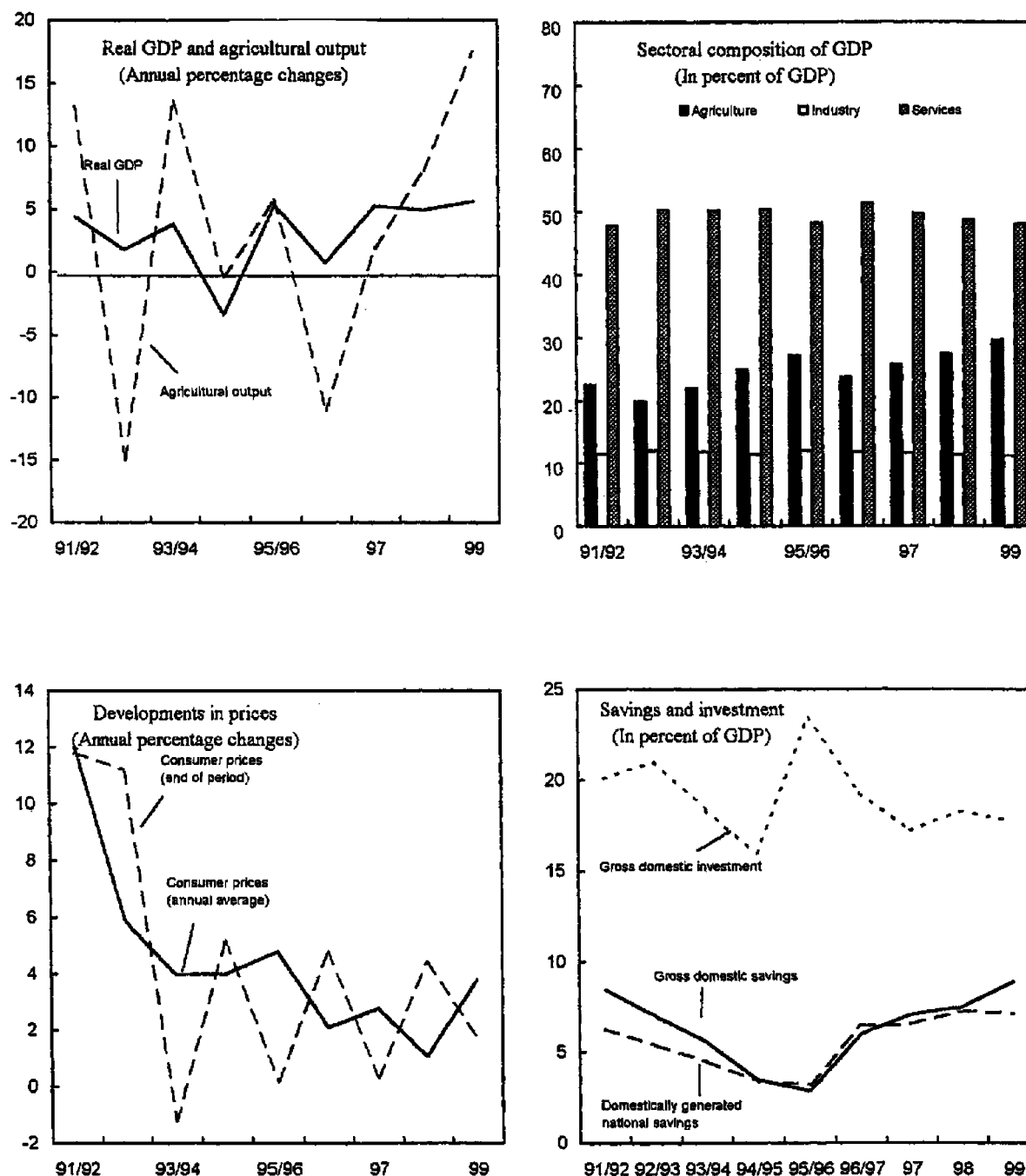
C. Fiscal Policy

11. During 1993/94-1996/97, The Gambian economy suffered from a series of adverse shocks, an unduly expansionary fiscal stance, increasing structural weaknesses, and diminished private sector confidence. Moreover, the military coup in July 1994 resulted in the suspension of new project aid and budgetary assistance by most of The Gambia's traditional donors and creditors. Thus, external budgetary assistance, which contributed about 14 percent of total government revenue in 1993/94, declined to only 7 percent of total government revenue in 1999 (Figure 2). The combined effects of rising expenditures and falling domestic tax revenues (the latter associated with declining economic activity) led to a widening of fiscal deficits (excluding grants) during 1993/94-1996/97, which peaked at 12 percent in 1995/96 (Statistical Appendix Table 25)³. The fiscal deficits were largely

² Based on staff estimates from data provided by the Gambian authorities.

³ Until 1996/97, the fiscal year was July-June; it was changed to a calendar year effective January 1997.

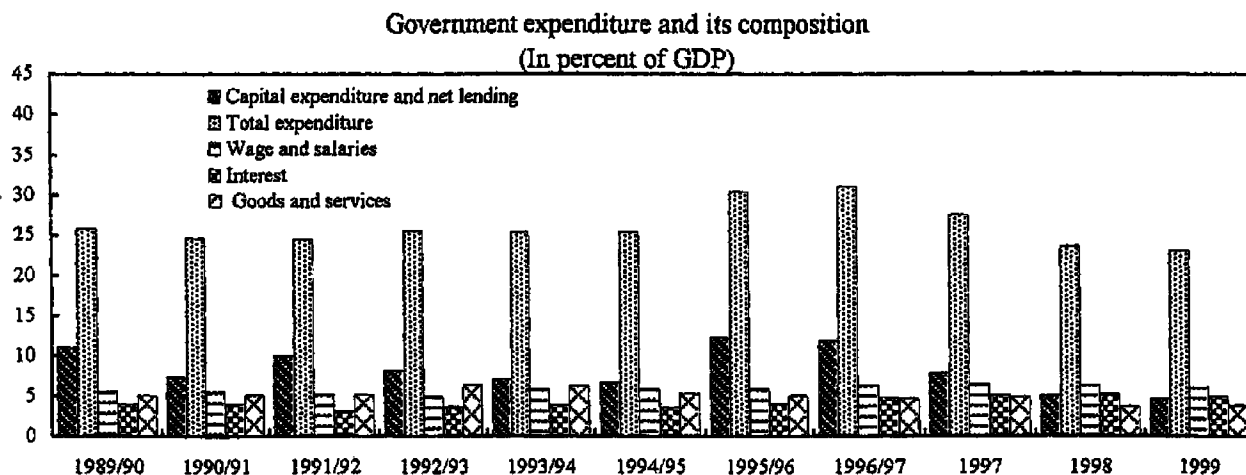
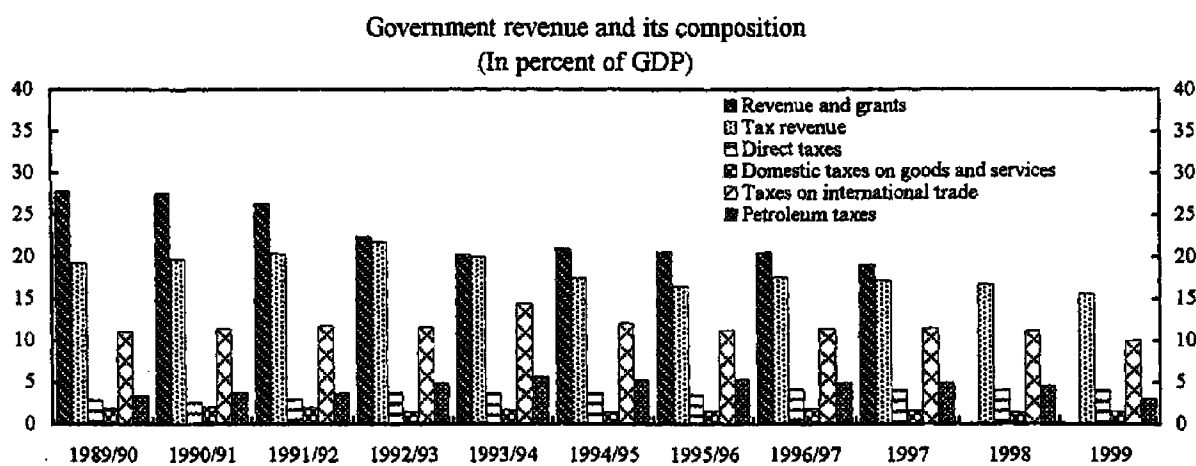
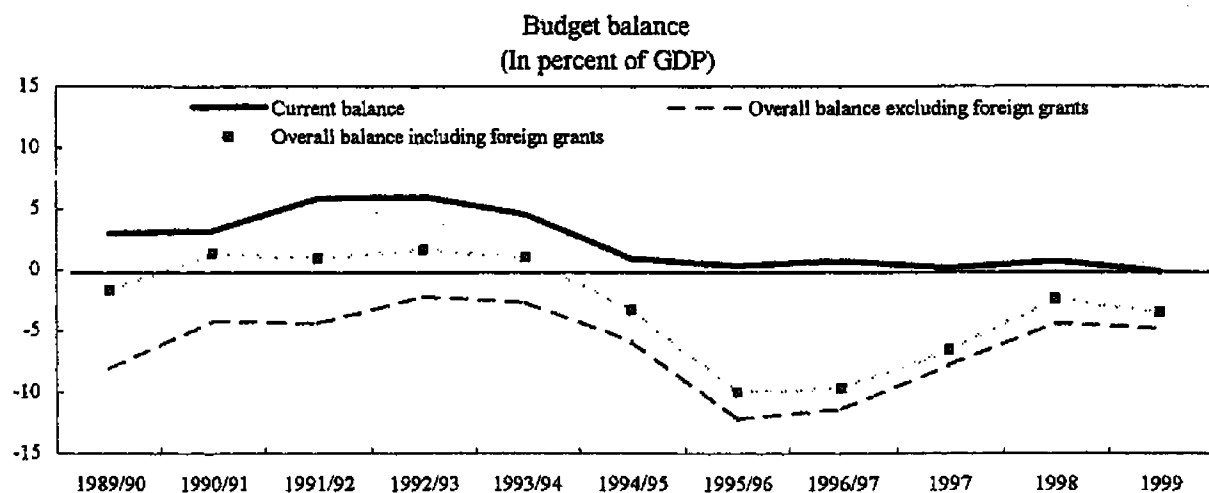
Figure 1 The Gambia: Developments in Output and Prices, 1991/92-1999 1/



Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Figure 2. Gambia: Fiscal Developments, 1989/90-1999 1/



Source: The Gambian authorities; and Fund staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

financed domestically, leading to an almost doubling of domestic debt to about 27 percent of GDP in 1999 from 13.4 percent in 1994/95.

12. Starting in 1998, under the Fund-supported program, the Gambian authorities controlled expenditure and mobilized revenue better, leading to a significant improvement in The Gambia's fiscal accounts. On the revenue side, despite sizable reductions in external tariffs in 1998, domestic revenues increased to 18½ percent of GDP that year from 17¾ percent in 1995/96 (Statistical Appendix Table 26). However, the adverse impact of the introduction of preshipment inspection in October 1999 reversed this trend (as the external tariffs continued to fall), and the share of domestic revenues dropped to 17¾ percent of GDP in 1999. On the expenditure side, total outlays, including net lending, dropped from about 30 percent of GDP in 1995/96 to 22¾ percent in 1999 (Statistical Appendix Table 27). Reflecting these developments, the overall budget deficit declined from 7.8 percent of GDP in 1997 to 4.4 percent and 4.8 percent in 1998 and 1999, respectively; however, in neither 1998 (4 percent) nor 1999 was the target deficit attained (Statistical Appendix Table 25).

Revenue

13. The improvement in the fiscal accounts in the last two years has to a large extent been driven by a recovery in direct tax revenues and nontax revenues (see Statistical Appendix Table 26). In 1999, direct tax revenue contributed about 21½ percent of total government revenue (4.1 percent of GDP), compared with 17⅓ percent (3.4 percent of GDP) in 1995/96, while the share of nontax revenue also increased by nearly 4 percentage points over the corresponding period to 11 percent (2.1 percent of GDP) in 1999. However, revenue generation was hampered by weak tax administration and the provision of customs duty exemptions. Problems in tax administration include the underreporting of profits, reflecting the lack of resources to rigorously conduct tax inspections, and antiquated manual accounting systems. The Gambia traditionally relied more on indirect taxes (particularly taxes on international trade), which contributed about 56 percent of total government revenues (about 13⅓ percent of GDP) in 1996/97 (Figure 2). The authorities have been carrying out external tariff reforms since the mid-1980s. The maximum external tariff was reduced from 90 percent to 18 percent in July 2000. Also, the bands were simplified and their number gradually reduced from 30 in July 1998 to 10 in January 1999 and three in July 2000. Despite the major reductions in external tariffs, customs duties and sales taxes on imported items still accounted for about 19½ percent and 22½ percent, respectively, of total government revenue in 1998, compared with 17 percent and 23½ percent in 1994/95. In 1999, taxes on international trade declined by about 1¼ percent of GDP as imports⁴ fell substantially and large deficits in the oil stabilization fund accumulated owing to delays in adjusting domestic pump prices to reflect the increases in world oil prices. Duties and sales

⁴ Imports declined substantially during the fourth quarter, as the cost of preshipment inspection (1.4 percent of c.i.f. value of imports, and payable in U.S. dollars) raised the cost of importing through the Gambian ports.

taxes on oil declined by 1½ percent of GDP in 1999 from the previous year. Effective January 2000, petroleum prices were increased on average by 20 percent, which more than offset the deficits accumulated on the oil stabilization fund.

14. Against this background, The Gambia's overall policy has aimed at reducing the reliance on international trade taxes while bolstering both direct tax and nontax revenues. The decline in personal tax and capital gains, amounting to 0.2 percent of GDP, was fully offset by the increase in payroll tax, leaving direct tax unchanged in 1999, at 4.1 percent of GDP, from the previous year. Nontax revenue increased slightly in 1999, boosted by a hike in fees on government services in line with increases in inflation. However, there was a decline in dividends, interest, and property, reflecting the difficulties experienced by some of the major public enterprises. Also, the Central Bank of The Gambia's (CBG) profits transfer was smaller than expected owing to the increased interest cost of issuing CBG bills for liquidity management purposes.

Expenditure

15. Recurrent expenditure overruns (about 1.1 percent of GDP) substantially offset the decline in capital expenditure, contributing to a higher-than-expected overall budget deficit (excluding grants) in 1999 (see Statistical Appendix Table 27). Expenditure overruns largely occurred in the categories of "other charges" (0.7 percent of GDP), "interest," and "wages and salaries." The composition of current spending changed markedly in the last two years, as higher outlays of domestic interest and unclassified expenditures (originating from "below-the-line" accounts)⁵ partly offset the substantial reductions in outlays for wages and salaries and other charges, monitored by Department of State for Finance and Economic Affairs (DOSFEA). Meanwhile, capital expenditure showed a decline in 1999 reflecting a shortfall in externally funded project revenues of about 0.2 percent of GDP. Thus, the larger domestic interest bill resulted mainly from the larger-than-targeted deficit and, therefore, the increased net government domestic borrowing requirements.

⁵ Below-the-line (BTL) accounts are created as book entries at the Accountant General's Office (AGO), usually toward the end of the financial year (end-December) to obviate the lapse of expenditure authorization that would otherwise interrupt programs or projects that overlap financial years. When the AGO establishes a BTL account, it treats it as an "expenditure" and "debits" the consolidated revenue fund to "credit" the BTL account. Subsequently, expenditure from the BTL accounts are usually effected by direct issuance of checks, rather than by vouchers, which require a number of reporting and control procedures, mainly by Internal Audit. Until recently, neither the AGO nor the Department of State for Finance and Economic Affairs monitored the balances in these accounts on a regular basis (such activity was partly also hampered by antiquated computer and software in the AGO).

Developments in the public enterprise sector

16. In the context of the memoranda of understanding (MOU) agreed between individual public enterprises and the government in 1998, the two parties also agreed to offset their mutual financial obligations as of end-July 1997.⁶ The stock of arrears was converted into loans of the public enterprises, and a schedule for principal and interest repayments was also agreed upon. According to the recent data provided by the authorities, a number of public enterprises have serviced their debt owed to government. However, at end-1999, a number of enterprises, notably The Gambia Telecommunications (GAMTEL) and NAWEC, had accumulated arrears amounting to D 21 million. The government had also accumulated significant financial obligations to the public enterprises amounting to D 26 million at the end of 1999.

17. In accordance with the divestiture strategy, the government sold the Atlantic Hotel for US\$9.5 million at end-1999 and the Trust Bank headquarters building for D 9.5 million in February 2000. The cabinet also reached agreement in April 2000 on separating the radio and television operations from GAMTEL as a first step toward preparing the parastatal for privatization.

D. Developments in the Monetary Sector

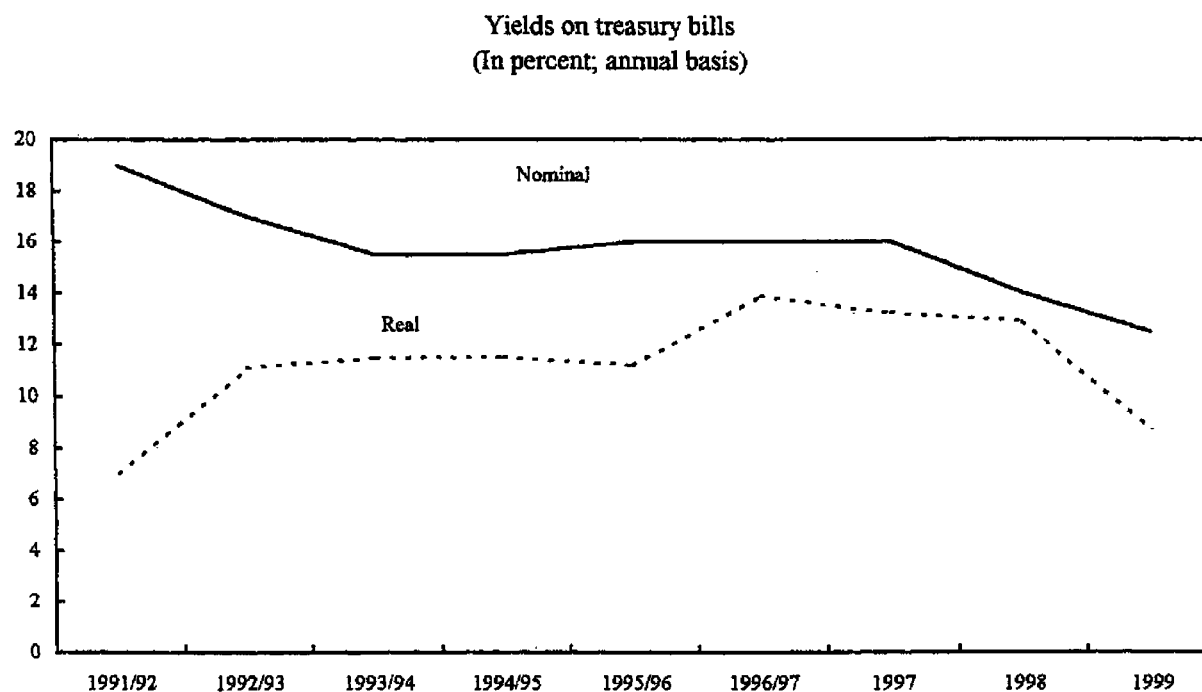
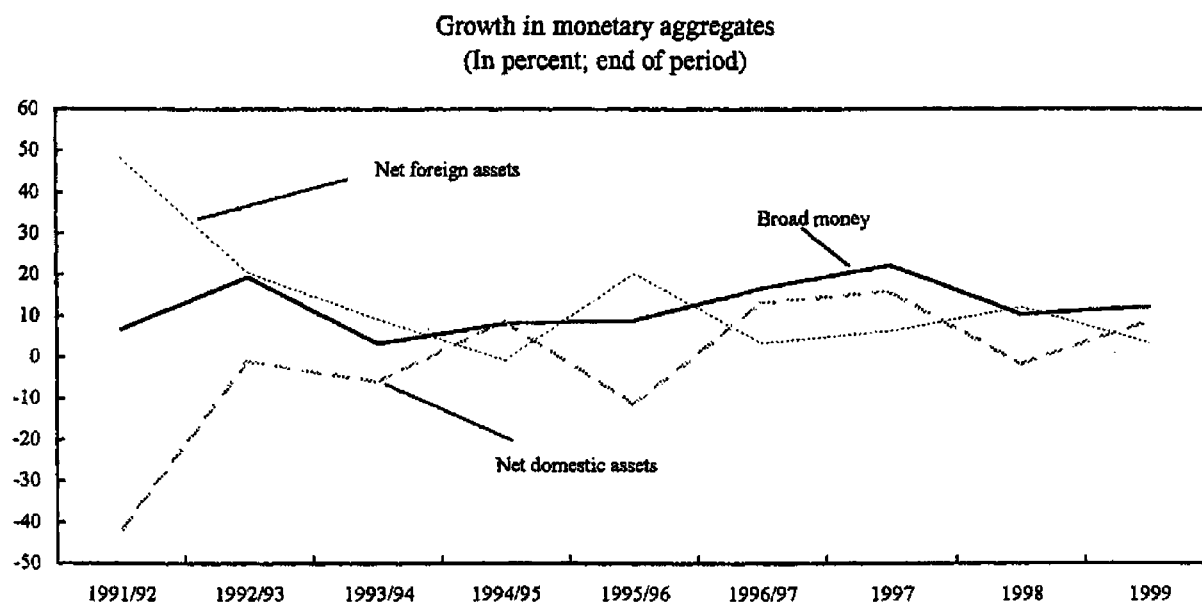
18. Achieving and maintaining price stability has been the key objective of monetary policy under the Central Bank of The Gambia Act of 1992. In conducting monetary policy, the CBG relies on indirect instruments through the auctioning and discounting of treasury bills and, to some extent, CBG bills. Even with the expansionary fiscal policy stance implemented during 1993/94-1996/97, the relatively tight monetary policy pursued by the CBG helped to keep inflation low, although the resulting high real interest rates had an adverse effect on credit growth, mainly to the private sector. With the improvement in the fiscal accounts in the last two years, broad money growth moderated to 10 percent in 1998 from 22 percent in 1997 (Statistical Appendix Table 32); meanwhile, the treasury bill rate declined in stages from 16 percent in August 1998 to 12 percent in March 2000 (Figure 3).

Monetary developments in 1999

19. Monetary policy during 1999 was aimed at keeping inflation low while providing sufficient credit to the private sector to be consistent with the expected pickup in economic activity. Accordingly, broad money grew by 12 percent in 1999, slightly higher than in 1998, primarily owing to a large growth in net domestic assets (Figure 3). Private sector credit increased by 21 percent. Reflecting the large government budget deficit in 1999, the government became a net debtor to the banking system, as its position moved from a net credit of D 32.8 million at end-1998 to a net debt of D 38.4 million at end-1999. Total

⁶ At the time, public enterprises owed the government about D 97 million, while the government owed them D 72 million.

Figure 3. The Gambia: Monetary Developments, 1991/92-1999 1/



Sources: The Gambian authorities ; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

deposit liabilities of commercial banks increased by 13 percent in 1999, slightly lower than the 16.2 percent increase in 1998.

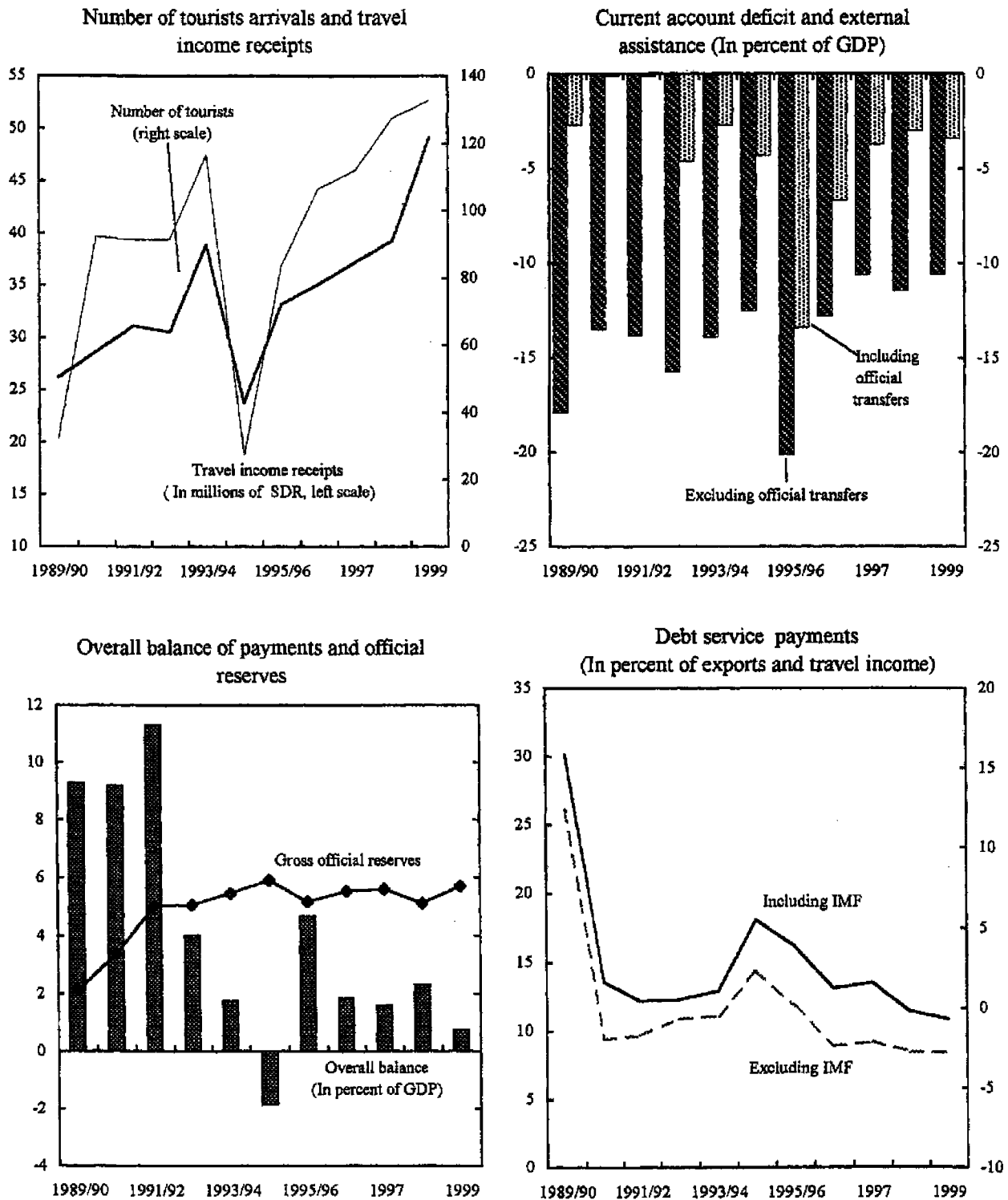
20. The health of the banking system appears generally sound. Nonperforming loans, which accounted for 26 percent of total bank loans at end-March 1998, declined significantly to 16 percent by end-December 1999 and eased further to 15 percent at end-March 2000; meanwhile, required provisioning remained above 100 percent. All banks met the required capital adequacy ratio of 8 percent and the liquid asset ratio of 30 percent. In addition, the banks face a working balance limit that specifies the required day's end amount of foreign currency that they can hold. On-site inspections were conducted in 1999 for Continent Bank Limited and First International Bank. In 1999, the unit also inspected all banks for year 2000 (Y2K) problems. Moreover, the government continued to honor its agreement with a major commercial bank on the repayments of the debt owed by the defunct Gambia Cooperative Union (GCU).

E. External Sector

21. The Gambia's foreign exchange earnings rely for a significant part on reexport trade and travel income. During the 1990s, the reexport trade (accounting for about 85 percent of total exports) financed on average 56 percent of total imports, while travel income accounted for the balance. In 1994/95, both reexports and travel income witnessed a significant decline, owing to the effect of the coup. However, while travel income quickly recovered the following year, the recovery in reexport trade was more gradual, reaching its pre-1994/95 level in 1998 but declining again in 1999 after the introduction of the preshipment inspection scheme. Travel income continued to increase in 1999, but average expenditure per traveler was estimated to have fallen because a growing number of visitors to The Gambia were traveling on small budgets. Generally, during 1994/95-1998, the overall balance of payments has been in surplus, as net capital inflows have been sufficient to cover the current account deficit after official transfers, and official reserves have been maintained at more than the equivalent of five months of imports (Statistical Appendix Table 41 and Figure 4).

22. The external trade sector, especially the reexport trade component, contracted in 1999. However, as both imports and exports declined, the trade deficit narrowed slightly to SDR 53.3 million in 1999 from SDR 56.9 million in 1998. Total imports fell by about 8 percent, with imports for reexport and for domestic use declining by 15 percent and 3½ percent, respectively; however, the import value of oil and oil products increased by 27 percent in 1999, reflecting the higher world price of crude oil. The value of total exports declined by 9 percent in 1999; reexport earnings fell by 6 percent while groundnut exports declined substantially by 24 percent, owing to lower production in 1998 (which was exported in 1999) and the depressed world market prices. Other domestic exports, such as cotton, fruits, and vegetables, also dropped because of the deteriorating world prices. However, exports of fish and fish products witnessed a significant increase of 10 percent in 1999, following a significant decline in 1998.

Figure 4. Gambia: External Sector Developments, 1989/90-99 1/



Source: The Gambian authorities; and Fund staff estimates.

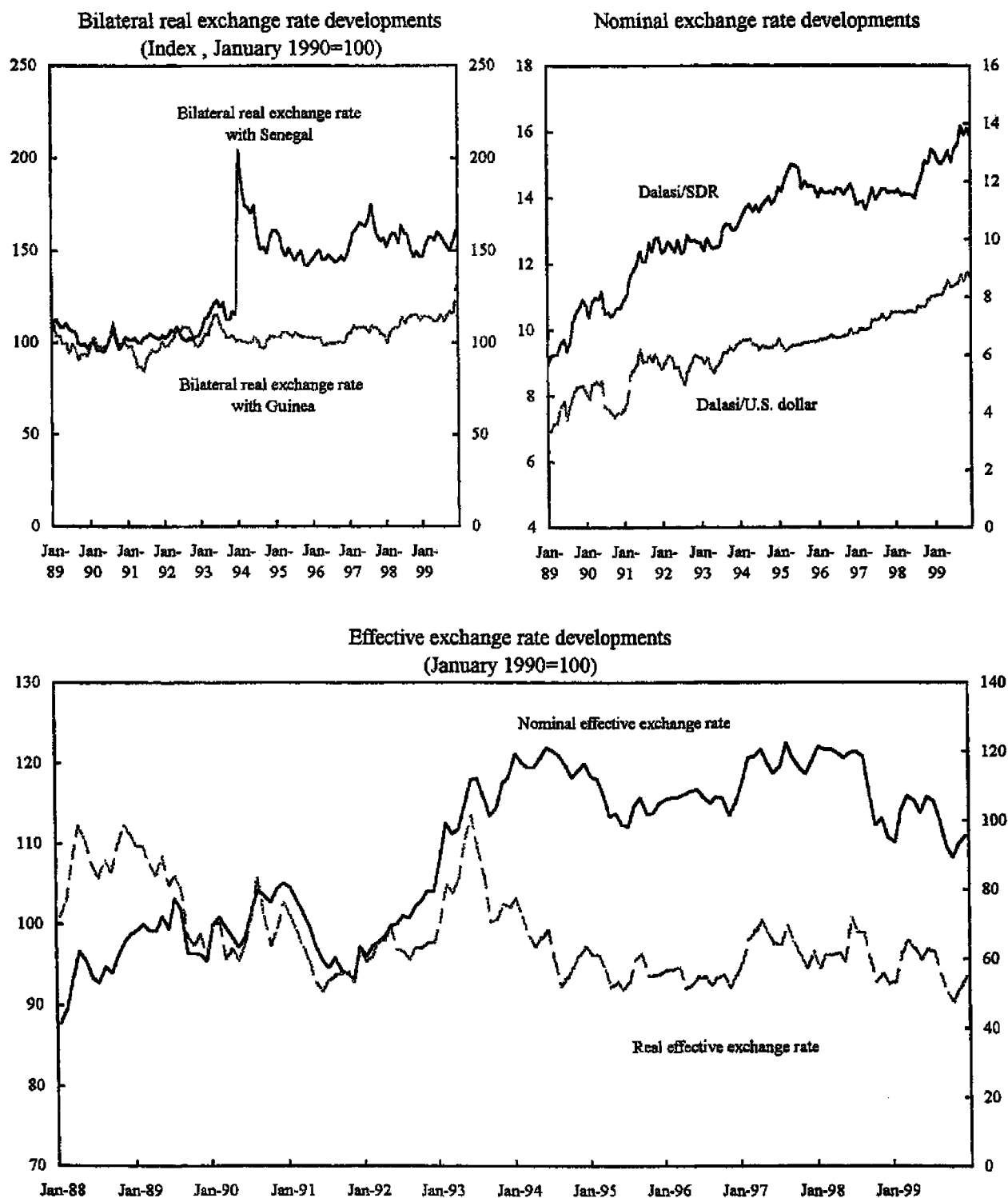
1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

23. The current account deficit (excluding official transfers) narrowed to 10½ percent of GDP from 11½ percent in 1998. However, reflecting the smaller inflow of official transfers, the current account deficit (including official transfers) widened slightly to 3½ percent of GDP from 3 percent in 1998. In 1999, the deficit of factor services remained almost unchanged, compared with 1998, at SDR 5.4 million. The nonfactor services surplus, on the other hand, rose to SDR 10.1 million, owing especially to an increase in travel income. Both private transfers and official transfers declined. Although the European Union maintained the same level of support to The Gambia in 1999, official transfers were lower than in 1998, as development grants fell by SDR 2.6 million.

24. Net official capital inflows remained almost unchanged in 1999 at a surplus of SDR 3.0 million, while private capital inflows were smaller by SDR 2.4 million, yielding an overall surplus of SDR 2.4 million. With a net purchase from the Fund, gross official reserves increased to SDR 78.1 million (equivalent to 5.7 months of imports) in 1999.

25. Debt outstanding at end-1999 stood at US\$425.4 million, equivalent to about 98 percent of GDP (Statistical Appendix Table 46). Of the total, 82 percent was owed to multilateral creditors and the rest to bilateral creditors. Reflecting the concessional terms of debts, the ratio of debt-service to exports of goods and nonfactor services (travel income) remained low at 10.9 percent. During 1999, the nominal exchange rate of the dalasi depreciated against the U.S. dollar by about 7 percent, while the real effective exchange rate depreciated only by about 2 percent (Statistical Appendix Table 47 and Figure 5). The spread between the interbank market rate and the parallel market rate, however, widened significantly from an average of 2.9 percent in 1998 to 5.5 percent in 1999 (Statistical Appendix Table 48). This occurred primarily because the interbank market rate did not adjust quickly enough to the appreciating U.S. dollar, while the parallel market rate depreciated in line with developments in the international foreign exchange market.

Figure 5. The Gambia: Exchange Rate Developments, January 1989-December 1999



Source: IMF, Information Notice System.

II. THE POVERTY PROFILE OF THE GAMBIA⁷

A. Introduction

26. The Gambia is one of the poorest countries in the world, ranking 161st (out of 174 countries) in terms of United Nations Development Program (UNDP)'s 2000 human development indicators. The most recent household survey, dated 1998, reveals that 79 percent of the Gambian population (estimated at 1.3 million) live in poverty and 51 percent in extreme poverty.⁸

27. Economic activity in The Gambia witnessed significant variations in real growth rates during the 1970s and 1980s, caused by a series of exogenous shocks (e.g., deteriorating terms of trade, especially the oil shocks) and inappropriate policies, such as expansionary fiscal policies, an overvalued exchange rate, and excessive government intervention in economic activities, particularly in extending credit to the groundnut sector. As a result, real GDP growth declined from an average of 7¼ percent during 1971-85 to 3¼ percent during 1986-90. To stem the economic decline, The Gambia embarked on a series of structural adjustment programs starting in 1985 with the Economic Recovery Program (ERP); this was followed by the Program for Sustained Development (PSD) in 1990, supported by the World Bank and other donors. Although significant progress was achieved in stabilizing the economy, these programs failed to achieve sustainable real growth, which declined further to an average of 2¾ percent during 1991-96. Moreover, redundancies in the public sector and cuts in social spending in the 1990s as part of the efforts to reduce the budget deficit, as well as rapid population growth, and rising urbanization and structural problems (including the narrow industrial base and declining groundnut production) continued to undermine efforts to reduce poverty. However, the trend in real growth rates (although on a per capita basis, the gains have been small due to the high rate of population growth) has been upward sloping in the latter half of the 1990s.

28. The economy is dominated by three key sectors (Figure 6, top panel): (1) agriculture, which employs 70 percent of the population and contributes about 22 percent to GDP (the most important cash crop is groundnuts, constituting 8 percents of total exports in 1999); (2) the tourism sector, centered near the capital, Banjul, which has risen in importance, especially in the latter part of the 1990s with an increase in the yearly number of tourist arrivals by more than 100 percent from 1990 to a total of 122,000 in 1999; and (3) the

⁷ Prepared by Jakob Christensen.

⁸ The 1998 household survey defines extreme poverty as having insufficient income to purchase a basket consisting of food necessities. Poverty is defined as having an income level enabling one to purchase, in addition to a basic food basket, a broader range of goods (see Section B).

Figure 6. The Gambia: Selected Indicators, 1999

Figure 6a. Sectoral composition of GDP 1999.

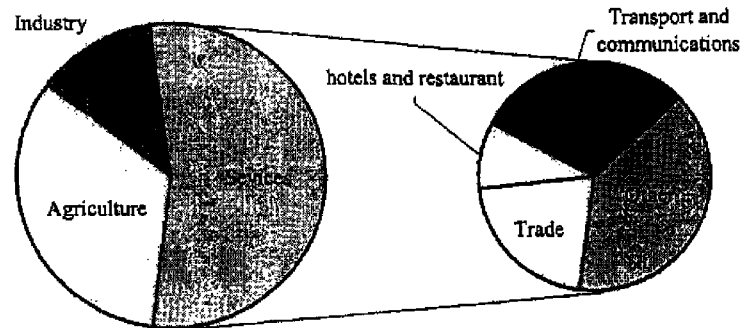
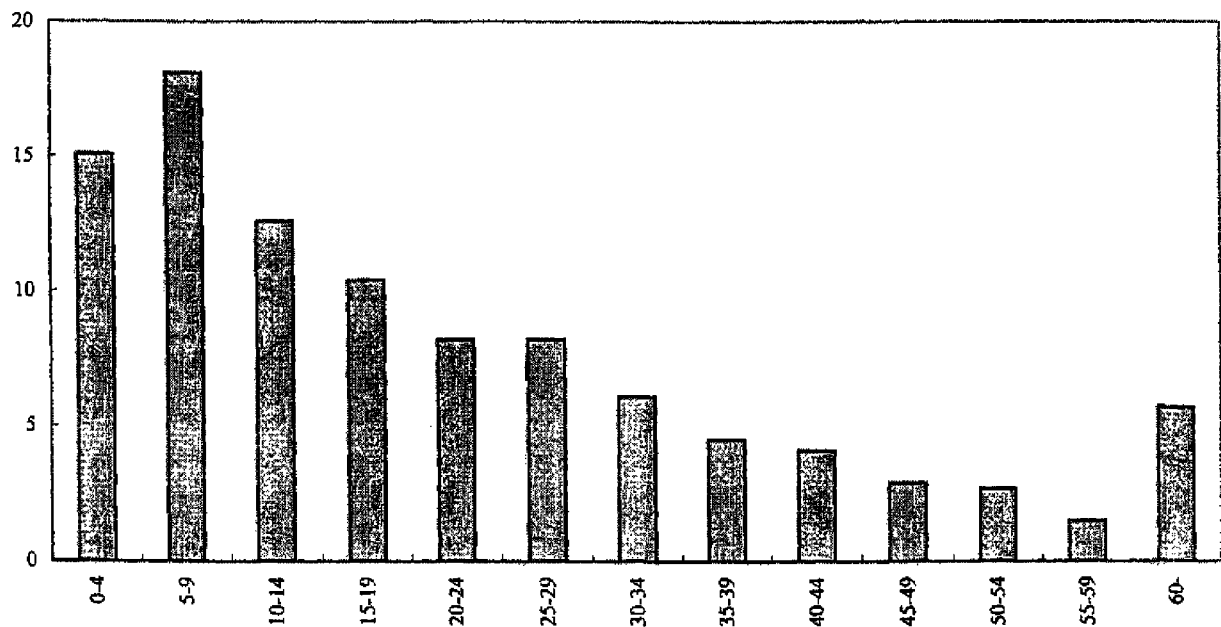


Figure 6b. The Gambia: Age Distribution of The Population



Source: Staff Estimates and Central Statistics Department (The Gambia)

reexport trade sector, operating mainly from Banjul port, which serves as an entry port for a large part of West Africa, and generates more than 85 percent of The Gambia's export receipts.

29. The population is growing at a rate of 4.2 percent. The dependency ratio is significant, with nearly two-thirds of the population either younger than 20 years of age or older than 55 (Figure 6, bottom panel). The country struggles with relatively poor living conditions (Table 1): only half of the population has access to safe water, life expectancy at birth is 53 years, child mortality rate is nearly 8 percent, and the literacy rate is only 30 percent despite high primary enrollment. The proportion of children showing signs of stunting was 27 percent in 1998, and 28 percent suffered from infant malnutrition. The Gambia performs better than average for countries in sub-Saharan Africa (SSA) in terms of health indicators, but the Gambian education indicators are worse than the SSA average.

30. The rest of this chapter is organized as follows: Section B describes the definitions and geographical categorization used in the 1992 and 1998 household surveys; Section C draws a poverty profile of the Gambian population and compares wage data for different socioeconomic groups and regions; and Section D discusses the impact poverty has on these households in terms of human and physical capital accumulation.

Table 1. Social Indicators in The Gambia and Sub-Saharan Africa, 1998

	The Gambia	Sub-Saharan Africa
GNP per capita (U.S. dollars; 1997)	340	510
Life expectancy at birth (years)	53	50
Infant mortality (per 1,000)	76	92
Female mortality (per 1,000)	344	383
Illiteracy (percent of the population age 15+)	65	40
Female illiteracy (percent of females age 15+)	72	49
Gross primary enrollment (percent of age group) 1/	77	77
Gross primary enrollment, female (percent of age group) 1/	67	69
Access to safe water (percent of population with access) 2/	50	47

1/ The only data available for The Gambia are from 1995 and, for sub-Saharan Africa, from 1994

2/ Data from 1993.

B. Definitions Used in the Household Surveys

31. The existing household and sectoral studies form a comprehensive database, that can be useful in drawing a detailed picture and determining the nature of the poverty problems in The Gambia. Two comprehensive household studies were conducted in 1992 and 1998. The 1998 households survey studied about 2,000 households (some 15,600 people) and categorized them by poverty status and geographical location (Table 2). The survey used three poverty groupings: (a) "extremely poor" (food poor)—having insufficient income to purchase the basic components of the food basket (annual per capita income of less than D 2,700 or US\$254); (b) "poor"—having income above the food poverty line (annual per capita income of less than D 4,174 or US\$392) but still falling below the overall poverty line; and (c) "nonpoor"—being above the overall poverty line. To assess the size of the overall problem, the sum of the categories (a) and (b) are constructed into an "overall poor" category. The survey also grouped the population into three geographic areas: (a) "greater Banjul"—consisting of the capital, Banjul, plus two suburban areas, which together contain the major industrial entities and tourist facilities; (b) "other urban areas"—cities with more than 1,000 inhabitants in the 1993 census and hosting divisional commissioners and regional administrators of line ministries; and (c) "rural"—consisting of all the remaining small villages. To analyze developments in the trend in poverty, the basic framework of the 1998 survey was kept similar to the 1992 survey.

C. Who Are the Poor in The Gambia?

32. The challenge in designing effective poverty alleviation policies is to determine the nature of poverty and identify the poor so that measures can be effectively targeted at them. This section utilizes the comprehensive poverty database of the 1998 household survey presented in the previous section to analyze which groups are worst affected by poverty and what impact poverty has on household's human and physical capital accumulation in The Gambia.

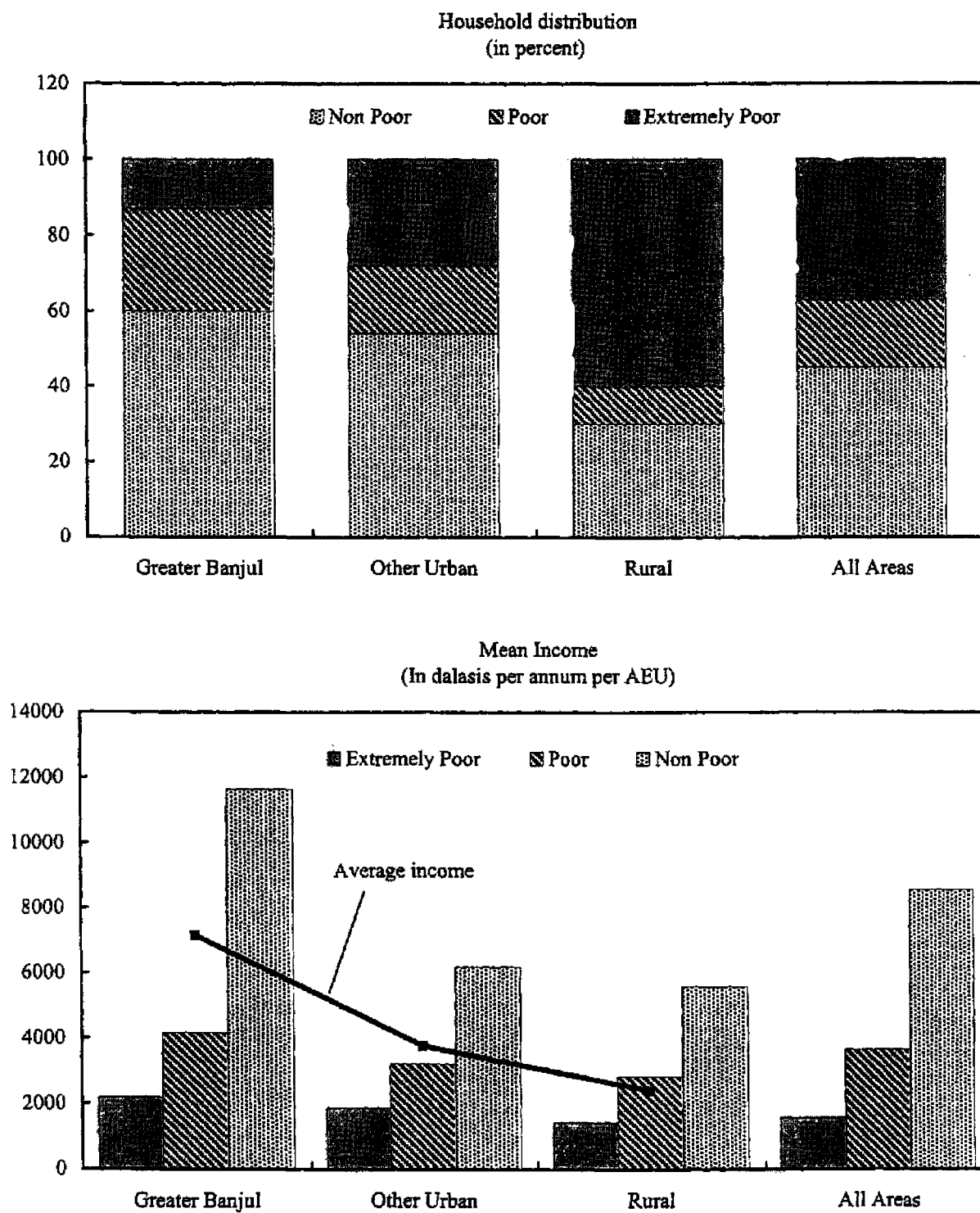
33. Table 3 shows that poverty in The Gambia is most prevalent in rural areas, especially among groundnut farmers—the largest group of cash crop farmers. More than 80 percent of all groundnut farmers were identified as poor, with 70 percent living in extreme poverty. Poverty affects 70 percent of all nongroundnut farmers, with 60 percent categorized as extremely poor.

34. In comparison with rural areas, poverty is less widespread in urban areas (Figure 7). Among informal workers—a group with the highest incidence of poverty in urban areas—merely 25 percent of the households were categorized as extremely poor. Households headed by workers employed in the formal sector were the least affected by poverty. Among households headed by a public sector employee, 42 percent were categorized as overall poor, and only 13 percent as extremely poor. The same proportion of formal private and public sector workers were extremely poor, but a slightly larger number of private workers were categorized as poor. In other urban areas, formal workers and informal workers were equally affected by poverty, but overall poverty was slightly higher in the latter group.

Table 2. Definitions and Categorizations Used in the 1998 Household Survey

Groups	Definitions
Categories of poverty	
Extremely poor (food poor)	Households below the food poverty line, that is, regarded as having insufficient income to purchase the foods in the food basket.
Poor	Households above the food poverty line but below the overall poverty line. These are the food nonpoor
Nonpoor	Households above the poverty line
Geographical categorization	
Greater Banjul	Banjul proper, plus KMA and Kombo North district. This area is the most developed part of the country, comprising the capital and a large suburban area that has coalesced from a number of small villages.
Other urban	Administrative centers, most commonly the location of divisional commissioners or regional administrations of line ministries. Some have economic functions apart from primary production, and some are large villages having settlements that contained several "Enumeration Areas" (a population of more than 1000 persons in the 1993 census).
Rural	All remaining Enumeration Areas. These all contain one or more small villages.

Figure 7. The Gambia: Degree of Poverty Among Regions, 1998



Source: The Gambian authorities.

35. The prevalence of poverty in different rural-based occupational groups underpins the problem of rural poverty (Table 4). Households headed by either crop producers or fishery workers had the largest proportion of poor people, closely followed by the mostly urban category of “plant and machine operators and assemblers.” Even the unemployed seemed better off than these groups, as 14 percent and 43 percent were categorized as being extremely poor and poor, respectively. This outcome may relate to the fact that rural workers had larger family units than the more mobile unemployed in urban areas, who are typically single or had smaller households. The group of legislators, senior officials, and managers was least affected by poverty with an overall rate of 14 percent, followed by the group of “armed forces” and “professionals” with overall poverty rates of 20 percent and 22 percent, respectively.

36. Although poverty rates and wage data provide similar information about welfare, wage data permit a comparison of absolute welfare differences among socioeconomic groups. Gambian wage data reveal significant earning disparities between genders and between rural and urban areas, as well as among sectors. The reported annual per capita earnings in the formal sector were D 6,741 and D 2,288 for males and females, respectively. Hence, females earned on average only one-third as much as males and were even below the extreme poverty line of D 2,700. The average urban income is twice the rural one (see Figure 7). Even the poorest urban group, “extremely poor informal workers,” earned nearly the same as the average worker in rural areas. The stark differences between rural and urban areas may explain the recent years’ accelerating urbanization, which in turn, has placed an increasing burden on already inadequate urban sanitation and health facilities. Wages in the public sector were on average higher than in the private sector: the mean annual average wage in the public sector was D 14,167, while a private sector employee and employer earned D 10,050 and D 17,786, respectively. At the bottom of the income scale, groups mainly employed in the informal sector, such as “own account workers,” “family helpers,” and “other” received average annual incomes of D 3,300, D 1,653, and D 2,984, respectively. Comparing these salaries to the respective overall and extreme poverty lines of D 4,175 and D 2,717, it is evident that these groups endure constant hardships.

37. Gambian wage data also underscore the importance of acquiring skills in order to escape poverty. According to an employment survey conducted by the Central Statistics Department in 1998, the average monthly wage rate for unskilled workers was D 459, below the overall poverty line of D 461, but above the food poverty line of D 237. In comparison, the average monthly wage of skilled workers was D 1,142, and professionals, comprising managerial, professional, and clerical workers, earned on average D 3,066 per month.

Table 3. The Gambia: Poverty and Socioeconomic Groups and Regions, 1992 and 1998

Year and Poverty Category	Greater Banjul			Other Urban		Rural						All SEGs
	Public workers	Private workers	Informal Workers	Formal Workers	Informal Workers	Non G'nut Farmers	Small G'nut Farmers	Medium G'nut Farmers	Large G'nut Farmers	Non Farm Workers	Not in the Workforce	
1992												
Extremely Poor	6	1	2	11	0	19	16	26	36	11	16	15
Poor	19	4	2	29	30	22	15	8	26	22	12	16
Non-poor	74	95	96	60	70	59	70	65	38	67	73	67
Total	100	100	100	100	100	100	100	100	100	100	100	100
1998												
Extremely Poor	13	13	24	...	42	62	74	77	70	62	39	51
Poor	29	36	36	...	20	11	9	8	10	10	22	18
Non-poor	59	51	40	...	38	27	17	15	19	28	38	31
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: 1998 Household Survey (Central Statistics Department).

38. A comparison of the two household surveys from 1992 and 1998 shows a significant increase in the magnitude of the Gambian poverty problem (Table 3).⁹ In 1992, merely 15 percent of the population was extremely poor, compared with 51 percent in 1998. Between 1992 and 1998, the nonpoor's share of the population was halved to 31 percent. The increase in rural poverty is most significant as the proportion of extremely poor groundnut farmers increased from 26 percent to 74 percent during the same period. The worsening of living standards in the rural areas reflects problems in the sector. Yearly groundnut production averaged 81,200 tons in 1996-1999, only 75 percent of the average production in the 1980s. Earnings in the sector declined during 1997-1999 with the decline in production and stagnating producer prices (while CPI inflation averaged more than 2 percent). Formal employment in agricultural processing and marketing fell by nearly 90 percent from 1993 to 1998, mainly because of the closure of a major processing plant and the lower production. Export earnings also declined from 4.5 percent of GDP in 1991/92 to 2.3 percent in 1999. Urban areas, however, also experienced an increase in extreme poverty, with the proportion of extremely poor increasing from near zero to 13 percent and 24 percent for formal and informal workers, respectively, over the six-year period.

D. The Impact of Poverty on Households

39. Poverty, especially in its extreme form, implies a constant struggle to meet basic needs. As poor households spend a very large proportion of their income on food, even a small decline in household income can have a large, adverse impact on the member's nutritional status. Longer-term, costly investments in education are less important when the household needs food. For these reasons, poor educational and nutritional standards are often observed concomitantly among poor. This is also true for The Gambia, where enrollment rates fall as poverty increases. Figure 8 shows that, among children aged 7-12 years, only 40 percent from extremely poor households were enrolled in school in 1998, while enrollment rates increased to 54 percent and 61 percent for children from poor and nonpoor

⁹ Both surveys used a "basic need" approach, defining the need for food to be 2,700 calories per day for a man and varying the figure for women and children. Similar food basket definitions and geographical groupings were applied. The value of the 1992 food basket was updated to 1998 prices based on a parallel price survey in 1998. The two surveys differed, however, in two ways. First, the calculation of the nonfood basket in 1992 did not distinguish between greater Banjul and other urban areas, assuming that the cost of the nonfood basket did not vary between these two subregions. Second, the 1992 survey did not include the cost of miscellaneous items, including hair and body-grooming products, among other things. The cost of these items in the nonfood basket was found to be the second highest for greater Banjul and other urban areas, and the highest for the rural areas in 1998. Hence, the degree of poverty may be somehow underestimated in 1992 compared with 1998, but the measurement of extreme poverty is nearly identical.

Table 4. The Gambia: Poverty and Average Earning by Occupation, 1998

Occupation	Armed Forces	Legislators, Snr Officials	Professionals	Technicians & Associate Professionals	Clerks	Service, Shop, Market Sales workers	Crop Producers & Fishery Workers	Craft, Related Trade workers	Plant, Mach. Operators & Assemblers	Elementary Occupations	Unemployed	Inactive	Total
(In Dalasis)													
Average Earnings	16,840	22,419	23,402	11,527	15,810	15,810	1,096	9,643	7,802	3,094	...	...	4,608
(In percent)													
Extremely Poor	9	10	11	22	18	14	63	25	32	24	14	26	37
Poor	11	4	11	14	22	24	11	21	22	28	43	17	17
Poor	20	14	22	36	40	38	74	46	54	52	57	43	54
Non Poor	80	86	78	64	59	62	25	54	46	48	43	57	46
All Households	100	100	100	100	100	100	100	100	100	100	100	100	100
Count	10	27	79	83	27	218	605	200	66	212	14	118	1660

Source: 1998 Household Survey (Central Statistics Department).

Figure 8: Education Enrollment by Poverty Groups, 1998.

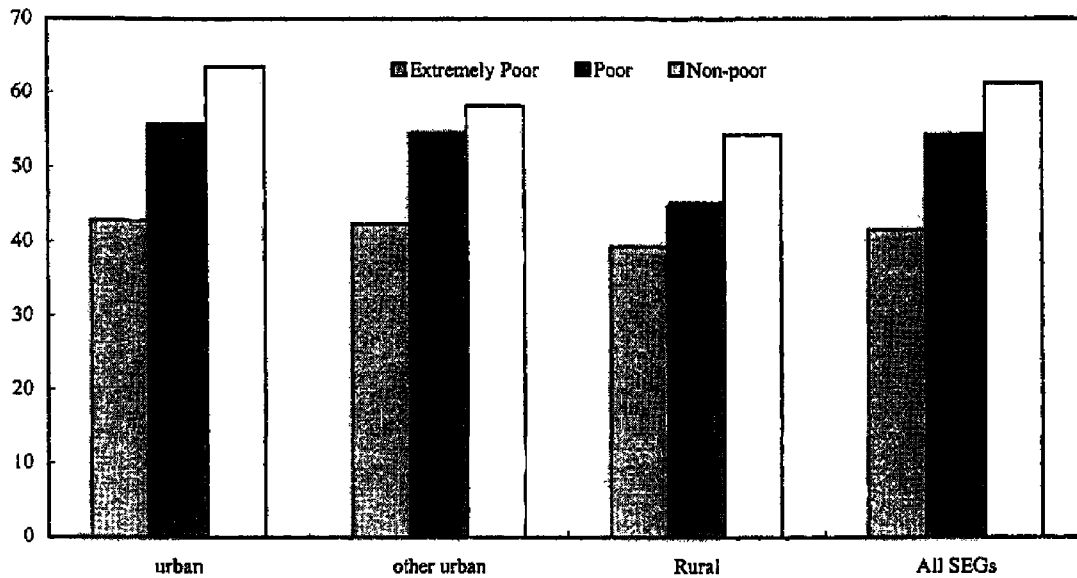
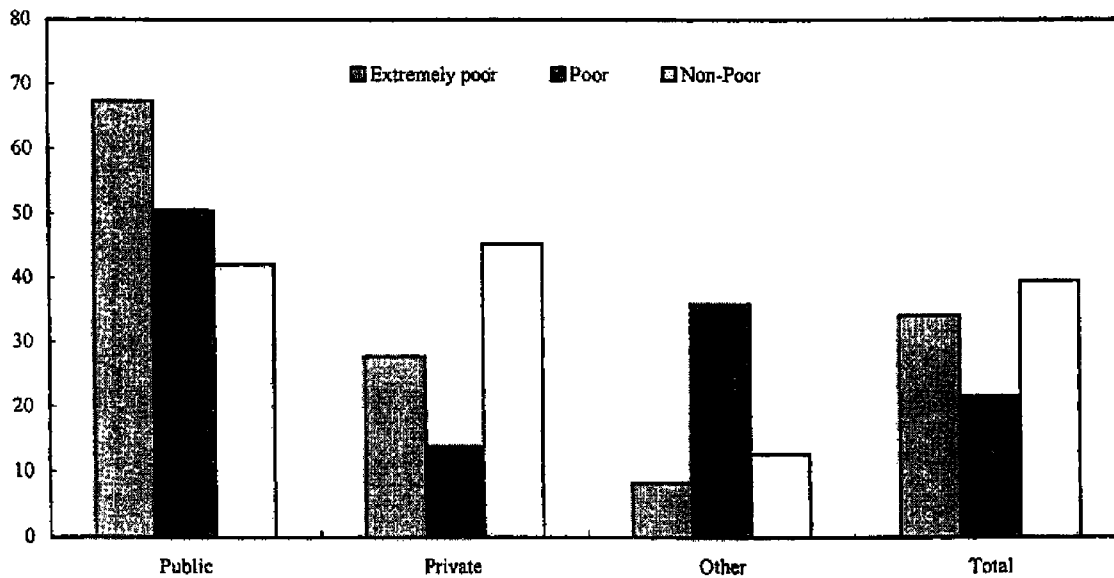


Figure 9: Health Spending By Poverty Groups, 1998



Source: 1998 Household Survey (Central Statistics Department)

households. One reason for the lower enrollment rate among children from poor households is the need for them to work in order to augment the low household income; children from poor households account for 80 percent of all child labor in The Gambia.

40. Children from extremely poor families suffer more from malnutrition than those from better-off households. Among large groundnut farmers, the poorest group in the country, one-third of all children suffer from some degree of malnutrition, larger than the country average of 28 percent. In addition, poor households tend to be bigger than nonpoor, implying a larger dependency ratio in poor households: 0.96 for extremely poor, 0.51 for poor, and 0.75 for nonpoor. Poor nutritional status affects the general health standard and therefore raises demand for health services. Figure 9 shows that, despite a significantly smaller budget, health spending by extremely poor households accounts for roughly the same proportion of total countrywide health spending as the group of nonpoor. Furthermore, poor people mainly access public health units, while nonpoor choose the better private health facilities. Three-fourths of all spending on public doctors in The Gambia is for services rendered to the overall poor population. Hence, the design of a public health policy, in terms of the access to, and cost of, using these services, has large implications for the poor—an issue that will be discussed more extensively in Chapter IV.

41. Further evidence shows that poor households have fewer accumulated assets to liquidate in the event of an unforeseen drop in income. The mean value of assets of nonfarm enterprises was D 1,639 and D 2,602 for extremely poor and poor, respectively, while the nonpoor asset value amounted to an average of D 16,662. As an alternative to liquidating assets in case of a fall in income, easier access to financial services enables households to smooth consumption. The 1998 survey, however, shows that the formal financial sector serves only a small part of the population, and an even smaller share of the poorer groups. Improving the access to financial services will be greatly welfare improving, in terms of both increasing growth prospects for “own account” workers and alleviating the negative effects on children’s educational and nutritional standards of a sudden fall in household income.

42. A main part of consumption financing in The Gambia is from cash earnings (53 percent) and remittances (28 percent), while especially poor households rely on informal credit (14 percent). Expenditure financed from social security benefits and private pensions and other government sources is minimal and mainly limited to nonpoor households. The weakness in the provision of social security is underscored by the fact that the poverty problem is biggest among those households where the head is older than 65 or younger than 20, commonly those that are most dependent on social security. However, poverty is less prevalent in households headed by individuals between 25 and 29 years old, who are best equipped to support themselves.

E. Conclusion

43. The 1992 and 1998 household surveys together underscore the same conclusion (although the number of poor was somehow underestimated in the 1992 survey). First, the problem of poverty in The Gambia, especially in rural areas, is pervasive and has worsened

in recent years. Second, the largest group of cash crop producers, groundnut farmers, has the highest poverty rate in the country. Third, urban areas are better off than rural ones. Finally, women earn only one-third as much as males.

44. The design of public policies in the area of education and health has a large impact on the living standards of the poor. Therefore, these social policies have to be supported by other policies that enhance the poor households' access and use of formal financial services. Greater access to credit and savings facilities will help these households in smoothing consumption as income fluctuates and reduce the likelihood that child labor will have a negative impact on school enrollment.

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III. STRATEGIC FRAMEWORK¹⁰

A. Introduction

45. This chapter discusses the Gambian authorities' attempts to address the growing incidence of poverty highlighted in the preceding chapter. The Gambian authorities adopted a comprehensive strategy for poverty alleviation (SPA) in 1992, with a view to making poverty reduction an important element of the outcomes of structural adjustment policies. This multi-pronged strategy in addressing structural issues and poverty reduction is in line with the redesigned Bank and Fund-supported structural adjustment programs to low income countries. In 1999 the Fund Executive Board agreed to replace the Enhanced Structural Adjustment Facility (ESAF), the concessional lending arm, with the Poverty Reduction and Growth Facility (PRGF). The main goal of this facility is to make poverty reduction efforts among low-income members a key and more explicit element of a renewed growth-oriented economic strategy. The cornerstones of the new approach, which will continue to be based on sound economic policies, would include a comprehensive, nationally owned Poverty Reduction Strategy Paper (PRSP); social and sectoral programs aimed at poverty reduction; greater emphasis on governance; and priority to key reform measures critical to achieving the member government's social goals. The policy framework paper (PFP), in which the authorities used to outline the macroeconomic and structural policies that they intended to pursue in the medium-term, is now replaced by the PRSP. In the case of The Gambia, the authorities have taken the SPA seriously and had made attempts to link most of the pro-poverty programs to the SPA objectives. With donor assistance, the government initiated a number of studies, surveys (participatory survey) and public expenditure reviews in health, education, and agriculture to provide a sharper focus and realignment of sectoral policies with the strategy for poverty alleviation. In this context, the SPA has been an evolving process, as the review of sectoral policies and the availability of new data from the surveys are fed into the SPA to help sharpen its focus. Based on feedback from a number of these studies, surveys and public expenditure reviews conducted so far, the authorities are updating the SPA, with a view to launching the SPA I, which will be an important input in the preparation of the PRSP, with the Interim PRSP likely to be completed in November 2000. The chapter is organized as follows: section B describes the SPA, including its objectives and programs; section C describes pro-poverty sectoral policies, in health, education, agriculture, population, rural development, local government (decentralization), private sector development and governance policy framework, which augment the poverty alleviation strategy.

¹⁰ Prepared by Meshack Tjirongo.

¹¹ Notably, these include the groundnut sector, population, rural development, gender issues, and the governance policy framework.

B. Strategy for Poverty Alleviation

46. During the 1990s, the Gambian government launched a major initiative to broaden its development strategy so as to ensure that the policies aimed at restoring macroeconomic stability also improved the living conditions of the poor. To this end, the government introduced the Strategy for Poverty Alleviation (SPA) in 1992, which was presented at a Donor Roundtable Conference in Geneva in 1994. The SPA identified four main areas of intervention (called pillars) to address poverty alleviation in The Gambia. Notably, the four pillars seek to (1) address structural problems in the economy; (2) broaden the access, and improve the delivery of, social services; (3) promote institution building; and (4) enhance participatory communication processes as an important instrument in combating poverty.

47. The National Poverty Alleviation Program (NPAP) was initiated to operationalize the SPA, and it consists of a number of programs and projects that seek to map the objectives of the SPA to their expected outcomes. The government used the NPAP to articulate current and planned linkages between ongoing poverty alleviation processes, in order to attract renewed donor and stakeholder interest in the program.

48. As shown in Box 2, the implementation of the NPAP follows an integrated approach, focused on poverty reduction. Foremost, the NPAP, as reflected in Pillar I, recognizes that expanding the productive capacity is *sine qua non* in generating employment opportunities for the large youthful population (64 percent of the population is below the age of 24). NPAP-related programs designed to meet this goal include diversifying agricultural production, which has been hitherto dominated by groundnuts; introducing supportive policies to promote microenterprises, the eligibility of Gambian contractors for government works and procurement, women-owned businesses, and financial support for small-scale enterprises; promoting labor-intensive projects in public works; and creating and promoting infrastructure development funds.

49. Under Pillar II, the programs emphasize gaining access to social services by improving the proximity of health services to communities; strengthening the participation of women and youths in socioeconomic development through expansion of the literacy program, especially for women and girls; enhancing the quality and relevance of basic education; promoting technical and vocational training; and enhancing national capacities to implement the decentralization strategy in the social services.

50. Pillar III activities entail building capacities in project management and program implementation and establishing a social fund to support local enterprise development initiatives. All these activities are underpinned by the promotion of communication processes, highlighted in Pillar IV. These programs build on the wealth of communication skills and channels that exist in The Gambia to develop a coherent policy framework through which poverty alleviation messages can be disseminated.

Box 2. Strategy for Poverty Alleviation

	PILLAR I	PILLAR II	PILLAR III	PILLAR IV
PILLARS	Enhance productive capacity	Improve access and performance of social services	Promote participatory communications processes	Build capacities at local levels
OBJECTIVES	Promote productive employment, labor-intensive activities, and food security	Expand and improve delivery of social services	Strengthen capacity of CBO Strengthen decentralization Establish Social Fund to support enterprise dev't	Design and promote a DCP Enhance capacity to manage an IEC strategy for dev't programs and projects.
NPAP PROGRAMS	Improve food security and income levels Diversify agric prod. Sustainable ecological practices Develop comm. org Policy for micro-enterp.	Improve proximity of health services Provide literacy programs Improve technical, vocational & scientific competences Provide institutional support to CBOs and NGOs.	Build local capacity in project management and programs. implementation. Establish Social Fund to support development initiatives.	Provide advice and legal environment for dissemination of dev't-related information. Enhance communities' capacity to manage IECs.
EXPECTED OUTPUTS	Improved Output (agric and non-agric) Ecological practices Economic management Linkages between micro-enterprises and formal sector	Need-based PIP for social sectors Improved access to basic education Provide potable water Improved health care services Improved financial support for social infra. projects	Establish a SDF Better coordination of local development initiatives Strengthened policy formulation and implementation	Establish a DCP Strengthened IEC units to deliver SPA-messages Strengthen partnerships with govt, communities, and CBOs and NGOs.

Source: The Strategy for Poverty Alleviation, 1992.

51. The management and implementation of the NPAP represent a chain-like link of all players in the poverty reduction program. These include the affected population, including the community-based organizations, the local authorities, the National Steering Committee (which is the senior partner), the Strategy for Poverty Alleviation Coordination Office (SPACO), nongovernmental organizations (NGOs), the donors, and the private sector. Box 3 describes the institutional setup of the poverty program. In preparation to launch the PRSP, including the I-PRSP, the authorities decided to review and restructure the management and coordination of the SPA, especially in view of the problems encountered during its first phase.

Box 3. The Institutional Setup for Poverty Alleviation in The Gambia

- The management and implementation of the National Poverty Alleviation Poverty (NPAP) represent a chain-like link of all players in the poverty reduction program: a national taskforce (NTF), a Strategy Poverty Alleviation Coordinating Office (SPACO), NGOs, community-based organizations, the local authorities, the donors and the private sector.
- A lesson learned from the assessment of SPA was that the National Steering Committee consisting of permanent secretaries and chaired by the Secretary General, was ineffective, due to its limited mandate. Given the high priority assigned to the implementation of the poverty agenda, including the preparation of the PRSP, it was agreed in 1999, that a national task force (NTF) with a cabinet mandate should replace the Steering Committee. The NTF, consisting of government officials, NGOs, the private sector, and donors, has met several times already and will report to the High Level Economic Committee (HILEC). The HILEC is made up of secretaries of state and their permanent secretaries chaired by the Secretary of State for Finance. SPACO will be responsible for coordinating the PRSP process and monitoring of the process during the implementation.
- The main responsibility of SPACO is to
 - coordinate (but not implement) the various elements of poverty reduction,
 - collect information on poverty in the country,
 - coordinate donor and government activities on a functional basis,
 - reveal areas where further effort is needed; and
 - carry out a three year Participatory Poverty Assessment (PPA) study covering the period, 1999-2001. The PPA is linked to the 1998 household survey. This process should result in community action plans (CAPs) that will be incorporated into the overall action plan at the national level.
- Following a donor meeting on the PRSP process, donors pledged an estimated US\$0.75 million in financial support in addition to the sponsorship of a number of SPACO's activities.

C. Other Pro-Poverty Interventions

52. This section attempts to summarize a broad range of existing sectoral government policies and programs, with a view to highlighting those interventions that are directly targeted to alleviate the incidence of poverty. These include a number of programs in agriculture, education, health, governance policy framework, private sector development and others that have been developed with donor support.

Agriculture

53. Despite its diminishing contribution to the overall output,¹² agriculture still plays a significant role in the Gambian economy, providing employment to a large section of the labor force, and generating about 40 percent of total exports and about two-thirds of household income. As domestic grain production meets only 50 percent of the national food grain requirement, the food deficit is met through commercial imports and food aid. As discussed in detail in paragraphs 5 and 34, the deterioration in agricultural incomes over the past three decades, largely contributed to worsening of the poverty situation, especially in the rural areas. In this context, policies to reduce poverty, should entail measures to address the problem of low productivity and production in the agricultural sector. The medium-term poverty policy objectives include, inter alia: to create employment and generate income for the majority of the rural population who are dependent on primary production, particularly women, youth, and producer associations; and to diversify the production base to facilitate the production of food and export crops in order to reduce fluctuations and uncertainties in household incomes and export earnings (see Box 4). To these ends, the government, with donor assistance, has initiated a number of programs that seek to mitigate and/or remove some of the constraints that keep agricultural incomes low, in addition to creating alternative income-generating activities to absorb part of the labor force that is dependent on subsistence agriculture.

Box 4. The Medium-Term Policy Objectives of the Agricultural Sector

- Achieve national food self-sufficiency and security through the promotion of sustainable, diversified food production programs with emphasis on cereal production to contain the growth of imported rice.
- Increase overall agricultural output, especially of domestic food and export products, in order to ensure food security and enhance foreign exchange earning capacity to finance other aspects of the development process.
- Create employment and generate income for the majority of the rural population who are dependent on primary production, particularly women, youth, and producer associations.
- Diversify the production base to facilitate the production of food and export crops in order to reduce fluctuations and uncertainties in household incomes and export earnings.
- Reduce disparities between rural and urban incomes as well as between men and women, curb rural-urban drift, and accelerate the pace of rural development.
- Provide effective linkages between the agriculture and natural resources sector and other sectors of the economy, particularly the tourism sector, so as to enhance their mutual complementary and supplementary effects on a sustainable basis.
- Ensure a judicious and sustainable exploitation of the country's natural resource base so as to conserve and improve biodiversity and enhance productivity consistent with consideration of the needs and rights of future generations.

Source: The Gambia: Department of State for Agriculture, *Public Expenditure Review*, May 1998.

¹² Agricultural value added in GDP declined from 50 percent during 1968-75 to about 25 percent in 1999

54. Important interventions so far include the groundnut subsector recovery program. The framework of agreement signed by the government and the Agri-Business Service Plan Association (ASPA)¹³ in 1999, funded by the European Union (EU), transferred the entire management of the subsector to ASPA, ending the government's involvement in the marketing of groundnuts. ASPA will henceforth announce farmgate prices prior to the planting season, supported with funds from the producer price stabilization fund. This is expected to provide greater economic incentives than the current system of individual sales by farmers, which involve large price fluctuations. Guaranteeing a price prior to the planting season could also help farmers to obtain credit. These measures, together with efforts by the government to increase the supply of improved groundnut seeds,¹⁴ are expected to revive the groundnut sector and reverse the income decline in the past three decades.

Education

55. The Revised National Education Policy 1998-2003 aims to (a) prioritize investment in education subsectors with the highest social rate of return, namely, basic education; (b) use education as a tool to improve income distribution patterns and reduce poverty; (c) make education relevant to the life and work of Gambians and their cultural heritage; (d) relate education more closely to national development goals; and (e) increase individual and national self-reliance.

56. One of the key reforms of the new policy is the restructuring of the school system from 6-3-3-4 to a 9-3-4 education system.¹⁵ Under this arrangement, the new policy seeks to expand basic education to nine years of schooling. Secondary and tertiary education will each continue to take three years and four years, respectively. In terms of enrollments, the previous education system tended to produce a pyramidal structure, in which only a small proportion of pupils continued to higher levels, with more than 70 percent of pupils completing only six years of education. Because of the high cost of secondary education, the majority of those who were being left behind came from poor or extremely poor families, where the failure rates are very high. With the tight labor market conditions, the prospects of finding gainful employment for primary school graduates are almost nil, a factor that can actually act as a disincentive for the poor to send their children to school altogether.

¹³ ASPA comprises farmers and buyers in the groundnut subsector.

¹⁴ The government efforts in this respect were bolstered by assistance from the EU and the International Fund for Agricultural Development (IFAD); the latter in the form of a US\$10 million 5-year project.

¹⁵ This entails moving from a system with six years of elementary education and three years of middle school to a combined nine years of consolidated elementary education, followed by three years in high school, and four years at the university, i.e., 9-3-4.

57. Against this background, the introduction of a nine-year basic education systems, including efforts to increase enrollments, especially of girls, is expected to have a substantial long-term impact on poverty. Primarily, the education policy seeks to (a) increase basic education (7-15 year olds) enrollment ratios from 70 percent in 1996/97 to 90 percent by 2003; (b) increase girls' enrollment rates¹⁶ at the Gambia College¹⁷ to 40 percent of total intake by 2003 (by providing scholarships to girls from the poor regions); (c) expand secondary school education through increased use of double shifts and construction of ten new government secondary schools by 2003; and (d) expand adult and nonformal education programs by training 4, 000 adults per year to be literate starting in 1999 (see Box 5).

58. These priorities will be achieved by: maximizing existing educational resources through double shifts, the growing of student-teacher ratios, the reallocation of funds in favor of basic education, and improved community participation; building capacity through more teacher training; and improving the management of the education sector through decentralization and performance monitoring. Reflecting the shift in policy, government expenditure allocations to basic education amounted to about 60 percent of total education expenditure in 1999; until 1998, such allocations averaged only 40 percent (Statistical Appendix Table 29).

Health

59. The Gambia's current health policy was adopted in 1994 after an extensive participatory process involving rural communities, public and private health practitioners, health organizations, NGOs, and donors. The elements of the policy revolve around the principle of primary health care (PHC): safe motherhood, family planning, child survival, proper nutrition, control of common endemic diseases, health promotion/protection, and provision of essential drugs and vaccines. Specific components of the health programs that have a greater potential to benefit the poor substantially are listed in Box 6. To support the expansion in basic health care, government expenditure allocations to the subsector have risen from below 20 percent of health expenditure in 1995/96 to about 30 percent in 1999 (Statistical Appendix Table 29).

Population

60. The National Population Policy (NPP), adopted in 1992, revised in 1996, and updated in 1997, aims to raise living standards by realizing three goals: (a) achieving a better balance between the rates of population growth and development; (b) improving and preserving the environment; and (c) creating optimal conditions for the implementation of a sustainable

¹⁶ Significant differences still exist in education enrollment between males and females; while illiteracy for all adults was 63 percent in 1993, the rate for females was 74 percent.

¹⁷ A Teacher's Training College.

Box 5. Education Policy Targets	
Program	Targets by 2003
Basic education expansion (increase basic education enrolment ratios to 90 percent of 7-15 year olds)	<ul style="list-style-type: none"> ▪ Increase double shift classes from 18 percent to 50 percent. ▪ Construct 1, 510 lower basic classrooms and 430 upper basic classrooms. ▪ Increase pupil-teacher ratios: in grades 1-6: from 30:1 to 45:1; in grades 7-9: from 17:1 to 36:1. ▪ Employ 450 Primary Teacher's Certificate (PTC) graduates in grades 1-6; 120 new Higher Teacher's Certificate (HTC) graduates in grades 7-9 annually from 2002. ▪ Provide school lunch to 114, 186 pupils in grades 1-6 from 1998.
Girls' Education (sustain the growing increase in girls' enrollment)	<ul style="list-style-type: none"> ▪ Setup Trust Fund by 2000 for girls. ▪ Provide scholarships for 10 percent of girls in two poor regions by 1999. ▪ Increase girls' intake at the Gambia College schools to 40 percent of total intake.
Improvement of quality and relevance of education program	<ul style="list-style-type: none"> ▪ Introduce new syllabuses for grades 1- 9 during 1999-2002. ▪ Construct and equip resource centers by 1999. ▪ Introduce textbook rental scheme for grades 1-9 by 1999.
Senior Secondary School Expansion (increase opportunities for higher education in the long-term)	<ul style="list-style-type: none"> ▪ Increase double shift classes from 10 percent to 40 percent in grades 10-12. ▪ Construct and equip 10 new government secondary schools; 10 new area council build schools. ▪ Equip 14 government secondary schools with computer laboratories by 1999 through World Link Program. ▪ Train 30 HTC teachers to degree level; 30 secondary school graduates to degree level annually from 1999.
Increase Access to Vocational, Technical and University Education	<ul style="list-style-type: none"> ▪ Formulate Technical Education, Vocational Training policy by 1999. ▪ Construct and equip four rural skills training centers.
Adult and Non-Formal Education	<ul style="list-style-type: none"> ▪ Finalize eligibility criteria for NGOs, and Community Based Organizations by 1999. ▪ Train 40 literacy supervisors and 417 facilitators by 1999. ▪ Train 4, 000 adults to be literate per year by 1999.

Source: Department of State for Education, Public Expenditure Review, March 1998.

Box 6. Health Policy Targets	
Program	Targets by 2003
Primary health care	<ul style="list-style-type: none"> ▪ Accessible to all.
Divisional Health Teams	<ul style="list-style-type: none"> ▪ Full complement staff.
Tertiary (hospitals) services	<ul style="list-style-type: none"> ▪ Three referral hospitals to be fully functional by end 2000; increase capacity of the three hospitals to train staff in specialized areas.
Expanded Program on Immunization (EPI)	<ul style="list-style-type: none"> ▪ Increase EPI coverage from 80 percent to 90 percent; eliminate neo-natal tetanus by 2000; eliminate poliomyelitis by end 2000.
Nutrition	<ul style="list-style-type: none"> ▪ Reduce malnutrition by 50 percent.
Adolescent health	<ul style="list-style-type: none"> ▪ Achieve at least 20 percent reduction in STD/HIV/AIDS among adolescent.
Malaria	<ul style="list-style-type: none"> ▪ Reduce hospital mortality for malaria cases to zero by 2003. Attain a goal of 70 percent of bed nets dipped in insecticide from 8 percent in 1995.
Diarrhoeal diseases	<ul style="list-style-type: none"> ▪ Reduce substantially.
Sexually Transmitted Diseases (HIV/AIDS)	<ul style="list-style-type: none"> ▪ Manage HIV prevalence in antenatal women to less than 2 percent.
Leprosy/tuberculosis	<ul style="list-style-type: none"> ▪ All health care facilities to be equipped to identify leprosy/TB patients
Health promotion and prevention	<ul style="list-style-type: none"> ▪ Establish public health laboratory to analyze food; increase number of trained personnel by 30 percent; increase access to oral health services by 30 percent; increase Information Education and Communication (IEC) campaign on drug awareness and prevention.
Support systems	<ul style="list-style-type: none"> ▪ Establish chemical waste disposal system; strengthen cost recovery system; equip all laboratories; replace old fleet of motor cycles and vehicles.

NNP at national and local levels.¹⁸ With the population currently estimated to be expanding at 4.2 percent per annum, The Gambia has one of the highest population growths in the world. The natural rate of population growth is estimated at 2.8 percent, while the contribution of net immigration to population growth is about 1.4 percent per annum. Largely as a result of increased political instability in the West African subregion since the 1980s, The Gambia witnessed a substantial increase in the number of migrants from Guinea Bissau, Sierra Leone, Liberia, and the Casamance region in Senegal. Migrants are also attracted to The Gambia by the efficient port facilities and the banking system, which support a vibrant reexport trade. With its small land size¹⁹ and its poor endowments in natural resources, the rapid population growth undermines government efforts to expand social services to the population. The NPP identified 12 integrated components, including measurable targets, that relate core health and education issues to a range of broader concerns. Its core components include (a) reproductive health and family planning; (b) population and development strategies; and (c) information, education, and communications advocacy. The NPP shares a large number of programs that cut across other sectoral policies (see Box 7).

Private sector

61. Vision 2020, launched in 1997, articulates the government's long-term development goals, which ultimately will transform The Gambia into a financial center, a tourist paradise, and a trading, export-oriented agricultural and manufacturing nation, thriving on free market policies and a vibrant private sector. To these ends, the authorities seek to improve the business environment by streamlining the bureaucratic procedures and providing economic incentives through tax allowances, with a view to attracting foreign direct investment (FDI).²⁰ Linked to these broader objectives, the authorities also intend to accelerate the privatization process to increase the competitiveness of the Gambian private sector. Most important to the poor, the government intends to support the development of micro- and small-scale businesses and institutions providing credit and savings schemes. In this context,

¹⁸ The NPP is guided by a ten-member National Population Commission, chaired by the Vice-President.

¹⁹ The population density rose to 97 persons per square kilometer in 1993 from 67 persons per square kilometer in 1983. In the Kanifing Municipal Area, the population density rose from 1,344 persons per square kilometer in 1983 to 3,021 persons per square kilometer in 1993.

²⁰ FDI is being encouraged by setting up an export and investment promotion agency to serve as a "One-Stop Shop" service for foreign investors on issues such as obtaining visas, granting duty waivers, and concessions specified by the government under the New Investment Code; and by serving as a link, where necessary, between investors and government in all aspects pertinent to their investments in the country.

Box 7. National Population Policy

I REPRODUCTIVE/SEXUAL HEALTH AND FAMILY PLANNING	II POPULATION AND DEVELOPMENT STRATEGIES	III INFORMATION, EDUCATION AND ADVOCACY
POPULATION PROGRAMS		
<p>Improve STD & HIV/AIDS services.</p> <p>Strengthen control programs for childhood diarrhoeal diseases.</p> <p>Strengthen and expand primary health care.</p> <p>Promotion & support of breastfeeding.</p> <p>Expand programs of family planning services.</p> <p>Intensify voluntary surgical contraception services.</p> <p>Early identification of high risk pregnancies.</p>	<p>Enable pregnant school girls to continue education.</p> <p>Provision of credit facilities.</p> <p>Strengthen social welfare services for women.</p> <p>Support services for victims of violence.</p> <p>Training of personnel (women's council & bureau).</p> <p>Introduce legislation to set a minimum age of marriage.</p>	<p>Research and co-ordination of IEC activities.</p> <p>Strengthen IEC production and delivery mechanisms.</p> <p>Strengthen IEC production and delivery.</p> <p>Social marketing of contraceptives.</p>
MEASURABLE TARGETS		
<p>Extend PHC services from 60% to 80% of rural population by 2000 and 100% by 2004.</p> <p>Increase contraceptive prevalence rate from 7% to 15% by 2000 & 23% by 2004.</p> <p>Reduce total fertility rate from 6 to 5.5 by 2000 and 5 by 2004.</p> <p>Reduce teenage pregnancy by 20% by 2000.</p> <p>Reduce maternal mortality from 11/1000 to 8/1000 by 2000 & 5/1000 by 2004.</p> <p>Increase under 2 child immunization from 83% to 90% by 2000 & 100% by 2004.</p>	<p>Lower marriage of teenage women from 37% to 32% by 2000 and 27% by 2004.</p> <p>Increase enrolment in remedial initiative for female trainees.</p> <p>Establish a central body to coordinate all income generating programs.</p>	<p>Introduce regular radio and TV programs on family welfare by 2000.</p> <p>Develop a national news agency & national newspaper by 2000 to increase awareness of population and family welfare issues.</p>
Source: Revised National Population Policy for Socio-economic Development, 1998.		

the authorities plan to restructure the Indigenous Business Advisory Services (IBAS), established in 1976 as a government institution to implement the government's plans to attain its microfinance and informal sector development objectives. Lacking financial backing, IBAS could not accommodate the expanding credit needs of its members, and without sufficient collateral and adequate business operations records, the informal sector's access to the formal financial system is very limited. This development thus severely hampers the growth of this sector, which has greater potential in terms of employment generation. The IFAD project, which aims to improve access to credit in the agricultural sector, is expected to contribute significantly to the expansion of credit to the segment of the population that is currently not benefiting from the formal financial sector.

Rural development

62. Given the rapid urbanization in recent years, which has burdened social systems in the cities and deprived the rural areas of skilled labor, a high priority in government poverty policies is to provide the rural population with the incentives to remain in the rural areas. Unfortunately, the better quality of social services and better opportunities in urban areas compared with the harsh life in the rural areas tends to worsen the problem of rural-urban drift. For example, while the share of the urban population with access to safe water and health services is 97 percent and 95 percent respectively, the comparable figures for the rural areas are 85 percent and 50 percent. To reverse these trends, the government aims to enhance the pace of rural development by providing access to safe water, education, health, and communications to 50 percent of the rural population by 2000, and 75 percent by 2004. This is expected to moderate the rate of urban population growth from 6 percent to 5.4 percent by 2004. Programs that have greater potential to enhance rural incomes include the rural electrification project, covering 64 towns and villages; the rural water supply and sanitation project, constructing 45 new wells and installing 19 hand-pumps; and the construction of a number roads with the help of foreign donors. Revitalizing river transportation could also provide groundnut farmers with better opportunities to deliver their product to the markets along the coastline and thereby increase rural earnings. In addition, the opening of a referral hospital at Farafeni in the North Bank region and plans to build four regional courts represent a positive step toward reducing the rural-urban imbalances in the provision of infrastructural, social and legal services.

Local government

63. The new constitution (1997) provides a strong foundation for decentralization by proclaiming that "local government administration in The Gambia shall be based on a system of democratically elected councils with a high degree of local autonomy"²¹ (Chapter XV,

²¹ The country is divided into eight local government administrative units: the city council of Banjul (headed by a mayor), a municipality of Kanifing (headed by a municipal chairman) and six rural divisions (headed by commissioners).

section 193(1)). It further states that "The State shall be guided by the principles of decentralization and devolution of Government functions and powers to the people at appropriate levels of control to facilitate democratic governance" (Chapter XX, section 214(3)). Vision 2020 specifically goes a step further and promises that the government shall pursue an intensive political and institutional decentralization process, so as to contribute to poverty alleviation and diffuse the different socioeconomic tensions. To increase local participation in decision making, the Governance Policy Framework lists decentralization of local government systems as one of its six key policy objectives. The policy seeks to achieve: (i) devolution of central government functions to the divisional level; for example, establishment of divisional health teams and regional education offices; and (ii) the transfer to autonomous elected local governments of the responsibility for devolved functions and associated authority, power, and resources.²²

Governance policy framework

64. The Governance Policy Framework (formulated at a series of workshops on Good Governance and Public Administration Reform held since 1997, including a July 1999 workshop assisted by the United Nations Development Program (UNDP) was adopted by the cabinet in October 1999. It provides a comprehensive national program for establishing and strengthening democratic and administrative institutions and processes in The Gambia, and enhancing the participation of the Gambian people. The program will be implemented through six strategic and integrated components (see Box 8). Civic education is specifically targeted to the poor, so that they can participate effectively in economic development and become aware of their political and legal rights protected under the constitution. Likewise, the reform of legal and judicial processes could remove impediments to access to the courts, especially by those affecting the poor.

²² This is expected to improve the quality of municipal services, such as waste disposal, local tax collection, provision of secondary roads, public markets and car parks, recreation, and schools.

**Box 8. Governance Policy Framework: Key Objectives,
and Expected Outputs and Programs**

- **Reform of Parliamentary Structures and Processes**

Improve the capacity of the members of the National Assembly to effectively oversee the Executive and represent the electorate.

Provide infrastructural and logistical support to the National Assembly.

- **Review of Constitutional and Electoral Processes**

Enhance free political activity in The Gambia and public awareness of the electoral process.

Strengthen the capacity of the Law Reform Commission to implement Constitutional reform.

- **Civic Education**

Strengthen civic education to address equal opportunity and other political rights protected under the Constitution.

Develop communications strategy aimed at reaching all Gambians including the majority of adults and women who are functionally illiterate. The civic education communications strategy will link the country's traditional media systems with community and private radio stations, so as to assist in the development of civic education institutions, and strengthen their material and human resource capacities. The program will be decentralized from the National Council, down to Regional/Divisional Committees, District Committees and Village Committees.

- **Decentralization of Local Government Systems**

Decentralization of the local government system is expected to increase local participation in decision-making. The program has adopted a two pronged approach. First is the devolution of central government functions to the divisional level, e.g., establishment of Divisional Health Teams and Regional Education Offices. Second will be the transfer to autonomous elected local governments of the responsibility for devolved functions and associated authority, power, and resources. The functions to be transferred to local government authorities are aimed at improving the quality of municipal services such as waste disposal, local tax collection, provision of secondary roads, public markets and car parks, recreation and schools.

- **Reform of Legal and Judicial Processes**

The existing court structures and processes also need improvement to remove impediments to access; improve and simplify court procedures and processes; strengthen the institutional and human resource capacity of the Department of State for Justice; and strengthen the capacity of the Law Reform Commission to constantly review and modify legislation.

- **Public Management and Administrative Reform**

Capacities to perform core government functions, particularly those concerned with policy formulation, enforcement of the Civil Service Code of Conduct and performance evaluation will be strengthened. Accounts and audit reports will be made available for public scrutiny. In particular, transparency will be vigorously pursued as a protection against government error, misallocation of resources, and corruption.

Source: The National Governance Policy Framework, June 1999.

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IV. PUBLIC SOCIAL POLICIES AND BUDGETARY SPENDING IN THE GAMBIA: DO THE POOR BENEFIT?²³

A. Introduction

65. The preceding chapter described the various government policies, strategy and programs designed to alleviate poverty. The most important question is whether these programs have a significant impact on poverty reduction, or rather, whether these programs benefit the poor. According to Castro-Leal, and others (1999), public subsidies for social services (education and health) generally rest on two basic policy objectives, namely, equity and efficiency. Efficiency gains are realized when the subsidy produces external benefits or corrects market failures, whereas spending on social sectors is generally viewed as a potent tool to combat poverty alleviation. It is generally agreed that changes in human capital due to investments (both physical infrastructure and the requisite personnel) in education and health improve people as productive agents and yield a continuing stream of benefits in the future. This message has been taken to heart by many governments, as indicated by large expenditure allocations for social programs, in particular health and education.²⁴ This section assesses the extent to which public spending on social sectors—education and health—have benefited the poor in The Gambia. This section relies to a large extent on public expenditure review (PER) reports in health and education which were conducted with the assistance of the World Bank in 1998. On the basis of the PERs, the government fine-tuned its social policies—namely the Third Education Policy and the Health Policy—so that they better target the poor through expansion of basic education and primary health care, as well as improvement of opportunities for the poor to access to these programs. The rest of the chapter is organized as follows: sections B and C cover the health care delivery system and education system, respectively; and section D discusses the social spending and the macroeconomic environment.

B. Health Care Delivery System in The Gambia

66. Formal health care in The Gambia is generally provided by the government, as well as by NGOs and private practitioners. In addition, there are a large number of private pharmacies, drug sellers, and traditional medical practitioners. The health care delivery system in The Gambia can be classified into three categories: primary, secondary and tertiary. Primary health care is the lowest level of health delivery, and it consists of village

²³ Prepared by Meshack Tjirongo.

²⁴ In a study of eight sub-Saharan countries, Castro-Leal and others (1999) found that government subsidies in education and health care are poorly targeted to the poor and instead favor those who are better off. Accordingly, they stress the need to improve targeting the subsidies to the poor as well as removing the constraints that prevent the poor from benefiting from such services.

health posts and maternal and child health outreach clinics, managed and financed by the communities.²⁵ About two-thirds of the population lives in villages serviced by a trained health worker or birth attendant. At the secondary level, dispensaries and health centers provide basic health services, and they are usually manned by enrolled nurses.²⁶ The tertiary health care system is supported by three hospitals: (Royal Victoria Hospital, the main referral hospital for the country with specialist services based in Banjul; Basang Hospital, serving as a referral hospital for the eastern half of the country, with a catchment area of 345,000 people; Farafeni Hospital in the North Bank Division, with a catchment area of about 200,000 people. A fourth referral hospital is planned for the greater Banjul area.

Access to health facilities

67. The Gambia adopted a primary health care (PHC) program in 1978, which aimed among other things at an equitable redistribution of health services in favor of the poor. Under the PHC program, access to health care improved substantially, and it is estimated that about 90 percent of the population now live within 7.5 kilometers of a health facility, and about 80 percent of the villages have a PHC program. Despite the increased access to health care, there is a large number of persons who do not seek medical consultation at all. Among the factors contributing to nonconsultation include the long distance to health facilities, cost of consultation, and long waiting time.

68. Generally, the quality of health care services improve as one moves up the ladder from minor health care centers, to major health care centers and referral hospitals. Accordingly, resource allocations, including the number of personnel, tend to increase significantly with the progression to the referral hospitals. In 1997, of 128 doctors employed in the government health services, 77 percent worked in the tertiary subsector, and 20 percent in secondary subsector, and none worked directly with the primary level of health delivery system. The referral hospitals absorbed the larger share of personnel, with 58 of the doctors working at the Royal Victoria Hospital alone. Of the 1,757 employees at the technical level and above, 38 percent worked at the two referral hospitals (Royal Victoria and Bansang).

69. The 1998 Household Survey revealed that access to health facilities differs widely by geographical location and, to some extent, by income. In the greater Banjul area, a significant number of consultations are at the secondary and tertiary levels of the health care delivery system, with about 38 percent and 56 percent of workers consulting doctors and

²⁵ Reflecting the government's policy to expand primary health care, maternity and child health care clinics (MCH) and village health posts (VHP) have increased substantially; the number of MCHs rose from 81 in 1982 to 177 in 1997, while the number of village health posts rose from 30 to 396 in the same period.

²⁶ In 1998, there were 17 dispensaries and 12 minor and 7 major health centers.

midwives/nurses, respectively. Even among the lowest-paid group of workers, those employed in the informal sector, a significant majority consulted a midwife/nurse (54 percent); 34 percent consulted a doctor; and only 3 percent were treated at the primary health level. This outcome suggests that the referral system was not being effectively utilized, which, in turn, is likely to exert pressure at the top end of the health delivery system, while leaving the resources at the primary health care level idle. One possible explanation for this could be the lopsided allocation of resources to the tertiary health care system, which suggests that there is a severe shortage of medical supplies at the lower levels of health care. Thus, many people are likely to view going to such facilities as a waste of time. In the rural areas, there appears to be a more widespread use of village health workers than in the urban areas.

Health care costs

70. The average annual per capita expenditures (shown in Figure 10) on various health facilities indicate that it costs about eight times more to be treated at a private hospital than at a public hospital, while a private clinic is more than three times costlier than a publicly supported health center. On a regional basis, health costs between public and private hospitals diverge significantly, especially in the urban areas; for example, in KMA²⁷, the private hospital costs D 372 compared with D 16 for a public hospital.²⁸ The differences in the costs between private and public health facilities seem to be less significant in the poorer regions such as the Lower River, Central River, and Upper River, where the per capita cost of private hospital is on average three times less than in public hospitals.

71. The Public Expenditure Review of the Health Sector (1998) shows that total per capita health expenditure²⁹ peaked in 1992/93 at US\$ 25, and has since been on the decline, largely as a result of reduced external donor contributions from 1994/95; donor health expenditure as a share of total health expenditure fell from 35 percent in 1992/93 to 25 percent in 1998 (see Table 5). However, government's allocations to the health sector rose from 23 percent as share of total health expenditure in 1992/93 to about 26 percent in 1998. Household health expenditures continued to contribute the bulk of the total expenditure³⁰.

²⁷ Kanifing Municipality Area.

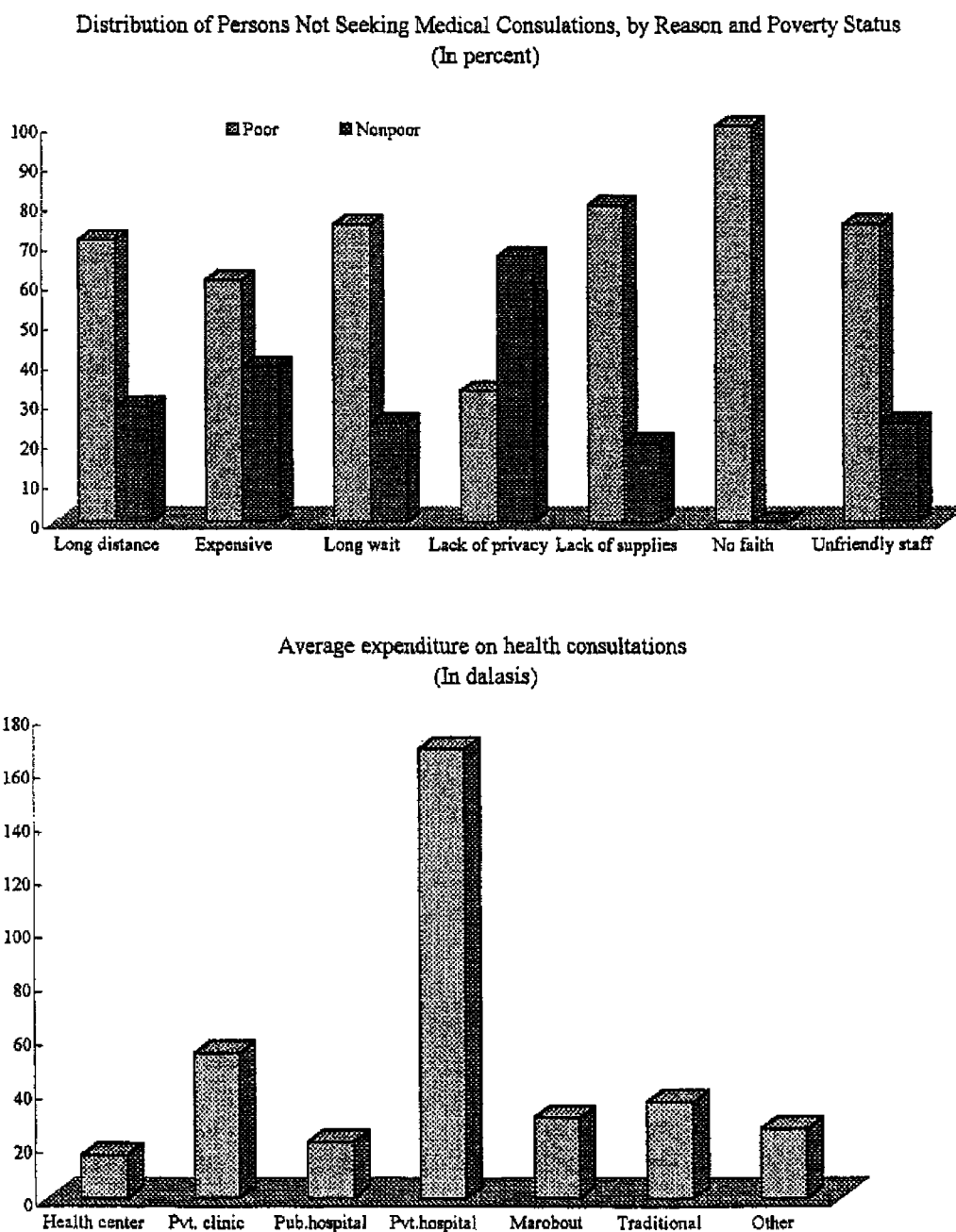
²⁸ The huge differences could be explained by lack of competition, especially in view of the growing demand for private health care services in affluent areas; they could also reflect the extent to which government subsidizes the provision of tertiary health care; and more importantly the differences in the quality of services.

²⁹ Total health expenditure consists of government health expenditure, External health expenditure and household health expenditure.

³⁰ The 1998 Household Survey shows that the average annual household health expenditure has risen from D 109.5 in 1993 to D 145 in 1998.

(continued...)

Figure 10. The Gambia: Health Statistics, 1998



Source: Strategy for Poverty Alleviation Coordinating Office (SPACO), 1998 National Household Poverty Survey Report.

Table 5. The Gambia: Total Health Expenditure, 1991/92-1998

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998
(In '000 dalasis, unless otherwise indicated)								
Government health expenditure	35,526	50,502	55,261	59,572	56,804	57,600	63,300	81,500
Recurrent expenditure	34,051	48,862	54,680	58,199	55,474	56,439	60,084	78,334
Capital expenditure	1,475	1,640	581	1,373	1,330	1,161	3,216	3,166
Total government share of total	19.9	23.0	22.7	24.9	22.9	22.3	23.6	25.8
Donor health expenditure	60,800	77,438	87,961	71,013	73,652	77,187	78,808	79,123
	34.0	35.2	36.1	29.6	29.6	29.9	29.4	25.0
Household health expenditure (share of total)	82,607	91,973	100,745	108,939	118,016	123,681	126,278	155,863
	46.2	41.8	41.3	45.5	47.5	47.9	47.1	49.2
Total Health Expenditure	178,933	219,913	243,967	239,524	248,472	258,468	268,386	316,486
Total Health Expenditure (constant 1990/91 prices)	165,292	189,641	200,084	189,293	188,875	187,409	190,598	223,861
Memorandum:								
Total health expenditure per capita (in current dalasis)	186.6	220.7	235.0	221.4	220.4	220.0	219.3	248.1
Total health expenditure per capita (in in constant 1990/91 dalasis)	172.3	190.3	192.7	175.0	167.5	159.5	155.7	175.5
Total health expenditure per capita (in US\$)	20.4	24.9	24.8	23.4	22.8	21.6	21.0	23.3
Total population	959,069	996,473	1,038,325	1,081,934	1,127,375	1,174,725	1,224,064	1,275,474
Population growth rate		3.9	4.2	4.2	4.2	4.2	4.2	4.2
GDP deflator	108.3	116.0	121.9	126.5	131.6	137.9	140.8	141.4
Rate of inflation		7.1	5.1	3.8	4.0	4.8	2.1	0.4
Dalasi/US\$ nominal exchange rate	...	...	...	...	...	10.200	10.4215	10.643

Source: Public Expenditure Review of the Health Sector, 1998; Staff Estimates.

Despite the increases in government health expenditure, per capita health expenditures have not been able to keep pace with the high rate of population growth. The per capita health expenditure in The Gambia averaging US\$23 is significantly higher than the amount of US\$12 that is considered necessary to sustain an efficient health delivery system that provides a minimum package of basic health services (World Development Report of 1993).³¹ Available data on the functional allocation of total expenditures indicate that the total expenditure (government and donor) to the primary and secondary health care delivery average about 40 percent, while the remainder is shared equally between administration and the tertiary health care delivery system.

Who benefits from health expenditure?

72. From the available data, it is quite clear that a large part of government expenditure, including personnel allocations have been directed toward the tertiary health care delivery system. More significantly, this runs contrary to the stated objectives of the government's policy of the PHC program, including the referral system. The likely outcome of this expenditure pattern is that enormous pressure builds at the top end of the health delivery system, while leaving idle the resources at the primary health care level. However, recent efforts to redirect government expenditure to primary and secondary health care system represent a positive development, especially for the poor, who are the main users of the health services at this level.

C. The Structure of the Education System in The Gambia

Introduction

73. In order to make a better quality of life accessible to all in The Gambia, the authorities have identified a number of areas of intervention, of which the provision of education for all forms one of the most important components of the development agenda. In this context, in 1998 the government formulated a five-year Education Policy Program (1998-2003) to provide access to "education for all."³² The main objectives under this program are to increase access to basic education (grades 1-9) for pupils aged 7-15; improve the quality and relevance of education; and increase enrollment rates for girls, in view of the small number of women represented in the employment (formal and informal), political, and other spheres of life in The Gambia, mainly owing to high illiteracy rates among women. To facilitate the transition from a six-year to a nine-year basic education, the government began phasing out the Primary School Leaving Examination Certificate (taken in grade 6) in the

³¹ These are defined as basic public health measures, such as EPI, school health programs, family planning information, vector control, STD prevention-costing US\$ 4 per capita, and essential clinical services-tuberculosis treatment, management of the sick child, prenatal and delivery case, treatment of infection and minor trauma costing US\$ 8 per capita).

³² Also known as the Third Education Program.

1998/99 academic year in two remote regions (Central River and Upper River Divisions), where enrollment rates have lagged behind other regions (see Table 6 and Figure 11). Box 4 in Chapter III provided a summary of the details of this policy, including the inputs and targets at different levels of the education system.

Access to, and participation in, education

74. In 1998/99, a total of 197,172 pupils were in school (79 percent in grades 1-6; and 17 percent in grades 7-9; while only 6 percent attended senior secondary school). The number of schools providing instructions at the primary school level in 1998/99—331—far outnumbered those providing lower and senior secondary education (62 junior secondary schools and 23 senior secondary schools). The government owns about 90 percent of the primary schools, 60 percent of the junior secondary schools, and only 15 percent of senior secondary schools. Senior secondary education has traditionally been provided by mission schools, which owned 11 of the 20 senior secondary schools registered in 1996/97. Private schools (excluding mission schools) account for about 8 percent of total students enrollment.

75. Post-secondary education consists of teacher training, agriculture, livestock, public health, nursing, midwifery, management, accounting, construction, engineering, computing and commercial studies. It is offered at three institutions (The Gambia College, The Gambia Technical Training Institute, and the Management Development Institute). The University of The Gambia was inaugurated in 1999; currently, it does not have a separate campus, and the departments are spread across the three tertiary institutions. On average, about 10 percent of senior secondary school graduates continue on to tertiary education.³³

76. Providing education for all is the cornerstone of the Third Education Program. In order to increase enrollment rates, a few policy initiatives were taken, including hiring new qualified teachers, constructing classrooms, introducing double shifts and multigrade teaching, and stepping up the training of teachers. About 72 percent of the teachers at the senior secondary level in 1998/99 were expatriates, mainly from Sierra Leone, and once political stability has been restored in that country, they are likely to leave.

77. Reflecting the above policy initiatives, including increased government expenditure allocations to the education sector in recent years (see below), enrollments increased substantially at all levels of education. Between 1996/97, the year before the policy was launched, and 1998/99, enrollment at the junior secondary level recorded an increase of about 40 percent, followed by 13 percent for primary school and 12 percent for senior secondary school. Girls' enrollment rates, however, witnessed only a slight increase over the 2-year period, accounting for 46 percent, 41 percent, and 36 percent, respectively, of total enrollment in primary school, junior secondary school and senior secondary school. These

³³ For example, enrollment at the three post-secondary colleges totaled 1,082 in 1995/96, compared with a total enrollment of 11,407 in senior secondary school.

Table 6. The Gambia: Education Statistics, 1991/92-1998/99 1/

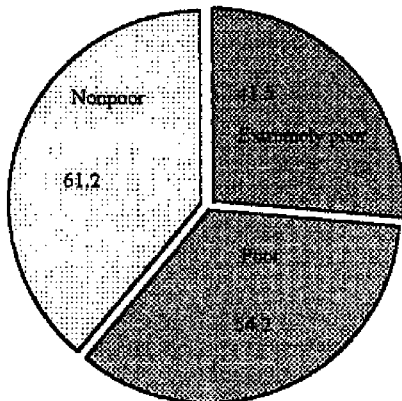
	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Enrollment								
				(In numbers of students)				
Primary school	90,645	97,262	105,471	113,419	124,513	133,409	141,569	150,403
Junior secondary	14,466	17,174	17,899	21,050	20,690	24,442	28,198	34,160
Senior secondary	7,320	8,755	9,221	10,517	11,407	11,347	11,375	12,609
Total	112,431	123,191	132,591	144,986	156,610	169,198	181,142	197,172
				(In percent of total enrollment)				
Primary school	81	79	80	78	80	79	78	76
Junior secondary	13	14	13	15	13	14	16	17
Senior secondary	7	7	7	7	7	7	6	6
				(Female students in percent of total enrollment)				
Primary school	41	41	41	42	43	44	45	46
Junior secondary	41	38	37	38	40	40	39	41
Senior secondary	29	29	29	31	36	33	33	36
Total	40	40	40	41	42	43	43	44
Gross enrollment ratio								
Primary school	59	61	63	65	68	70	72	73
Junior secondary	...	...	...	...	...	31	34	40
Senior secondary	...	...	...	...	...	15	15	16
Average	...	...	...	...	...	49	51	53
Net enrollment ratio								
Primary school	46	50	50	53	58	59	59	61
Junior Secondary	...	...	...	...	...	18	18	22
Senior Secondary	...	...	...	...	...	9	10	8
				(Transition rate)				
Primary school	...	51	56	65	70	76	...	...
Junior secondary	...	...	...	...	52	...	...	...
				(Number of teachers)				
Primary school	2,876	3,193	3,158	3,370	4,118	4,391	4,312	4,578
Junior secondary	541	653	666	715	967	904	1,032	1,338
Senior secondary	247	401	460	498	580	566	592	598
Total	3,664	4,247	4,284	4,583	5,665	5,861	5,936	6,514
				(Percent of qualified teachers)				
Primary school	54	55	62	63	58	57	67	72
Junior Secondary	59	65	74	69	74	63	66	81
Senior secondary	96	93	95	88	94	72	72	72
Of which:				(In percent)				
Qualified	58	60	67	67	64	59	67	74
Unqualified	42	40	33	33	36	41	33	26
Expatriates	...	14	13	11	14	15	16	18
Of which: in senior sec. school		65	67	68	74	74	77	72
				(Number of schools)				
Primary school	230	245	250	257	297	313	330	331
Junior secondary	18	22	22	24	39	41	47	62
Senior secondary	12	12	12	12	18	18	17	23
				(Number of classes)				
Primary school	2,280	2,549	2,636	2,789	3,149	2,995	3,269	3,703
Junior secondary	310	385	415	545	453	548	571	631
Senior secondary	167	196	210	236	268	223	250	280
				(Average number of pupils per teacher)				
Primary school	32	30	33	34	30	30	33	33
Junior secondary	27	26	27	29	21	27	27	26
Senior secondary	30	22	20	21	20	20	19	21
				(Number of pupils in class)				
Primary school	40	38	40	41	40	45	43	41
Junior secondary	47	45	43	39	46	45	49	54
Senior secondary	44	45	44	45	43	51	46	45

Source: Department of Education, Education Statistics, various years.

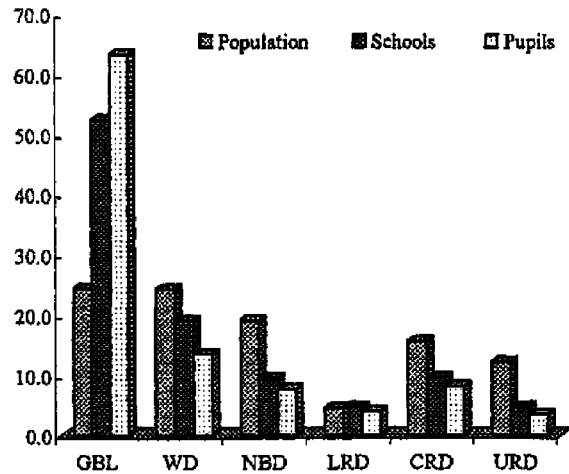
1/ Academic year.

Figure 11. The Gambia: Education Statistics

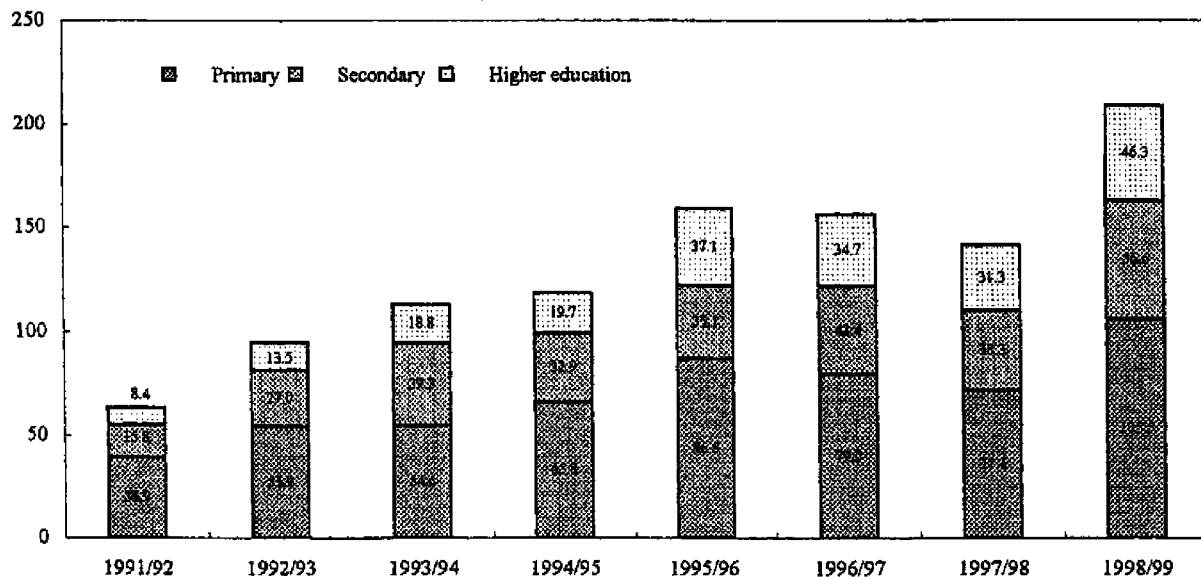
Percentage Distribution of School-Age Children (7-12 Years) Enrolled in Primary School by Poverty Status, 1998



Percentage Distribution of Population, Senior Secondary Schools, and Students by Region, 1998 /1



Expenditure on Education, 1991/92-1998/99
(In millions of dalasis)



Sources: The Gambian authorities; and staff estimates.

/1 Greater Banjul (GBL); Western Division (WD); North Bank Division (NBD); Lower River Division (LRD); Central River Division (CRD); and Upper River Division (URD).

improvements were achieved as 44 new schools and 653 new teachers were hired; while the number of unqualified teachers was reduced by 14½ percent and now accounts only for 26 percent of total teachers in 1998/99.

78. Two measures used to assess the strengths and weaknesses of the school-age system in terms of enrollment are the gross enrollment ratio (GER) and the net enrollment ratio (NER).³⁴ The GER at the junior secondary school level increased tremendously, rising from 31 percent in 1995/96 to 40 percent in 1998/99; the GER for primary schools increased by 3 percentage points to 73 percent; and the GER for senior secondary schools remained virtually unchanged at 16 percent. The NERs in 1998/99 were 61 percent for primary school, and 22 percent and 8 percent, for junior and senior secondary school levels, respectively. There were no improvements in the efficiency ratios,³⁵ as reflected in the lack of change in the number of pupils per teacher, which remained at 33 in primary schools, 26 in junior secondary schools, and 21 in senior secondary schools. The policy aims to raise these ratios from 30:1 to 45:1 in primary schools and from 17:1 to 36:1 in junior secondary schools by 2003. Double-shift and multigrade teaching also increased enormously during 1998/99: by 15 percent in primary schools, 31 percent in junior secondary schools and 12 percent in senior secondary schools. In addition, the reduction in school fees at the secondary school level, as well as the elimination of examination fees for grade 6 in two regions, had a positive impact on enrollment in 1998/99.

79. Despite the recent improvements in the overall education ratios, the authorities still face the monumental task of reversing the underinvestment in the education sector, especially at the secondary level, as well as of addressing the regional disparity problem, in order to consolidate the current gains. The enrollment patterns discussed above reflected the serious bottlenecks at the top end of the education system. Because of a high percentage of dropouts and repeaters in grade 6 (about 21 percent of total enrollment), only about 63 percent of the pupils who were enrolled in grade 6 in 1997/98 continued on to grade 7 in 1998/99. The transition rates from the junior secondary school level to the senior secondary level are even lower. This shows that despite the gains made in accommodating a large number of pupils at the lower levels, transition to higher grades has been extremely constrained by the limited number of schools offering higher education. In these circumstances, the education system produces a large number of inadequately trained

³⁴ GER is the ratio of total school enrollment compared with the total population of school-age children in the country; NER is the ratio of school-age children actually in school compared with the total population of school-age children in the country.

³⁵ In view of historically low enrollment rates, increasing the number of pupils per teacher, or pupils per classroom seems a reasonable measure of how efficiently the resources are being utilized.

graduates (from grades 6 and 9) who face stiff competition on entering the labor market, the requirements of which have risen over the years.

80. The 1998 PER report notes that secondary education in The Gambia enrolls only 16 percent of the school-aged population, compared with 25 percent for sub-Saharan Africa. Moreover, the problem is further exacerbated by the highly uneven distribution of senior secondary schools in the country, with about 70 percent located in urban areas. The remaining four regions have six schools, accommodating only 2,700 students, although these regions account for 55 percent of the total school-aged population. Therefore, 34 percent of the urban children have access to secondary education, but the school system can only accommodate 6 percent of the children from outside Banjul.

Who benefits from education expenditure?

81. Total public expenditure on education increased from 4¼ percent of GDP in 1997 to about 6½ percent in 1999, reflecting an IDA-funded project, that raised over the same period, the share of externally funded development expenditure in this sector from about 0.6 percent of GDP to 3½ percent. The distribution of public expenditure on education by sector reveals that primary education absorbs about 40 percent of the expenditures, with the secondary education receiving 20.4 percent, and allocations to the tertiary level of education accounting for 18 percent of public expenditure (see Table 7 and Figure 11). However, on a per capita basis, the pupils in secondary and tertiary education receive the bulk of government expenditure, suggesting that raising enrollments in upper classes could improve equity and cost-effectiveness of expenditure on education.

82. According to the estimates provided by the Education Ministry, the costs per pupil in 1997/98 were as follows: D 125 in primary, D 1,240 in junior and D 2,550 in senior secondary schools. The 1998 Household Survey shows that school enrollments are generally biased in favor of more affluent families (as shown in Table 8 and Figure 11). Thus, enrollment rates for children from extremely poor and poor families are generally low both in rich and poor regions. The statistics suggest that government expenditures (in terms of cost per pupil) still accrue largely to the nonpoor compared with the poor, as the latter send a small proportion of their children to school³⁶.

³⁶The PER finds that, for grades 1-12, the poorest 40 percent of the households accounted for 55 percent of the school-aged population but received only 37 percent of government expenditure, while the wealthiest 40 percent of the households account for 29 percent of the school-aged population but received 42 percent of government expenditure.

Table 7. The Gambia: Expenditure on Education, 1991/92-1998 1/

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998
(In millions of dalasis)								
Total expenditure	105	123	171	164	206	193	174	257
<i>Of which:</i>								
Primary	39	54	55	66	87	79	71	106
Secondary	16	27	39	33	35	42	38	57
Higher education	8	13	19	20	37	35	31	46
Externally funded projects	25	28	64	49	79	63	24	127
(In percent of total expenditure)								
Primary	37	44	32	40	42	41	41	41
Secondary	15	22	23	20	17	22	22	22
Higher education	8	11	11	12	18	18	18	18
Externally funded projects	24	23	38	30	38	33	14	49
(Expenditure per pupil in dalasis)								
Primary education	429	555	518	580	696	592	504	702
Secondary education	724	1,040	1,448	1,042	1,092	1,184	968	1,211
Higher education	8,449	13,569	18,105	19,775	34,315	30,329	28,452	37,698

Sources: The Gambian authorities, and staff estimates.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

Table 8. Percent Distribution of School-Age Population (7-12)
Enrolled by Region and Poverty Status

Region	Income (dalasis/annum)	Extremely Poor	Poor	Nonpoor	Total
KMA	10,106	49.3	54.2	67.9	59.7
Banjul	9,785	52.0	55.8	67.8	60.9
Western	4,675	39.3	61.0	56.1	47.5
Upper River	3,553	38.5	42.8	58.1	41.6
North Bank	3,466	41.5	61.6	57.8	46.2
Central river	3,445	44.0	42.8	53.4	46.5
Lower River	2,935	44.5	43.3	68.7	47.1
Total		41.5	54.2	61.2	49.6

Source: 1998 Household Survey.

D. The Social Expenditure and the Macroeconomic Environment

83. The expansion in social spending called for to achieve the targets in education, health, population, and governance discussed above has far-reaching implications on recurrent expenditure. This section highlights some of the constraints on increased expenditure on social programs, including the targets (see Boxes 4-8 in Chapter III). This section reviews trends in revenues and expenditure, with a view to establishing whether more resources can still be generated to accommodate the rising expenditure demands. In addition, expenditure allocations to social sectors in The Gambia are compared with those of other developing countries.

Trends in revenues

84. As discussed in Chapter I, the Gambian authorities have achieved considerable progress in consolidating fiscal accounts since 1997. Revenue trends show a significant structural break from 1994/95, largely because The Gambia's dependence on external fiscal budgetary assistance dwindled from about 14 percent of total government revenue in 1993/94, a year before the coup d'état, to 7 percent in 1999. Similarly, import duties also show a gradual decline from about 36 percent of total revenue in 1993/94 to 33 percent in 1999, owing to the authorities' objective of improving the country's external competitiveness.

85. Total tax revenue-to-GDP ratio of about 17 percent in 1998, was still lower than the average for sub-Saharan Africa (including other developing regions), suggesting that the authorities may still have some scope to mobilize revenues to meet the higher social expenditures (Table 9). However, taxes on international trade have constituted the bulk of tax revenues. As part of the strategy to improve the country's external competitiveness, which has thus been achieved through substantial cuts in external tariffs, alternative sources need to

Table 9a: The Gambia: Level and Composition of Tax Revenue, Average for 1990-96 1/

	Total taxes	Income tax	Taxes on goods and services	Social Security	Taxes on Foreign trade
	(As percent of GDP)				
Industrial countries	31.2	11.0	9.4	8.9	2.9
Developing countries	18.1	5.5	5.2	1.3	6.1
Africa	19.5	6.7	4.9	0.4	7.5
of which: The Gambia	16.8	4.1	5.4	0.0	7.2
Asia	14.8	4.5	4.6	0.0	5.7
Europe	21.9	5.8	6.9	5.1	4.1
Middle east	14.7	4.8	2.3	1.2	6.4
Western Hemisphere	18.2	4.8	6.5	2.4	4.5
	(As percent of taxes)				
Industrial countries	100.0	35.8	29.3	28.4	6.5
Developing countries	100.0	28.9	30.4	6.2	34.5
Africa	100.0	32.3	25.8	2.3	39.6
Of which: The Gambia	100.0	24.6	32.4	0.0	42.9
Asia	100.0	27.4	34.8	0.2	37.6
Europe	100.0	25.2	34.5	18.0	22.3
Middle east	100.0	40.0	14.7	7.4	37.9
Western Hemisphere	100.0	24.2	36.5	12.0	27.3

Table 9b. The Gambia: Composition of Central Government Expenditure on Education and Health, Average for 1990-96 1/

	Education spending (percent of total expenditure)	Health spending (percent of total expenditure)	Total expenditure (percent of GDP)
Industrial countries	8.5	9.6	31.5
Developing countries			
Africa	16.0	5.5	25.6
Of which: The Gambia	12.7	7.9	23.0
Asia	14.4	5.2	19.9
Europe	7.3	6.3	29.2
Middle east	12.5	4.9	33.1
Western Hemisphere	14.0	8.3	25.0

Source: Pierre-Richard Agenor and Peter J. Montiel, 1996, and staff calculations.

1/ Regional averages are unweighted.

be explored to generate additional revenue in the future. Direct taxes (income tax) currently generate an equivalent of 4.1 percent of GDP, which is lower than the average for sub-Saharan Africa. This share has remained relatively constant over the past four years. In this context, efforts need to be directed to generating more revenues from domestic taxes on income and especially consumption by broadening the tax base and improving tax administration.

Trends in expenditure

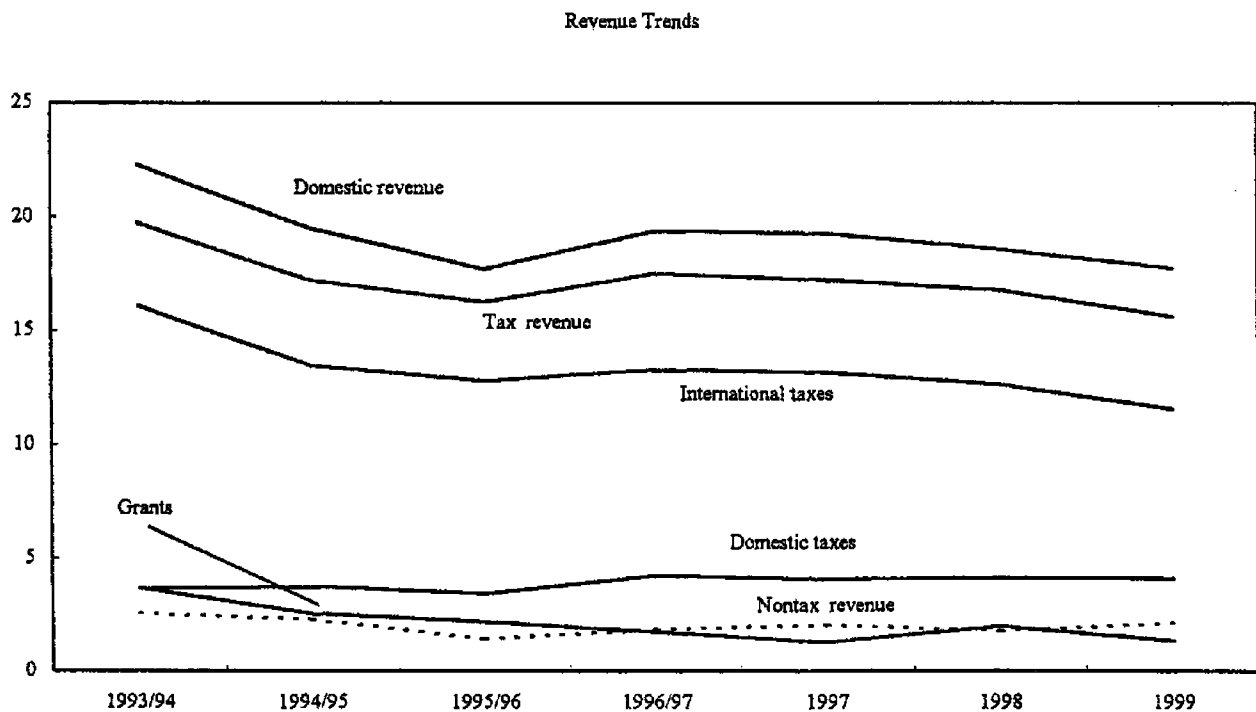
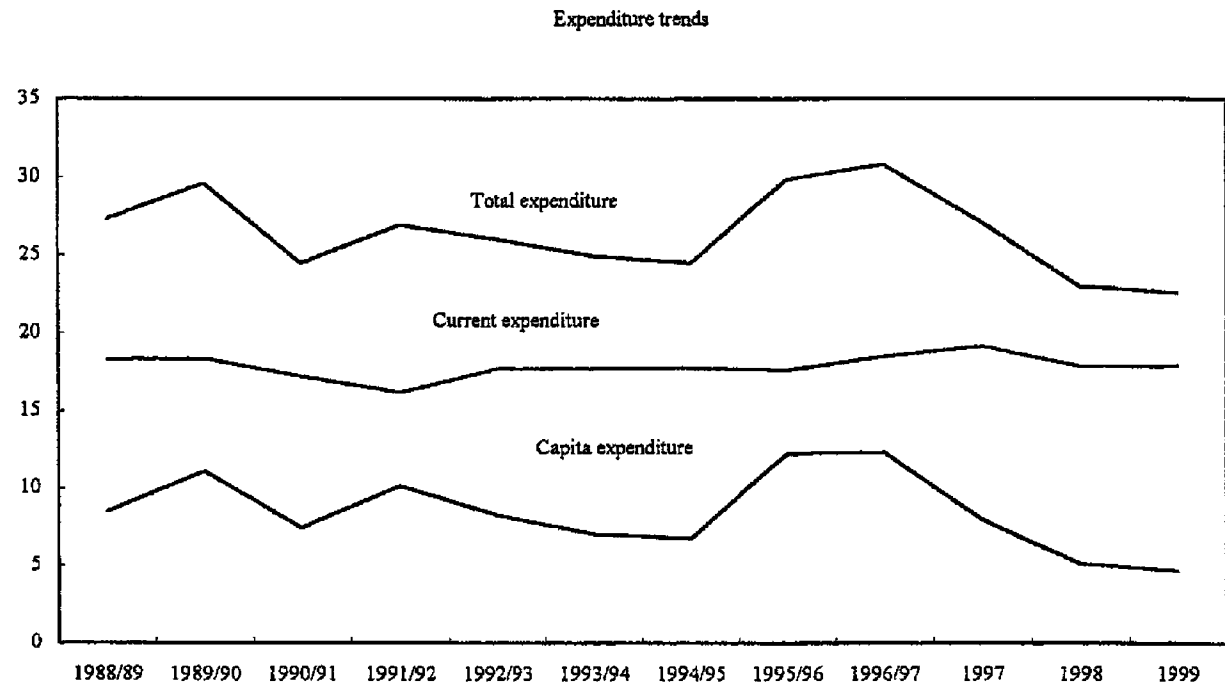
86. Regarding expenditure, the authorities have achieved considerable progress in lowering total expenditures from above 30 percent in 1995/96 to about 23 percent in 1999. However, a large part of the expenditure retrenchment fell disproportionately on capital expenditure; its share in GDP fell from about 12¼ percent in 1995/96 to about 4¾ percent in 1999. This development might need to be reversed, especially as external funding for capital projects is recovering, entailing higher counterpart funds from the government. As shown in Figure 12, recurrent expenditure remained virtually unchanged during the corresponding period. This would suggest that there is very little room to maneuver in this area; however, a reduction in domestic debt and the corresponding interest rate payments could free resources for social spending.

Conclusions and policy implications

87. Under the PHC program, access to health care improved substantially, and about 80 percent of the villages have a PHC program. However, despite the proliferation of village health posts, the health care delivery system at the primary level is poorly staffed and lacks financial support to improve the quality of its services, including a severe shortage of medical supplies, which deters effective utilization of these facilities.

88. Like the PHC program, the Third Education Program has also achieved considerable progress by expanding the educational facilities and in recruiting new teachers. Despite the gains made at the lower levels, transition to higher grades has been extremely constrained by the limited number of schools offering higher education. Furthermore, the problem is exacerbated by the skewed distribution of senior secondary schools in the country in favor of urban areas. The combined budgetary allocation to education and health sectors has been maintained at above 35 percent of current government noninterest expenditure during the 1995/96-1999 period; it is programmed to increase to above 40 percent during 2000. In view of the constraints in raising additional revenues and reducing expenditures further, attempts to shift government expenditure allocations toward the components of social sectors that are consumed by the poor may seem desirable.

Figure 12. The Gambia: Fiscal Trends, 1988/89-1999 /1
(In percent of GDP)



Source: The Gambian authorities; and staff estimates.
/1 Until 1996/97, fiscal years; from 1997, calendar years.

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Table 10. The Gambia: Gross Domestic Product by Sector at Constant Prices, 1992/93-1999 1/

(In millions of dalasis, at constant 1976/77 prices, unless otherwise indicated)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997 Est.	1998	1999 Prel.
Agriculture	104.7	119.0	118.5	125.3	111.4	121.9	131.7	154.7
Groundnuts	19.7	27.5	29.0	26.9	16.4	28.0	30.0	45.7
Other crops	48.1	52.9	49.9	56.6	51.3	50.7	58.3	63.7
Livestock	26.1	26.5	27.4	28.7	29.8	30.8	32.0	33.3
Forestry	3.0	3.0	3.1	3.3	3.4	3.6	3.7	3.8
Fishing	7.8	9.1	9.2	9.7	10.4	8.9	7.7	8.2
Industry	66.8	68.9	61.7	64.2	65.7	66.1	69.5	72.0
Manufacturing	33.1	33.8	34.1	33.8	34.1	33.9	34.4	35.4
Large and medium manufacturing	22.5	23.1	23.4	23.0	23.1	22.9	23.2	23.9
Small manufacturing	10.6	10.8	10.7	10.7	11.0	11.0	11.1	11.5
Construction and mining	30.3	31.5	24.0	26.7	27.7	28.1	30.3	31.3
Electricity and water supply	3.4	3.5	3.6	3.8	4.0	4.1	4.8	5.3
Services	322.5	325.2	315.3	332.4	348.8	367.4	383.4	400.0
Trade	89.8	79.0	80.0	73.8	73.3	72.9	79.3	80.5
Groundnuts	8.7	10.8	13.4	12.6	10.0	9.1	9.6	10.5
Others	81.1	68.2	66.6	61.2	63.2	63.8	69.8	70.0
Hotels and restaurants	23.5	33.1	15.8	26.5	30.3	31.1	33.4	39.3
Transport and communications	93.6	97.1	104.8	116.8	127.1	143.9	149.3	156.4
Transport	52.5	52.3	51.8	55.1	58.3	60.0	60.3	61.6
Communications	41.1	44.9	53.0	61.7	68.7	83.9	89.0	94.8
Real estate and business services	34.8	35.2	35.5	36.3	37.6	38.4	38.6	39.0
Public administration	58.7	59.5	59.9	60.9	62.3	63.1	64.8	66.7
Other services	22.1	21.3	19.3	18.1	18.2	18.0	17.9	18.0
GDP at factor costs	494.0	513.0	495.5	521.9	525.9	555.4	584.6	626.7
Indirect tax (net)	78.1	81.1	78.3	82.5	83.1	85.7	87.8	83.4
GDP at constant market prices	572.1	594.1	573.9	604.4	609.1	641.0	672.5	710.1
Real GDP growth (in percent)	1.8	3.8	-3.4	5.3	0.8	5.2	4.9	5.6

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years

Table 11. The Gambia: Gross Domestic Product by Sector at Current Market Prices, 1992/93-1999 1/

(In millions of dalasis, unless otherwise indicated)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997 Est.	1998	1999 Prel.
Agriculture	641.9	761.7	868.8	1,030.5	946.4	1,074.8	1,228.1	1,466.5
Groundnuts	100.9	156.2	186.8	192.8	115.3	228.2	236.2	364.8
Other crops	233.7	264.4	307.6	400.2	356.7	375.1	471.5	520.5
Livestock	205.1	210.9	232.7	267.4	287.8	302.5	358.0	393.4
Forestry	33.4	37.2	44.3	51.8	55.6	54.3	48.9	56.1
Fishing	68.8	93.0	97.4	118.3	131.0	114.7	113.4	131.6
Industry	385.8	408.5	395.3	453.5	473.6	483.9	507.1	552.9
Manufacturing	188.3	187.6	172.6	211.2	217.4	218.8	219.0	234.6
Large and medium manufacturing	128.0	127.3	100.6	141.5	145.0	145.9	146.0	156.4
Small manufacturing	60.3	60.4	72.1	69.6	72.4	73.0	73.1	78.3
Construction and mining	166.1	186.0	186.3	189.3	200.1	205.3	218.2	236.2
Electricity and water supply	31.4	34.9	36.5	53.1	56.1	59.8	70.0	82.0
Services	1,619.4	1,733.7	1,758.3	1,829.3	2,049.8	2,075.2	2,177.8	2,378.3
Trade	636.8	527.2	537.0	431.4	458.3	418.9	466.3	510.0
Groundnuts	3.2	6.3	10.3	7.6	6.2	6.3	6.8	7.3
Others	633.6	520.9	526.7	423.8	452.0	412.6	459.5	502.7
Hotels and restaurants	101.7	156.7	82.1	134.9	161.1	168.4	181.1	225.0
Transport and communications	335.2	384.7	396.1	491.6	604.1	636.7	656.8	717.6
Transport	225.7	241.8	248.1	287.6	333.8	335.2	336.9	368.8
Communications	109.5	142.9	147.9	204.0	270.2	301.5	319.9	348.7
Real estate and business services	194.9	225.3	248.8	250.7	274.2	280.6	282.1	299.8
Public administration	227.3	258.9	317.4	344.9	368.2	375.9	394.1	421.6
Other services	123.5	180.9	177.0	175.9	184.0	194.6	197.5	204.4
GDP at factor costs	2,647.1	2,903.9	3,022.5	3,313.3	3,469.9	3,633.9	3,913.1	4,397.6
Indirect tax (net)	581.5	556.9	469.5	486.8	531.7	546.2	566.0	558.0
GDP at market prices	3,228.6	3,460.8	3,492.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6
Nominal GDP growth (in percent)	9.5	7.2	0.9	8.8	5.3	7.9	7.2	10.6
Real GDP growth (in percent)	1.8	3.8	-3.4	5.3	0.8	5.2	4.9	5.6
GDP deflator (in percent)	7.6	3.2	4.4	3.3	4.5	2.5	2.1	4.8
CPI annual average change (in percent)	5.9	4.0	4.0	4.8	2.1	2.8	1.1	3.8

Sources: The Gambian authorities and Fund staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Table 12. The Gambia: Supply and Use of Resources, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997 Est.	1998	1999 Prel.
(In millions of dalasis)								
Supply of resources	5,654.6	5,818.6	5,446.1	6,366.6	6,376.6	6,483.8	7,225.6	7,746.0
GDP at current prices	3,228.6	3,460.8	3,492.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6
Imports of goods and nonfactor services	2,425.9	2,357.8	1,954.1	2,566.6	2,375.0	2,303.7	2,746.5	2,790.4
Use of resources	5,654.6	5,818.6	5,446.1	6,366.6	6,376.6	6,483.8	7,225.6	7,746.0
Gross domestic absorption	3,681.8	3,896.9	3,927.3	4,579.4	4,531.9	4,599.0	4,962.5	5,393.0
Consumption	2,953.2	3,220.6	3,370.2	3,690.9	3,760.4	3,881.3	4,142.7	4,512.5
Private	2,218.3	2,666.2	2,798.2	3,067.4	3,070.1	3,146.2	3,399.4	3,758.9
Public	734.8	554.4	572.0	623.4	690.3	735.1	743.3	753.6
Gross fixed investment	728.6	676.3	557.1	888.5	771.5	717.7	819.8	880.5
Private	475.4	427.7	344.1	397.5	264.1	367.8	559.9	619.5
Public	253.2	248.6	213.0	491.0	507.4	349.9	259.9	261.0
Change in stocks	...	...	...	...	...	...	...	...
Exports of goods and nonfactor services	1,972.8	1,921.7	1,518.8	1,787.2	1,844.7	1,884.8	2,263.1	2,353.0
(In percent of GDP)								
Memorandum items:								
Consumption								
Private	68.7	77.0	80.1	80.7	76.7	75.3	75.9	75.9
Public	22.8	16.0	16.4	16.4	17.3	17.6	16.6	15.2
Domestic savings 2/	8.5	6.9	3.5	2.9	6.0	7.1	7.5	8.9
Domestic investment	22.6	19.5	16.0	23.4	19.3	17.2	18.3	17.8
Imports of goods and nonfactor services	75.1	68.1	56.0	67.5	59.4	55.1	61.3	56.3
Exports of goods and nonfactor services	61.1	55.5	43.5	47.0	46.1	45.1	50.5	47.5

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal year (July-June). From 1997, calendar year.

2/ Defined as GDP minus consumption.

Table 13. The Gambia: The Savings-Investment Balance, 1992/93-1999 1/

(In percent of GDP)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997 Est.	1998	1999 Prel.
1. GDP market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Factor Services, net	-5.2	-4.9	-4.2	-4.1	-3.8	-4.7	-4.4	-6.4
Remittances of TA staff	-3.9	-3.5	-2.8	-2.6	-2.2	-2.7	-2.6	-4.7
Interest receipts, net	-1.3	-1.4	-1.4	-1.5	-1.7	-2.0	-1.9	-1.7
2. GNP market prices	94.8	95.1	95.8	95.9	96.2	95.3	95.6	93.6
Unrequited transfers, net 2/	14.7	14.9	12.3	11.2	10.4	11.0	11.4	11.9
of which: official transfers	11.1	11.1	8.2	6.7	6.1	6.8	7.2	7.2
3. Gross disposable national income	109.5	109.9	108.2	107.1	106.6	106.3	107.0	105.4
Total Consumption	91.5	93.1	96.5	97.1	94.0	92.9	92.5	91.1
4. Private consumption 3/	68.7	77.0	80.1	80.7	76.7	75.3	75.9	75.9
5. Government consumption 4/	22.8	16.0	16.4	16.4	17.3	17.6	16.6	15.2
6. Gross domestic savings [1 - 4 - 5]	8.5	6.9	3.5	2.9	6.0	7.1	7.5	8.9
Government domestic savings 5/	1.0	6.3	3.1	1.3	2.1	1.5	2.0	2.5
Private domestic savings 3/	7.5	0.7	0.4	1.6	3.9	5.6	5.5	6.4
7. Gross national savings [3 - 4 - 5]	18.0	16.9	11.7	10.0	12.6	13.5	14.5	14.4
Government national savings	12.1	17.3	11.3	8.0	8.2	8.4	9.2	9.7
of which: domestically generated	1.0	6.3	3.1	1.3	2.1	1.5	2.0	2.5
Private national savings 3/	5.9	-0.5	0.3	2.0	4.4	5.1	5.3	4.6
Total domestically generated 6/	6.9	5.8	3.4	3.3	6.5	6.6	7.3	7.2
8. Gross domestic investment	22.6	19.5	16.0	23.4	19.3	17.2	18.3	17.8
Government investment 7/	7.8	7.2	6.1	12.9	12.7	8.4	5.8	5.3
Private investment 3/	14.7	12.4	9.9	10.5	6.6	8.8	12.5	12.5
Memorandum items:								
External current account								
Including transfers	-4.5	-2.7	-4.3	-13.4	-6.7	-3.7	-3.8	-3.4
Excluding transfers	-15.7	-13.7	-12.5	-20.1	-12.8	-10.6	-11.0	-10.6
Government financial balance 8/	-6.8	-0.9	-3.0	-11.6	-10.6	-6.8	-3.8	-2.7
Government savings	1.0	6.3	3.1	1.3	2.1	1.5	2.0	2.5
Government investment	7.8	7.2	6.1	12.9	12.7	8.4	5.8	5.3
Private financial balance 8/	-8.8	-12.8	-9.5	-8.5	-2.2	-3.7	-7.2	-7.9
Private savings	5.9	-0.5	0.3	2.0	4.4	5.1	5.3	4.6
Private investment	14.7	12.4	9.9	10.5	6.6	8.8	12.5	12.5

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

3/ Includes public enterprise sector.

4/ Government current expenditure (excluding Gambia Local Fund), less capital component of recurrent budget, plus current component of devel

4/ Domestic revenue (excluding capital revenue) less government consumption.

6/ Gross national savings excluding official transfers.

7/ Development expenditure (excluding net lending), plus capital component of recurrent budget, less current component of development budget.

8/ Domestically generated financial balances.

Table 14. The Gambia: Agricultural Production, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999
						Est.		
(In thousand of hectares)								
Acreage								
Export crops	70.8	69.2	84.8	83.7	68.1	75.8	77.7	113.0
Groundnuts	67.0	65.4	79.7	78.8	68.1	73.3	75.3	112.2
Cotton	3.8	3.8	5.1	4.9	...	2.5	2.4	0.8
Food crops	91.8	91.7	95.5	101.1	...	119.6	117.5	117.0
Rice (paddy)	12.7	10.4	14.4	16.4	...	16.9	18.3	7.8
Irrigated 2/	1.7	...	...	...	...	1.3	...	...
Rainfed	11.0	10.4	14.4	16.4	...	15.6	18.3	7.8
Sorghum 3/	14.3	9.6	9.4	14.9	13.6	14.6	14.2	18.5
Millet 3/	49.2	55.6	58.8	57.1	59.6	...	75.3	76.3
Maize	15.6	16.1	12.9	12.7	10.4	9.8	11.7	14.8
(In thousands of metric tons)								
Production								
Export crops	57.2	79.8	83.3	76.8	45.8	79.2	73.5	123.4
Groundnuts	54.9	76.7	80.8	75.2	45.8	78.1	73.5	123.0
Cotton	2.3	3.1	2.5	1.6	1.4	1.1	1.5	0.4
Food crops	96.3	...	98.9	103.5	...	38.1	41.6	151.1
Rice (paddy)	19.4	...	23.9	23.9	...	...	26.5	31.7
Irrigated 2/	4.9	...	3.6	5.0	...	7.5	7.8	13.4
Rainfed	14.5	12.1	20.3	19.0	...	16.7	18.7	18.3
Sorghum 3/	12.3	9.0	8.9	11.9	13.7	12.9	9.9	18.0
Millet 3/	46.3	52.1	52.9	54.0	61.5	...	64.7	81.0
Maize	18.3	23.8	13.3	13.6	10.0	8.5	13.0	20.4
(In metric tons per hectare)								
Yield								
Export crops	1.4	2.0	1.5	1.3	0.7	1.5	1.0	1.6
Groundnuts	0.82	1.17	1.01	0.95	0.67	1.07	1.04	1.24
Cotton	0.61	0.81	0.50	0.32	...	0.44	...	0.33
Food crops	4.5	4.5	4.3	4.0	3.0	9.5	3.9	3.7
Rice (paddy)	1.53	...	...	...	...	7.78	2.10	1.30
Irrigated 2/	2.92	...	...	...	...	5.55	...	...
Rainfed	1.32	1.16	1.41	1.16	...	2.23	2.30	3.00
Sorghum 3/	0.86	0.94	0.95	0.80	1.01	0.88	0.69	0.97
Millet 3/	0.94	0.94	0.90	0.95	1.03	...	1.70	2.10
Maize	1.17	1.48	1.03	1.07	0.96	0.86	1.11	1.38

Source: The Gambian authorities.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ Including double-cropped area.

3/ Including area intercropped with groundnuts.

Table 15. The Gambia: Minimum Producer Prices for Agricultural Commodities, 1992/93-1999 1/
(In dalasis per ton)

	1992/93	1993/94	1994/95	1995/96	1996/97	1998	1999
Cotton	1,800	2,900	2,900	3,400	3,400	3,400	3,400
Groundnuts (undecorticated) 2/	2,000	2,200	2,100	2,200	2,250	2,790	2,700
Rice (paddy)	1,500	1,550	1,600	1,968	1,750	1,750	1,750

Sources: The Gambian authorities; The Gambia Cooperative Union; and The Gambia
Groundnut Corporation.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ The producer price for groundnuts was eliminated with effect from the 1989/90 crop season and replaced
by a purchase price for the delivery of groundnuts to the buying depots.

Table 16. Purchases and Disposition of Groundnuts, 1993/94-1999 1/

	1993/94	1994/95	1995/96	1996/97	1997/98	1997	1998	1999 Prel.
Delivery purchases (Uncorticated)	41,822	46,060	29,892	16,105	32,235	...	...	...
Export sales	33,004	36,757	20,533	10,516	32,235	...	...	...
Decorticated FAQ groundnuts 2/	...	...	17,113	6,011	28,126	...	...	...
Decorticated HPS groundnuts 2/	...	...	3,420	4,505	4,109	...	...	...
Oil	...	...	...	...	...	...	...	...
Cake	...	...	...	...	...	...	...	...
Local Sales	0	0	0	1,000	...	...	...	...
Oil	...	...	...	...	...	...	...	...
Cake	...	...	...	...	...	...	...	...
Seednuts	...	...	...	1,000	...	...	...	...
HPS 2/	...	...	...	...	...	...	...	...
Wastage in shelling/processing	6,543	7,636	...	4,558	...	...	...	...
Sundry losses and wet nuts	...	...	...	...	...	...	...	...

Source: The Gambia Producer Marketing Board; The Gambia Groundnut Corporation; and The Gambia Cooperative Union.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar years.

2/ FAQ, Fair average quality; HPS, Hand-picked selected.

Table 17. The Gambia: Indicators of Tourism Activity, 1993/94-1999 1/

	1993/94	1994/95	1995/96	1996/97	1997	1998	1999
Air charter tourists							
Number of tourists	89,997	42,919	72,098	78,049	84,758	91,106	121,797
Germany	7,435	5,539	5,697	9,263	18,460	22,189	...
Sweden	6,746	1,844	6,496	5,727	5,478	5,574	...
Other Scandinavian	4,851	1,820	3,832	3,033	3,022	3,720	...
United Kingdom	61,062	20,899	29,585	38,896	38,378	37,437	...
Other	9,903	12,817	26,488	21,130	19,413	22,186	...
Average length of stay (in days)	12.5	12.5	12.5	12.9	13.3	13.0	12.9
Average daily expenditure (in dalasis) 2/	315.2	302.7	347.8	306.5	289.5	432.4	...
Gross earnings (in millions of dalasis)	354.6	162.4	...	347.6	32,605.0	511.8	...

Source: The Gambian authorities.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ Amount spent in The Gambia; excludes the cost of package tours.

Table 18. The Gambia: Energy Statistics, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1998	1999 Est.
(In thousands of kilowatt-hours)							
Electricity							
Total production	85,291	79,798	81,198	86,023	93,631	122,187	126,196
Residential consumption	30,354	25,942	26,397	27,647	25,053	37,462	...
Business consumption							
(including government)	29,791	23,150	23,556	25,412	25,496	33,405	...
Street lighting	266	523	323	297	351	462	...
Other consumption	4,410	4,113	3,892	3,021	3,248	7,274	...
Losses (including powerhouse consumption)	20,470	26,070	27,030	29,646	39,483	43,584	...
(In dalasis per kilowatt-hour)							
Retail electricity prices							
Residential	2.08	2.08	2.08	2.08	2.08	2.08	...
Business	2.21	2.21	2.21	2.21	2.21	2.21	...
Hotels/industries	2.54	2.54	2.54	2.54	2.54	2.54	...
(In millions of liters)							
Petroleum imports	59.4	61.9	49.0	57.7	57.2	44.0	...
Gasoil	24.2	24.9	18.1	17.6	17.0	17.7	...
Diesel oil	35.2	37.0	30.9	40.1	40.2	26.4	...
(In dalasis per liter)							
Retail petroleum prices							
Gasoline	7.50	8.00	8.00	8.50	8.50	8.50	...
Diesel oil	5.50	6.00	6.00	6.50	6.50	6.50	...

Sources: The Gambian authorities; and the National Water and Electricity Company Ltd.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

Table 19. The Gambia: Public Sector Wage Scale, 1992/93-1999 1/
(In dalasis per year)

	1992/93		1993/94		1994/95		1995/96		1996/97		1998		1999	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Grade 1	4,045	4,715	4,284	5,124	4,584	5,508	4,584	5,508	4,860	5,784	4,860	5,784	5,100	6,108
Grade 2	4,923	5,724	5,220	6,144	5,580	6,588	5,580	6,588	5,916	7,008	5,916	7,008	6,168	7,260
Grade 3	5,889	6,780	6,240	7,248	6,672	7,764	6,672	7,764	7,068	8,244	7,068	8,244	7,344	8,604
Grade 4	6,945	7,262	7,368	9,216	7,884	9,900	7,884	9,900	8,352	10,536	8,352	10,536	8,652	10,920
Grade 5	9,006	11,323	9,540	11,976	10,212	12,816	10,212	12,816	10,842	13,956	10,824	13,596	10,980	13,836
Grade 6	11,550	14,221	12,240	15,096	13,092	16,116	13,092	16,116	13,872	17,148	13,872	17,148	13,872	17,148
Grade 7	14,641	17,312	15,516	18,372	15,608	19,632	16,608	19,632	17,604	20,880	17,604	20,880	17,604	20,880
Grade 8	17,706	20,556	18,768	21,792	20,076	23,268	20,076	23,268	21,276	24,636	21,276	24,636	21,276	24,636
Grade 9	20,937	23,786	22,200	25,224	23,748	26,940	23,748	26,940	25,176	28,536	25,176	28,536	25,176	28,536
Grade 10	24,206	27,857	25,656	29,604	27,456	31,656	27,456	31,656	29,100	33,552	29,100	33,552	29,100	33,552
Grade 11	28,378	32,919	30,084	34,872	32,184	37,308	32,184	37,308	34,116	39,576	34,116	39,578	34,116	39,576
Grade 12	33,594	38,936	35,604	41,316	38,088	44,220	38,088	44,220	40,368	46,920	40,368	46,920	40,368	46,920

Source: The Gambian authorities.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

Table 20. The Gambia: Minimum Daily Wages, 1992-98
(In dalasis)

	1992	1993	1994	1995	1996	1997	1998
General workers							
Foreman	21.70	21.70	21.70	21.70	22.33	28.43	...
Artisan (second class)	12.73	12.73	12.73	12.73	17.53	28.43	...
Head laborer	9.88	9.88	9.88	9.88	12.94	12.94	...
Laborer	9.00	9.00	9.00	9.00	11.79	11.76	...
Dockworkers							
Supervisor/foreman	36.40	36.40	36.40	36.40	36.10	36.10	36.40
Headman (Banjul)	22.50	22.50	22.50	22.50	22.33	22.33	22.50
Headman (river ports)	24.40	24.40	24.40	24.40	24.90	24.19	22.50
Tally clerk (Banjul, Grade A)	16.89	16.89	16.89	16.89	22.12	22.12	...
Tally clerk (Banjul, Grade B)	16.89	16.89	16.89	16.89	20.51	20.51	...
Winchman (Banjul)	20.25	20.25	20.25	20.25	20.10	20.10	20.25
Winchman (river ports)	21.65	21.65	21.65	21.65	21.48	21.48	22.50
Gangwayman (Banjul)	18.50	18.50	18.50	18.50	18.38	18.38	18.50
Gangwayman (river ports)	19.50	19.50	19.50	19.50	19.35	19.35	...
Laborer (Banjul)	17.70	17.70	17.70	17.70	17.53	17.53	...
Laborer (river ports)	18.50	18.50	18.50	18.50	18.38	18.38	...

Source: The Gambian authorities.

Table 21. The Gambia: Overall Consumer Price Index for Low-Income Households in Banjul and Kombo St. Mary, January 1991-March 2000

(Base year 1974=100)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
January	1,043.6	1,170.9	1,215.3	1,276.0	1,349.3	1,396.7	1,421.1	1,379.7	1,501.3	1,523.9
February	1,044.5	1,171.1	1,226.8	1,278.0	1,355.4	1,394.3	1,422.8	1,407.0	1,501.8	1,524.0
March	1,055.9	1,213.5	1,256.6	1,279.5	1,360.9	1,404.2	1,436.1	1,407.2	1,502.6	1,524.0
April	1,058.6	1,212.9	1,281.8	1,282.0	1,365.1	1,365.6	1,446.3	1,420.5	1,502.7	
May	1,057.6	1,222.4	1,318.0	1,298.0	1,371.7	1,371.2	1,442.9	1,413.9	1,502.5	
June	1,068.1	1,194.0	1,328.0	1,311.8	1,380.4	1,383.5	1,450.4	1,490.3	1,502.6	
July	1,098.9	1,182.2	1,295.3	1,282.2	1,405.1	1,408.3	1,453.7	1,477.3	1,522.5	
August	1,103.8	1,188.1	1,297.2	1,261.0	1,428.0	1,418.4	1,468.1	1,495.2	1,523.1	
September	1,130.8	1,199.0	1,263.6	1,289.2	1,423.3	1,415.7	1,457.1	1,497.5	1,523.8	
October	1,148.6	1,199.4	1,268.5	1,324.0	1,404.4	1,418.6	1,439.8	1,499.4	1,523.0	
November	1,148.9	1,201.0	1,270.2	1,336.9	1,407.0	1,425.7	1,427.5	1,502.2	1,523.8	
December	1,163.5	1,212.9	1,275.1	1,339.4	1,393.5	1,424.9	1,429.3	1,497.6	1,523.8	
Memorandum items:										
Overall index 1/ (period average)	1,093.6	1,197.3	1,274.7	1,296.5	1,387.0	1,402.3	1,441.3	1,457.3	1,512.8	...
Annual percentage change 1/ (period average)	8.6	9.5	6.5	1.7	7.0	1.1	2.8	1.1	3.8	...
Annual percentage change 1/ (end of period)	11.6	4.3	5.1	5.0	4.0	2.3	0.3	4.4	1.7	...
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000
Overall index 2/ (period average)	1039.9	1164.9	1234.1	1282.9	1334.6	1398.1	1427.6	1432.8	1,498.6	...
Annual percentage change 2/ (period average)	9.1	12.0	5.9	4.0	4.0	4.8	2.1	0.4	4.6	...
Annual percentage change 2/ (end of period)	5.4	11.8	11.2	-1.2	5.2	0.2	4.8	2.8	1.7	...

Source: The Gambian authorities.

1/ Based on calendar years.

2/ Based on the old fiscal years (July-June).

Table 22. The Gambia: Civil Service Structure, 1994/95-1999 1/

	1992/93	1993/94	1994/95	1995/96	1997	1998	1999
(In number of employees)							
Executive and legislative offices 2/	588	668	723	711	922	951	948
Defense	25	25	25	25	1,521	1,456	1,573
Interior 3/	216	250	45	38	2,391	2,448	2,567
Information and tourism	328	326	295	68	53	51	51
External affairs	152	66	64	69	67	64	68
Finance and economic affairs	625	625	573	580	451	470	462
Local government and lands	511	513	433	435	380	383	377
Agriculture 4/	1,112	1,112	838	1,468	1,428	1,146	916
Natural resources 5/	573	568	532	...	...	...	...
Works and communications	361	360	351	469	418	619	827
Trade and industry	175	175	166	164	162	160	154
Education, youth, and sports	3,233	3,561	3,605	3,907	5,432	6,022	5,969
Of which:							
Gambia Technical Institute	129	129	129	129	...	...	...
Gambia College	159	159	159	159	...	...	...
National Council of Arts & Culture	46	47	51	51	...	...	...
Health	2,135	2,260	2,306	2,405	1,462	1,474	1,517
Of which:							
Royal Victoria Hospital	772	810	830	841	...	...	...
Bansang Hospital	154	178	200	212	...	...	...
Autonomous organizations 6/	148	174	338	261	...	...	...
Of which:							
Agricultural Research (NARI)	...	...	159	127	...	...	...
Environmental Agency	...	26	31	32	...	...	...
Total	10,182	10,683	10,294	10,600	14,687	15,244	15,429
(In percent)							
Executive and legislative offices 2/	5.8	6.3	7.0	6.7	6.3	6.2	6.1
Defense	0.2	0.2	0.2	0.2	10.4	9.6	10.2
Interior	2.1	2.3	0.4	0.4	16.3	16.1	16.6
Information and tourism	3.2	3.1	2.9	0.6	0.4	0.3	0.3
External affairs	1.5	0.6	0.6	0.7	0.5	0.4	0.4
Finance and economic affairs	6.1	5.9	5.6	5.5	3.1	3.1	3.0
Local government and lands	5.0	4.8	4.2	4.1	2.6	2.5	2.4
Agriculture	10.9	10.4	8.1	13.8	9.7	7.5	5.9
Natural resources 5/	5.6	5.3	5.2	...	...	...	...
Works and communications	3.5	3.4	3.4	4.4	2.8	4.1	5.4
Trade and industry	1.7	1.6	1.6	1.5	1.1	1.0	1.0
Education, youth, and sports	31.8	33.3	35.0	36.9	37.0	39.5	38.7
Health	21.0	21.2	22.4	22.7	10.0	9.7	9.8
Autonomous organizations 6/	1.5	1.6	3.3	2.5	...	...	...
Total	99.9	100.0	99.9	100.0	100.0	100.0	100.0

Source: The Gambian authorities.

1/ Excludes staff in the uniformed services (estimated for 1994/95 at 3,500 and for 1996/97 at 3,620).

Until 1996/97, fiscal years (July-June); from 1997, calendar years.

2/ Includes the Office of the President, legislature, judiciary, Public Service Commission, and audit bureau.

3/ Figures for 1994/95 reflect change of status of staff to uniformed services.

4/ Figures for 1994/95 reflect change of status of staff transferred to the National Agricultural Research Institute.

5/ The Ministry of Agriculture and the Ministry of Natural Resources were merged into the Ministry of Agriculture and Natural Resources

6/ Includes the Management Development Institute, National Investment Board, National Library, National Environmental Agency, and National Agricultural Research Institute (NARI).

Table 23. The Gambia: Private Employment by Industry, 1985/86 - 1998 1/

	1985/86	1986/87	1987/88	1988/89	1989/90	1993	1997	1998
Public 2/	16,332	13,257	14,293	15,666	16,022	14,687	15,244	15,429
Agriculture, fishing, and forestry	54	434	870	799	784	11,052	5,196	5,487
Manufacturing	604	1,306	2,079	2,450	2,252	1,549	897	947
Construction	1,929	2,599	2,365	1,270	1,146	1,024	723	764
Trade, hotels, and restaurants	2,797	1,838	3,520	5,606	5,852	2,366	5,759	6,084
Transport	170	289	206	547	737	118	2,522	2,664
Business services	263	313	543	482	520	428	1,375	1,453
Community, social, and personal services	1,931	1,731	1,589	3,569	3,956	1,056	2,371	2,505
Electricity	...	...	...	...	...	...	2,014	2,128
Total private	7,748	8,510	11,172	14,723	15,249	17,593	20,857	22,032
Total employment	24,080	22,037	26,095	30,389	31,271	32,280	36,101	37,461
Memorandum items:								
Population	750,000	775,000	800,000	830,000	860,000	1,039,540	1,180,880	1,215,940
Labor force 3/	354,750	366,575	378,400	392,590	406,780	491,702	558,556	575,140
Percent of labor force in formal employment	6.8	6.0	6.9	7.7	7.7	6.6	6.5	6.5

Sources: The Gambian authorities; and World Bank, *World Development Indicators*.

1/ Until 1989/90, fiscal years (July-June); from 1993, calendar years. The absence of yearly employment surveys explains the gap in data between 1989/90-1993 and 1993-1997.

2/ Includes government and parastatal. For 1993-97, data are based on employment surveys.

3/ Estimate. The economically active population is supposed to be 47.3 percent of the population on the basis of the 1983 census.

Table 24. The Gambia: Private Sector Employment by Size of Establishments and Industry, 1993, 1997, and 1998

Economic Activity	Size of Establishments														1993	1997	1998
	1-4		5-9		10-19		20-49		50-99		100-199		200+				
	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998			
Agriculture, hunting and forestry	8	9	21	22	45	48	148	156	150	158	0	0	4,824	5,094	11,052	5,196	5,487
Manufacturing	43	45	217	229	122	129	171	181	62	65	282	298	...	...	1,549	897	947
Construction	9	10	0	0	28	30	62	65	309	326	315	333	0	0	1,024	723	764
Wholesale and retail trade	464	490	329	348	155	164	353	373	54	57	123	130	208	220	2,366	1,686	1,782
Hotels and restaurants	69	73	131	138	63	67	105	111	378	399	774	818	2,553	2,696	...	4,073	4,302
Transport, storage, and communication	21	22	86	91	139	147	104	110	199	210	250	264	1,723	1,820	118	2,522	2,664
Financial, business, and real estate services	30	32	33	35	148	156	259	274	355	375	338	357	212	224	428	1,375	1,453
Community, social, and personal services	321	340	291	307	315	333	610	644	684	722	150	159	0	0	1,056	2,371	2,505
Electricity, gas, and water supply	3	3	37	39	27	29	28	30	220	232	436	461	1,263	1,334	...	2,014	2,128
Total	968	1,024	1,145	1,209	1,042	1,103	1,840	1,944	2,411	2,544	2,668	2,820	10,783	11,388	17,593	20,857	22,032

Source: The Gambian authorities.

Table 25. The Gambia: Central Government Financial Operations, 1993/94 - 1999 1/

	1993/94	1994/95	1995/96	1996/97	1997	1998 Est.	1999 Prel.
(In millions of dalasis)							
Total revenue and grants	897.6	770.3	755.8	844.7	852.5	919.9	944.5
Domestic revenue	771.1	680.7	672.6	775.3	799.5	831.5	878.7
Grants	126.5	89.6	83.2	69.4	53.0	88.5	65.8
Total expenditure and net lending	862.0	885.1	1,133.8	1,231.8	1,123.6	1,028.4	1,118.2
Current expenditure	613.3	618.3	668.5	738.5	794.6	799.8	887.0
Wages and salaries	198.6	208.1	225.0	254.4	269.3	282.9	301.7
Other charges	270.9	284.8	288.9	291.3	310.6	279.9	318.9
Interest	133.9	125.5	154.7	192.7	214.7	236.9	248.3
Of which							
External	49.0	46.3	45.1	48.2	59.5	56.4	60.9
Emergency relief 2/	0.0	0.0	...	...	...	...	18.0
Capital expenditure and net lending	242.9	235.6	465.3	493.4	329.0	228.7	231.2
Capital expenditure	248.6	239.3	311.6	357.0	289.3	259.9	261.0
Extrabudgetary expenditure	0.0	0.0	179.5	150.4	60.6	0.0	0.0
Net lending	-5.7	-3.7	-25.7	-14.0	-20.9	-31.2	-29.8
Overall balance (commitment basis)							
Excluding grants	-90.9	-204.4	-461.3	-456.5	-324.1	-197.0	-239.5
Including grants	35.6	-114.8	-378.0	-387.2	-271.1	-108.5	-173.7
Adjustment to cash basis (float)	...	...	0.0	0.0	0.0	6.1	-34.5
Errors and omissions	...	...	6.8	19.5	38.6	-30.6	0.0
Overall balance (cash basis)							
Excluding grants	-90.9	-204.4	-454.5	-437.0	-285.5	-221.5	-274.0
Including grants	35.6	-114.8	-371.2	-367.7	-232.5	-133.0	-208.2
Financing	-35.6	114.8	371.2	367.7	232.5	133.0	208.2
External (net)	46.5	5.1	209.9	295.6	171.9	54.5	30.0
Borrowing	154.9	117.5	359.9	398.2	260.1	148.3	155.2
Amortization	-108.4	-112.4	-150.0	-102.6	-95.4	-93.8	-125.2
Domestic	-82.1	109.7	161.4	72.0	60.6	78.5	178.2
Bank	-128.6	75.1	68.1	25.1	23.1	-20.0	71.2
Nonbank	46.5	26.9	93.3	46.9	37.5	86.5	93.2
Accumulation of arrears	0.0	7.7	0.0	0.0	0.0	12.0	13.9
Privatization proceeds			0.0	0.0	0.0	...	...
Memorandum items:	(In percent of GDP)						
Domestic revenue	22.3	19.5	17.7	19.4	19.1	18.6	17.7
Total expenditure and net lending	24.9	25.3	29.8	30.8	26.9	23.0	22.6
Overall fiscal deficit							
Excluding grants	-2.6	-5.9	-12.1	-11.4	-7.8	-4.4	-4.8
Including grants	1.0	-3.3	-9.9	-9.7	-6.5	-2.4	-3.5
Basic primary balance 3/	7.1	3.7	3.6	5.1	4.9	5.6	4.6

Sources: The Gambian authorities; and Fund staff estimates and projections.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

2/ National disaster relief to repair roads damaged by heavy rains.

3/ Domestic revenue minus total expenditure and net lending, excluding interest payments and externally financed capital expenditure.

Table 26. The Gambia: Central Government Revenue, 1993/94-1999 1/

	1993/94	1994/95	1995/96	1996/97	1997	1998 Est.	1999 Prel.
(In millions of dalasis)							
Revenue and grants	897.6	770.3	755.8	844.7	852.5	919.9	944.5
Domestic revenue	771.1	680.7	672.6	775.3	799.5	831.5	878.7
Tax revenue	682.9	600.3	617.5	701.2	714.7	751.1	773.7
Direct tax	126.0	130.8	130.8	169.5	168.5	185.1	201.8
Personal	36.4	56.0	60.4	77.9	72.3	76.4	81.3
Corporate	80.6	68.2	65.1	84.3	81.8	93.7	102.2
Capital Gains	1.5	1.7	2.2	3.0	10.0	8.7	5.3
Royalty on parastatal turnover	4.0	2.5	0.4	0.0	0.0	0.0	0.0
Payroll	3.5	2.4	2.7	4.2	4.5	6.3	13.1
Indirect tax	556.9	469.5	486.8	531.7	546.2	566.0	571.8
Domestic tax on goods and services	57.1	48.7	60.1	75.6	71.5	65.3	77.3
Stamp duties	1.4	1.1	1.3	1.1	1.8	2.3	1.6
Excise duties	0.2	0.7	0.2	0.0	0.0	0.0	11.0
Domestic sales tax	54.7	38.4	46.6	52.9	57.1	63.0	64.7
Airport levy	0.8	8.6	12.0	21.6	12.6	0.0	0.0
Tax on international trade	499.8	420.8	426.6	456.1	474.7	500.7	494.5
Duty	323.7	288.7	277.3	287.4	298.3	322.4	315.3
Oil	166.8	155.1	168.9	177.0	178.6	177.3	132.3
Non-oil	156.9	133.6	108.3	110.3	119.7	145.1	183.0
Sales tax on imports	175.6	131.3	149.2	168.5	176.3	178.3	179.2
Oil	26.5	25.9	30.8	26.5	29.9	28.5	20.6
Non-oil	149.1	105.7	118.4	142.0	146.4	149.9	158.6
Other	0.5	0.6	0.2	0.2	0.1	0.0	0.0
Nontax revenue	88.2	80.4	55.1	74.1	84.8	80.4	105.0
Government services and charges	22.8	35.8	31.6	41.4	40.1	35.1	75.1
Interests, dividends, and property	10.3	10.1	0.9	12.4	23.0	38.6	22.0
Of which: arrears from public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to pension fund	2.4	5.8	2.6	2.9	4.3	2.7	3.3
Capital revenue	4.0	3.7	0.0	0.0	0.0	0.0	0.0
Other	20.7	0.0	0.0	0.0	0.0	0.0	0.0
Central bank (profits/losses)	28.0	25.0	20.0	17.4	17.4	4.0	4.6
Grants	126.5	89.6	83.2	69.4	53.0	88.5	65.8
Program	77.3	0.0	0.0	0.0	0.0	25.6	11.3
Projects	49.2	89.6	83.2	69.4	53.0	62.9	54.5
Memorandum items:	(In percent of GDP)						
Domestic revenue	22.3	19.5	17.7	19.4	19.1	18.6	17.7
Tax	19.7	17.2	16.3	17.5	17.1	16.8	15.6
Direct tax	3.6	3.7	3.4	4.2	4.0	4.1	4.1
Indirect tax	16.1	13.4	12.8	13.3	13.1	12.6	11.5
Domestic	1.6	1.4	1.6	1.9	1.7	1.5	1.6
On international trade	14.4	12.1	11.2	11.4	11.4	11.2	10.0
Nontax	2.5	2.3	1.4	1.9	2.0	1.8	2.1
(In percent of imports, c.i.f.)							
Tax on international trade	23.5	23.4	18.4	21.2	22.7	20.0	19.0
Duty	15.2	16.0	11.9	13.3	14.2	12.9	12.1
of which: Oil	7.8	8.6	7.3	8.2	8.5	7.1	5.1
Non-oil	7.4	7.4	4.7	5.1	5.7	5.8	7.0
Sales tax on imports	8.3	7.3	6.4	7.8	8.4	7.1	6.9
of which: Oil	1.2	1.4	1.3	1.2	1.4	1.1	0.8
Non-oil	7.0	5.9	5.1	6.6	7.0	6.0	6.1
(In millions of dalasis; unless otherwise indicated)							
Nominal GDP	3,460.8	3,482.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6
Imports, c.i.f.	2,127.2	1,798.8	2,323.6	2,155.0	2,094.2	2,500.0	2,598.4
Imports/GDP (in percent)	61.5	51.5	61.1	53.9	50.4	55.8	52.4

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Table 27. The Gambia: Central Government Expenditure, 1993/94-1999 1/

	1993/94	1994/95	1995/96	1996/97	1997	1998 Est.	1999 Pref.
(In millions of dalasis)							
Expenditure and net lending	862.0	854.0	1,133.8	1,231.8	1,123.6	1,028.4	1,118.2
Current expenditure	613.3	618.3	668.5	738.5	794.6	799.8	887.0
Expenditure on goods and services	469.5	492.8	513.8	545.7	579.9	562.9	620.6
Wages and salaries	198.6	208.1	225.0	254.4	269.3	282.9	301.7
Other charges	270.9	284.8	288.9	291.3	310.6	279.9	318.9
Goods and services	...	186.3	193.4	188.8	201.6	164.5	189.1
Subsidies and transfers	...	98.4	95.5	102.5	109.0	115.4	129.8
Interest	133.9	125.5	154.7	192.7	214.7	236.9	248.3
External	49.0	46.3	45.1	48.2	59.5	56.4	60.9
Domestic	84.9	79.2	109.6	144.6	155.2	180.4	187.5
Transfers 2/	9.9	0.0	0.0	0.0	0.0	0.0	0.0
Emergency relief 3/	0.0	0.0	...	...	...	...	18.0
Capital expenditure and net lending	242.9	235.6	465.3	493.4	329.0	228.7	231.2
Capital expenditure	248.6	239.3	311.6	357.0	289.3	259.9	261.0
External	204.1	207.1	263.6	317.2	252.5	211.2	221.0
Loans	154.9	117.5	180.4	247.9	199.5	148.3	155.2
Grants	49.2	89.6	83.2	69.4	53.0	62.9	65.8
GLF (Gambia Local Fund)	34.5	32.2	47.9	39.8	36.8	48.7	40.1
Movements in project accounts	10.0	0.0	0.0	0.0	0.0	0.0	0.0
Extrabudgetary expenditure	0.0	0.0	179.5	150.4	60.6	0.0	0.0
Net lending	-5.7	-3.7	-25.7	-14.0	-20.9	-31.2	-29.8
On-lending	...	0.0	0.0	0.0	0.0	0.0	0.0
Repayments	...	-3.7	-25.7	-14.0	-20.9	-31.2	-29.8
Unallocated expenditure	5.8	0.0	0.0	0.0	0.0	0.0	0.0
(In percent of GDP, unless otherwise indicated)							
Memorandum items:							
Domestic revenue	22.3	19.5	17.7	19.4	19.1	18.6	17.7
Total expenditure and net lending	24.9	24.5	29.8	30.8	26.9	23.0	22.6
Current expenditure	17.7	17.7	17.6	18.5	19.0	17.9	17.9
Wages and salaries	5.7	6.0	5.9	6.4	6.4	6.3	6.1
Other charges	7.8	8.2	7.6	7.3	7.4	6.2	6.4
Interest	3.9	5.3	5.1	4.7	4.8	5.3	5.0
External	1.4	1.3	1.2	1.2	1.4	1.3	1.2
Domestic	2.5	2.3	2.9	3.6	3.7	4.0	3.8
Capital expenditure	7.2	6.9	8.2	8.9	6.9	5.8	5.3
External	5.9	5.9	6.9	7.9	6.0	4.7	4.5
Loans	4.5	3.4	4.7	6.2	4.8	3.3	3.1
Grants	1.4	2.6	2.2	1.7	1.3	1.4	1.3
GLF	1.0	0.9	1.3	1.0	0.9	1.1	0.8
Overall fiscal deficit (commitment basis)							
Excluding grants	-2.6	-5.0	-12.1	-11.4	-7.8	-4.4	-4.8
Including grants	1.0	-2.4	-9.9	-9.7	-6.5	-2.4	-3.5
Basic primary balance 4/	7.1	4.6	3.6	5.1	4.9	5.6	4.6
Basic primary balance (in dalasis)	0.0	159.3	0.0	0.0	203.7	251.1	229.8
Current balance	4.4	1.8	0.1	0.9	0.1	0.7	-0.2
Education 5/	0.0	115.3	127.0	140.4	150.0	130.4	146.0
(in percent of noninterest current spending)	0.0	23.4	24.7	25.7	25.9	23.2	22.9
Health 5/	0.0	62.5	56.2	62.0	63.3	81.5	88.7
(in percent of noninterest current spending)	0.0	12.7	10.9	11.4	10.9	14.5	13.9
Defense 5/	0.0	0.0	0.0	0.0	0.0	43.1	40.1
(in percent of noninterest current spending)	0.0	0.0	0.0	0.0	0.0	7.7	6.5
Treasury bills outstanding	0.0	398.3	678.6	826.4	868.7	1,020.8	1,201.6
Stock of domestic debt	12.1	13.4	19.7	23.4	23.4	25.6	26.9

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

2/ To finance extrabudgetary expenditures carried out during 1995/96 and 1996/97.

3/ National disaster relief to repair roads damaged by heavy rains.

4/ Domestic revenue minus total expenditure and net lending, excluding interest payments and externally financed capital expenditure.

5/ Current spending only.

Table 28. The Gambia: Functional Classification of Central Government Current Expenditure, 1992/93-1999 1/

(In millions of dalasis)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999
						Est.		
Total current expenditure	570.7	613.3	618.3	668.5	714.6	794.6	799.8	887.0
General public services	200.9	212.2	216.9	219.2	224.4			
Defense	23.7	22.9	21.5	33.6	43.3	0.0	43.1	40.1
Education	94.6	106.5	115.3	127.0	129.3	150.0	130.4	146.0
<i>Of which: elementary education</i>	41.6	34.1	46.1	53.3	54.7	60.3	87.5	86.9
Health	53.8	58.9	62.5	56.2	57.6	63.3	81.5	88.7
<i>Of which: basic health care</i>	8.5	10.7	11.5	11.3	12.1	...	17.7	24.8
Social welfare	0.4	0.4	0.5	0.8	0.6	...	...	...
Housing	1.7	1.7	1.0	0.8	1.6	...	...	...
Economic affairs and services	54.9	56.0	51.6	52.1	53.4	...	...	...
Other	140.7	154.7	149.1	178.9	204.5	...	...	...
<i>Of which: interest on government debt</i>	117.9	133.9	125.5	154.7	198.3	214.7	236.9	248.3

Source: The Gambian authorities.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

Table 29. The Gambia: Central Government Social Expenditure and Social Indicators, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Est.
	(In millions of dalasis)							
Education expenditure	122.6	170.7	164.5	206.3 2/	192.6 2/	150	154.5	273
Of which:								
Primary education	53.9	54.6	65.8	86.6	79.0	61.5	63.3	111.9
Secondary education	27.0	39.3	32.9	35.1	42.4	33.0	34.0	60.1
Higher education	13.5	18.8	19.7	37.1	34.7	27.0	27.8	49.1
Health expenditure	68.8	69.0	75.0	83.3 2/	79.9 2/	63.3	83.0	175.0
Primary and secondary health care	...	30.0	...	36.8	...	28.0	36.7	77.4
Tertiary health care	...	30.1	...	34.2	...	26.0	34.1	71.9
Administration and training	...	8.9	...	12.2	...	9.3	12.2	25.7
	(In percent, unless otherwise indicated)							
Social indicators								
Illiteracy rate	71.6	70.2	69.3	68.3	67.1	66.5	65.4	...
Gross school enrollment rate					...			
Primary school enrollment	68.5	71.3	74.8	77.1	...	...	...	...
Female	57.0	60.3	64.4	67.2	...	...	...	...
Secondary school enrollment	22.2	23.7	24.9	24.6	...	...	...	...
Female	15.5	16.7	18.3	18.8	...	...	...	...
Life expectancy at birth (years)	50.8	...	...	45.7	...	53.2	53.2	...
Population with access to health care	...	...	...	...	...	...	...	...
Population with access to safe water	...	...	...	76.0	...	...	...	...
Population below the poverty line	...	...	...	...	...	...	...	...
Infant mortality rate (per 1,000 live births)	131.9	...	...	126.0	...	78.0	76.4	...

Sources: The Gambian authorities; and World Bank, *World Development Indicators 1998*.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ Excluding foreign-financed extrabudgetary expenditures.

Table 30. The Gambia: Public Investment Program and Its Financing, 1992/93-1999 1/

(in millions of dalasis)

	1992/93	1993/94	1994/95	1995/96 2/	1996/97 2/	1997	1998	1999 Est.
Agricultural/natural resources	50.5	67.5	53.4	71.7	45.3	54.9	55.8	68.4
Jahally/Pacharr rice project	4.5	0.1	0.1	0.1	0.0	0.6	1.9	0.0
Rice development project	10.2	6.3	3.6	2.9	1.6	5.8	4.8	0.0
Cotton development project	2.0	0.2	0.4	0.6	2.1	0.4	1.4	0.3
Livestock development	0.0	0.1	0.0	10.9	0.3	1.1	0.1	0.4
Small-scale water project	5.7	5.6	15.1	8.1	0.9	1.1	1.9	0.0
Other	28.1	55.3	34.3	49.2	40.4	45.9	45.7	67.7
Industry	0.2	0.2	0.6	0.2	0.2	0.2	0.2	0.1
Public utilities	15.7	14.9	13.5	15.9	0.3	2.7	22.7	25.3
Improvement of transmission/distribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Urban water supply	0.0	0.0	0.0	1.9	0.0	0.0	0.0	0.0
Rural water supply	12.3	9.5	7.9	5.2	0.3	1.6	21.9	17.2
Banjul sewerage and drainage project	0.0	0.0	0.2	2.8	0.0	0.0	0.0	0.0
Other	3.4	5.4	5.4	6.0	0.0	1.1	0.8	8.1
Transportation and communications	126.3	47.6	47.2	66.1	165.8	28.1	192.1	223.8
Banjul Serrekunda and other highways	29.0	0.2	12.1	0.0	0.0	11.6	152.4	176.4
Highway maintenance II	0.0	0.2	17.9	0.0	0.0	0.0	0.0	0.0
Banjul-Barra Ferry rehabilitation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banjul streets rehabilitation	81.2	37.8	2.7	11.0	4.8	0.0	0.5	0.0
Feeder roads	14.4	8.7	1.6	0.7	0.0	0.0	0.0	0.0
Telecommunications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banjul port development	0.0	0.0	0.0	18.7	67.4	0.0	0.0	0.0
Trans-Gambia Ferry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yundum Airport Phase IV	0.0	0.0	0.0	5.5	3.4	0.0	0.0	0.0
Gambian Public Transport Company	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.7	0.7	12.9	30.2	90.2	16.5	39.2	47.4
Education	28.0	64.2	49.2	79.3	63.3	24.1	127.0	171.7
Health	15.0	10.1	12.5	27.1	22.3	1.5	86.3	159.6
Other public investment	17.5	44.1	62.9	51.3	32.8	13.8	26.4	32.7
Housing and community development	1.4	14.6	33.0	21.0	14.3	4.1	20.0	11.8
Tourism, trade, and finance	1.3	4.4	3.6	5.5	0.1	2.4	0.9	1.5
General public services	14.8	25.1	26.3	24.7	18.1	7.1	5.4	19.3
Unallocated expenditure	0.0	0.0	0.0	0.1	0.3	0.2	0.1	0.1
Total public investment financed by:	253.2	248.6	239.3	311.6	330.0	125.2	509.9	682.2
Foreign grants	60.0	49.2	89.6	83.2	63.9	2.1	121.8	163.1
Foreign loans	165.0	154.9	117.5	180.4	224.5	88.8	353.4	474.1
Government local funds	28.2	44.5	32.2	47.9	41.6	34.3	34.7	45.0
Of which: project accounts	8.1	10.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: The Gambian authorities.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ Excluding foreign-financed extrabudgetary expenditures of D 179.5 million for 1995/96 and D 150.4 million for 1996/97.

Table 31. The Gambia: List of Public Enterprises

(As of December 1999)

Name	Sector	Legal Status	Government Participation (In percent)	Capital (In millions of dalasis)	Turnover	Personnel
Social Security and Housing Finance Corporation	Social security and housing	...	100	...	...	164
National Water and Electricity Corporation	Energy	Limited Co.	100	302.4	371.7	697
Gambia Ports Authority	Marine	Authority	100	16.3	67.0	387
Gambia International Airlines	Air transport	Limited Co.	100	26.0	30.0	245
Gambia Telecommunications Company Ltd.	Telecommunication	Limited Co.	100	60.0	209.9	880
Gambia Public Transport Corporation	Transport	Limited Co.	100	38.8	63.0	780
Maintenance Services Agency Company Ltd.	Maintenance	Limited Co.	100	3.0	5.5	89
Gambia Civil Aviation Authority	Aviation	Authority	100	131.9	21.6	225
Atlantic Hotel	Tourism	...	100	...	...	...
Asset Management and Recovery Corporation	Asset recovery	...	100	...	...	...

Source: The Gambian authorities.

Table 32. The Gambia: Monetary Survey, June 1995 - March 2000

	1995 June	1996 June	1997 June	1997 Dec.	1998 Dec.	1999				2000 Mar.
						Mar. Prel.	June Prel.	Sept. Prel.	Dec. Prel.	
(In millions of dalasis; end of period)										
Net foreign assets	616.4	785.6	816.8	807.2	951.6	1,087.3	1,065.2	926.8	996.0	1,175.9
Monetary authorities	624.1	745.2	812.6	847.6	1,020.8	1,114.7	1,078.3	954.7	1,066.4	1,232.3
Foreign assets	934.9	1,003.7	994.3	989.0	1,166.8	1,258.0	1,233.6	1,104.8	1,253.4	1,414.1
Foreign liabilities	-310.8	-258.5	-181.7	-141.4	-146.0	-143.3	-155.3	-150.1	-187.0	-181.7
Commercial banks	-7.7	40.4	4.2	-40.4	-69.3	-27.5	-13.1	-28.0	-70.4	-56.4
Net domestic assets	215.1	119.2	238.6	382.8	360.0	338.7	356.6	439.6	474.3	593.1
Domestic credit	311.5	265.9	311.3	434.7	481.7	500.0	500.4	639.9	660.9	713.0
Claims on government (net)	-141.8	-73.7	-48.6	-12.8	-32.8	-5.8	-3.1	2.6	38.4	50.7
Claims on private sector and public enterprises	453.3	339.6	359.9	447.5	514.5	505.9	503.5	637.3	622.5	662.3
Other items (net)	-96.4	-146.7	-72.7	-51.9	-121.7	-161.3	-143.8	-200.3	-186.6	-119.9
Broad money	831.5	904.8	1,055.4	1,190.1	1,311.6	1,426.0	1,421.8	1,366.3	1,470.3	1,769.0
Currency	207.2	211.1	244.5	360.5	347.6	421.3	337.0	330.5	379.7	486.3
Deposits	624.3	693.7	811.0	829.5	964.0	1,004.7	1,084.8	1,035.8	1,090.6	1,282.7
Memorandum items:	(In units indicated)									
Nominal GDP										
(in millions of dalasis)	3,492.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6	4,955.6	4,955.6	4,955.6	5,376.6
(percentage change)	0.9	8.8	5.3	7.9	7.2	10.6	10.6	10.6	10.6	8.5
Velocity (GDP/broad money)	4.2	4.2	3.8	3.5	3.4	3.5	3.5	3.6	3.4	3.0
Annual percentage changes										
Net domestic assets	46.8	-44.6	100.2	60.4	-6.0	-6.5	-1.3	23.3	31.7	75.1
Broad money	8.1	8.8	16.7	22.3	10.2	21.9	20.8	12.2	12.1	24.1
Contribution to growth of broad money										
(in percent of beginning-of-period M2)										
Net foreign assets	-0.8	20.3	-3.5	6.4	12.1	23.9	21.2	7.4	3.4	6.2
Net domestic assets	8.9	-11.5	13.2	15.9	-1.9	-2.0	-0.4	4.8	8.7	17.8

Source: The Gambian authorities.

Table 33. The Gambia: Summary Accounts of the Monetary Authorities, June 1995 - March 2000

(In millions of dalasis; end of period)

	1995	1996	1997	1997	1998	1999				2000
	June	June	June	Dec.	Dec.	Mar. Prel.	June Prel.	Sept. Prel.	Dec. Prel.	Mar. Prel.
Net foreign assets	624.1	745.2	812.6	847.6	1,020.8	1,114.7	1,078.3	954.7	1,066.4	1,232.3
(in millions of SDRs)	41.7	53.0	56.8	59.7	66.0	74.1	69.9	59.0	66.5	79.6
Foreign assets	934.9	1,003.7	994.3	989.0	1,166.8	1,258.0	1,233.6	1,104.8	1,253.4	1,414.1
Foreign liabilities	-310.8	-258.5	-181.7	-141.4	-146.0	-143.3	-155.3	-150.1	-187.0	-181.7
Net domestic assets	-314.1	-443.3	-423.3	-357.2	-495.2	-491.5	-545.4	-524.8	-464.8	-491.5
Domestic credit	-263.6	-379.7	-454.4	-433.9	-557.2	-538.6	-592.7	-594.5	-572.6	-711.8
Claims on the government (net)	-282.5	-395.8	-469.8	-456.1	-545.5	-535.8	-579.7	-571.8	-545.6	-549.7
Claims	275.3	273.4	267.6	261.9	262.3	262.3	262.1	304.6	262.9	253.5
Deposits	-557.8	-669.1	-737.4	-718.0	-807.7	-798.0	-841.8	-876.4	-808.5	-803.3
Claims on private sector	18.9	21.4	21.3	21.1	20.89	21.3	21.5	22.0	21.9	22.5
Claims on banks (net) 1/	0.0	-5.3	-5.8	1.1	-32.6	-24.1	-34.6	-44.7	-49.0	-184.6
Of which: central bank bills	0.0	...	-5.8	-2.2	-39.1	-30.7	-41.1	-44.7	-49.0	-184.6
Other items (net)	-50.5	-63.7	31.0	76.8	61.9	47.1	47.4	69.7	107.9	220.4
Of which: central bank bills	-8.7	-19.3	-17.9	-21.0	-25.2	-29.6	-31.9	-34.5	-32.8	-2.4
Reserve money	310.0	302.0	389.3	490.4	525.6	623.3	533.0	429.9	601.7	740.9
Currency outside banks	207.2	211.1	244.5	360.5	347.6	421.3	337.0	330.5	379.7	486.3
Bank reserves	102.8	90.9	144.8	129.9	178.1	201.9	196.0	99.4	221.9	254.6
Cash	12.4	15.1	16.6	28.6	14.6	36.1	28.3	26.3	32.3	35.2
Deposits at the central bank	90.4	75.7	128.2	101.3	163.5	165.9	167.7	73.0	189.6	219.4
Required reserves 2/	84.3	90.7	109.3	109.4	135.0	140.7	151.9	145.0	152.7	179.6
Excess reserves	18.5	0.2	35.5	20.5	43.1	61.3	44.1	-45.6	69.3	75.0

Source: The Gambian authorities.

1/ Advances to banks and commercial bank holdings of central bank bills.

2/ In June 1998, reserve requirements were unified at 14 percent.

Table 34. The Gambia: Summary Accounts of Commercial Banks, June 1995 - March 2000

(In millions of dalasis; end of period)

	1995	1996	1997	1997	1998	1999				2000
	June	June	June	Dec.	Dec.	Mar. Prel.	June Prel.	Sept. Prel.	Dec. Prel.	Mar. Prel.
Net foreign assets	-7.7	40.4	4.2	-40.4	-69.3	-27.5	-13.1	-28.0	-70.4	-56.4
Foreign assets	29.3	74.9	69.3	112.5	72.9	69.5	107.2	131.8	126.1	145.6
Foreign liabilities	-37.0	-34.5	-65.1	-152.9	-142.2	-96.9	-120.4	-159.8	-196.5	-202.1
Net domestic assets	632.0	653.3	806.8	869.9	1,033.3	1,032.1	1,097.9	1,063.8	1,161.0	1,339.2
Domestic credit	575.0	640.2	759.8	869.7	1,006.3	1,014.5	1,058.5	1,189.6	1,184.5	1,240.3
Claims on government (net)	140.6	322.1	421.2	443.3	512.7	529.9	576.5	574.4	583.9	600.4
Claims	144.6	326.0	425.1	447.3	516.6	533.9	580.5	578.4	587.9	604.4
Deposits	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0
Claims on private sector	434.1	318.0	338.4	425.3	489.8	480.7	479.0	605.2	591.4	632.6
Of which: in foreign currency	30.1	34.9	58.8	73.5	88.7	63.2	73.0	110.9	129.0	134.2
Claims on public enterprises	0.3	0.2	0.3	1.1	3.9	3.9	3.0	10.1	9.2	7.3
Reserves	98.1	98.0	144.8	129.9	178.1	201.9	196.0	99.4	221.9	254.6
Net claims on central bank 1/	0.0	5.3	5.8	-1.1	32.6	24.1	34.6	44.7	49.0	184.6
Other items (net)	-41.1	-90.2	-103.7	-128.6	-183.7	-208.5	-191.1	-270.0	-294.5	-340.3
Total deposit liabilities	624.3	693.7	811.0	829.5	964.0	1,004.7	1,084.8	1,035.8	1,090.6	1,282.7
Demand deposits	214.6	219.8	277.4	268.9	279.0	333.9	339.8	293.0	336.3	416.0
Savings deposits	273.2	324.0	367.6	392.8	462.3	478.9	506.4	523.6	556.1	589.8
Time deposits	136.5	149.9	166.0	167.8	222.7	191.9	238.6	219.3	198.1	277.0

Source: The Gambian authorities.

1/ Advances to banks and commercial bank holdings of central bank bills.

Table 35. The Gambia: Monthly Interest Rates on Treasury Bills, January 1992 - March 2000
(In percent per annum)

	1992	1993	1994	1995	1996	1997	1998	1999	2000
January	17.5	17.5	15.5	15.5	16.0	16.0	16.0	14.0	12.5
February	17.5	17.5	15.5	15.5	16.0	16.0	16.0	14.0	12.5
March	17.5	17.5	15.5	15.5	16.0	16.0	16.0	14.0	12.0
April	18.0	16.5	15.5	15.5	16.0	16.0	16.0	14.0	12.0
May	18.0	16.5	15.5	15.5	16.0	16.0	16.0	14.0	
June	19.0	17.0	15.5	15.5	16.0	16.0	16.0	14.0	
July	19.5	17.0	15.5	15.5	16.0	16.0	16.0	13.5	
August	19.5	17.5	15.5	15.5	16.0	16.0	16.0	13.5	
September	19.5	17.5	15.5	15.5	16.0	16.0	16.0	13.5	
October	19.5	17.5	15.5	16.0	16.0	16.0	15.5	13.5	
November	19.5	17.5	15.5	16.0	16.0	16.0	14.5	13.5	
December	19.5	15.5	15.5	16.0	16.0	16.0	14.0	12.5	

Source: Central Bank of The Gambia.

Table 36. The Gambia: Structure of Interest Rates, 1992/93-1999 1/
(In percent per annum; end of period)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999
Commercial bank lending rates 2/								
Agriculture	20.0-27.0	20.5-25.0	20.5-25.0	19.9-20.7	19.0-25.5	19.0-25.5	19.0-24.0	18.0-24.0
Manufacturing	20.0-27.0	20.5-25.0	20.5-25.0	19.9-23.1	19.0-23.5	19.0-23.5	19.0-24.0	18.0-24.0
Building	20.0-27.0	20.5-25.0	20.5-25.0	19.9-20.7	19.0-25.5	19.0-25.5	19.0-24.0	18.0-24.0
Trading	20.0-27.0	20.5-25.0	20.5-25.0	19.9-20.7	19.0-25.5	19.0-25.5	19.0-24.0	18.0-24.0
Tourism	20.0-27.0	20.5-25.0	20.5-25.0	19.9-20.7	19.0-25.5	19.0-25.5	19.0-24.0	18.0-24.0
Other	20.0-27.0	20.5-25.0	20.5-25.0	19.9-20.7	19.0-25.5	19.0-25.5	19.0-24.0	18.0-24.0
Deposits								
Short-term deposit account	9.5	9.0	9.0	9.0	9.0	9.0	9.0	7.0
Savings bank account	9.5-12.5	9.5-11.5	9.5-12.0	9.5-11.6	9.5-11.5	9.5-11.5	9.5-11.5	9.5-11.5
Time deposits								
Three months	11.5-13.0	11.5-12.5	11.5-12.5	11.5-12.5	11.5-12.5	11.5-12.5	11.5-12.5	9.5-12.5
Six months	11.5-13.5	11.5-13.0	11.5-13.0	11.5-12.8	11.5-12.5	11.5-12.5	11.5-12.5	11.5-12.5
Nine months	12.5-14.0	12.5-13.5	12.5-13.5	12.3-13.1	12.0-13.0	12.0-13.0	12.0-15.0	12.3-13.0
Twelve months and over	12.5-15.0	13.5-14.0	12.5-14.0	12.5-14.7	12.0-15.0	12.0-15.0	12.0-15.0	12.0-15.0
Government								
Treasury bills	17.0	15.5	15.5	16.0	16.0	16.0	14.0	12.5
Government development loans								
1994-99	15.0	15.0	15.0	...	...	15.5	15.5	15.5
1999-2002	17.0	17.0	17.0	...	...	...	...	14.0
Central bank								
Bank rate	15.0	13.5	15.5	13.8	14.0	14.0	12.0	11.5
Secondary market operations								
Discount rate	17.0	...	...	...	...	...	...	...
Rediscount rate	20.0	18.5	18.5	18.8	19.0	19.0	17.0	...

Source: Central Bank of The Gambia.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar year.

2/ One commercial bank retains historical nonperforming loans on its books that were made at 9 percent. Figures from 1990 onward reflect prevailing lending rates.

Table 37: The Gambia: Distribution of Commercial Bank Credit by Sector, 1992/93-March 2000 1/

(In percent, unless otherwise specified; end of period)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Dec.	2000 Mar.
Agriculture	12.8	10.2	24.5	12.3	12.7	12.1	11.0	7.8	17.1
Fishing	1.8	2.1	2.3	3.6	2.7	1.9	1.8	0.2	0.4
Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building and construction	5.2	5.7	3.2	2.4	3.3	4.0	5.6	5.2	6.3
Transportation	4.7	2.3	1.2	1.5	1.9	2.3	4.4	8.0	6.6
Distributive trade	41.2	42.1	32.3	39.3	43.2	46.6	42.8	47.9	44.0
Tourism	3.7	2.9	3.2	4.6	4.8	3.7	3.9	4.0	3.6
Personal loans	13.3	14.2	21.1	25.6	26.6	23.3	23.9	18.3	16.6
Other	17.3	20.5	12.3	10.6	4.8	6.2	6.5	8.7	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total commercial bank credit (in millions of dalasis)	303.9	372.2	430.6	356.8	392.5	479.5	590.6	620.7	667.7

Source: Central Bank of The Gambia.

1/ Until 1996/97, fiscal year (July-June); from 1997 calendar year.

Table 38: Distribution of Outstanding Government Securities, 1992/93-March 2000 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999				2000
								Mar	Jun	Sep	Dec	Mar
(in million of dalasis, unless otherwise indicated; end of period)												
Government treasury bills	353.0	357.8	398.3	678.7	826.4	868.8	1,020.8	1,048.8	1,116.4	1,193.6	1,201.6	1,231.0
(as a percent of total debt)	86.4	85.1	85.3	90.8	88.2	88.7	89.0	89.3	89.7	90.3	90.4	90.7
Central bank	2.6	36.9	14.2	12.3	6.5	0.8	1.3	0.6	0.9	41.6	12.4	7.6
Commercial banks	133.5	65.4	108.9	297.9	404.5	423.4	503.6	520.8	575.0	572.9	582.4	598.9
Nonbanks	216.9	255.5	275.2	368.5	415.4	444.6	515.9	527.4	540.6	579.2	606.9	624.5
Of which: public enterprises	186.0	219.0	244.3	330.7	303.1	370.1	429.2	444.8	461.7	500.7	516.3	506.3
Government development stocks	23.5	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.7	24.7	23.2	23.2
Central bank	7.0	7.0	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	0.0	0.0
Commercial banks	10.5	10.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Nonbanks	6.0	6.9	7.8	7.8	7.8	7.8	7.8	7.8	8.1	8.1	17.7	17.7
Of which: public enterprises	4.4	5.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	17.7	17.2
Government discount note series	32.2	38.0	44.4	44.4	86.4	86.4	101.6	101.6	103.8	103.8	103.8	103.8
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonbanks	32.2	38.0	44.4	44.4	86.4	86.4	101.6	101.6	103.8	103.8	103.8	103.8
Of which: Public enterprises	26.3	30.5	44.4	42.1	85.4	85.4	100.4	100.4	102.4	102.4	102.4	102.4
Total domestic debt	408.7	420.2	467.1	747.5	937.2	979.6	1,146.8	1,174.7	1,244.9	1,322.1	1,328.6	1,358.0
Central bank	9.6	43.9	25.3	23.4	17.6	11.9	12.4	11.7	12.0	52.7	12.4	7.6
Commercial banks	144.0	75.9	114.4	303.4	410.0	428.9	509.1	526.3	580.5	578.4	587.9	604.4
Nonbanks	255.1	300.4	327.4	420.7	509.6	538.8	625.3	636.7	652.4	691.0	728.3	746.0
Of which: public enterprises	216.7	254.8	296.0	380.1	395.8	462.8	536.9	552.5	571.4	610.4	636.3	623.8
Memorandum items:	(As a percent of total domestic debt)											
Central bank	2.3	10.4	5.4	3.1	1.9	1.2	1.1	1.0	1.0	4.0	0.9	0.6
Commercial banks	35.2	18.1	24.5	40.6	43.7	43.8	44.4	44.8	46.6	43.7	44.2	44.5
Nonbanks	62.4	71.5	70.1	56.3	54.4	55.0	54.5	54.2	52.4	52.3	54.8	54.9
of which: parastatals	53.0	60.6	63.4	50.8	42.2	47.2	46.8	47.0	45.9	46.2	47.9	46.1
(As a percent of GDP)												
Total domestic debt	12.7	12.1	13.4	19.7	23.4	23.4	25.6	23.8	25.2	26.8	26.9	27.5

Source: The Gambian authorities.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Table 39. The Gambia: Liquidity Position of Commercial Banks, 1992/93 - March 2000 1/

(End-of-period data; in millions of dalasis, unless otherwise specified)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997 Dec.	1998 Dec.	1999				2000 Mar.
								Mar.	June	Sep.	Dec.	
Liquid assets	212.5	160.6	242.7	424.0	569.9	555.5	720.8	721.2	783.0	703.6	798.8	1,004.6
Reserves	78.9	95.2	98.1	98.0	144.8	129.9	178.1	139.2	130.6	48.2	129.0	177.4
Deposits at central bank	66.0	84.8	85.7	82.8	128.2	101.3	163.5	159.0	167.9	77.3	187.5	219.3
Cash holdings	12.9	10.4	12.4	15.1	16.6	28.6	14.6	35.8	29.5	26.0	26.1	34.9
Treasury bills	133.5	65.4	108.9	297.9	404.5	423.4	503.6	579.5	649.9	653.0	667.3	824.7
Required cash reserves 2/	78.9	77.0	84.3	90.7	109.3	109.4	135.0	133.2	143.8	145.5	149.4	176.1
Excess cash reserves 3/	0.0	18.2	13.8	7.3	35.5	20.5	43.1	5.9	-13.2	-97.3	-20.4	1.4
Required liquid assets 4/	164.5	172.0	187.3	208.1	243.3	248.9	289.2	296.4	319.7	303.0	318.3	379.7
Excess liquidity 5/	48.0	-11.4	55.4	215.9	326.6	306.6	431.6	424.8	463.4	400.7	480.5	625.0
Required reserves/total deposits (in percent)	14.4	13.4	13.5	13.1	13.5	13.2	14.0	13.5	13.5	14.4	14.1	13.9
Memorandum item: Total liabilities	548.2	573.4	624.3	693.7	811.0	829.5	964.1	988.1	1,065.5	1,009.9	1,060.9	1,265.6

Source: Central Bank of The Gambia.

1/ Before 1997, financial years were July-June.

2/ Based on reserve requirements of 24 percent of demand deposits and 8 percent of time and savings deposits; calculated on the basis of end-of-period data. From September 1998 onward the unified rate of 14 percent on all deposits has been applied.

3/ Actual reserves less required reserves.

4/ Based on statutory requirements of 30 percent of total liabilities to the public.

5/ Liquid assets less statutory requirement.

Table 40. The Gambia: List of Commercial Banks, December 1999
(In millions of dalasis, unless otherwise specified)

	Date of Establishment	Shareholders 1/		Capital and Reserves	Total Deposits	Total Loans	Number of Branches	Minimum Deposits 2/
		Public	Private					
Standard Chartered Bank (Gambia)	1895	0	100	65.9	542.4	252.2	5	3000
International Bank of Commerce and Industry	1968	0	100	16.5	179.1	64.5	3	1000
Trust Bank Limited	1997	0	100	75.2	239.9	130.1	4	1000
Continent Bank Ltd.	1990	0	100	3.6	66.6	61.1	2	500
Arab Gambia Islamic Bank	1996	0	100	5.8	58.8	46.6	1	1000
Fisrt International Bank	1999	0	100	10.9	4.4	6.4	1	500
Informal financial sector (microfinance)	1995	0	100	...	1.3	1.2	50	20

Source: Central Bank of The Gambia

1/ In percent.

2/ In dalasis.

Table 41. The Gambia: Balance of Payments, 1992/93-99 1/
(in millions of SDRs, unless otherwise indicated)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Prel.
Trade balance	-41.2	-49.7	-26.1	-58.7	-52.8	-49.0	-56.9	-53.3
Exports, f.o.b.	110.7	89.4	82.5	80.3	78.1	78.8	95.8	87.5
Groundnuts/groundnut products	8.3	7.6	7.6	6.8	3.5	3.5	9.6	7.3
Other domestic exports	5.4	6.4	7.4	7.1	7.3	6.5	5.6	4.3
Reexports	97.0	75.4	67.5	66.4	67.3	68.8	80.6	75.9
Imports, f.o.b.	-151.9	-139.2	-108.6	-139.0	-131.0	-127.9	-152.7	-140.8
For domestic use	-92.4	-92.7	-66.9	-96.4	-87.6	-84.3	-97.7	-94.3
Of which: oil products	-13.9	-12.5	-7.4	-7.6	-9.2	-7.6	-9.2	-11.7
For reexport	-59.5	-46.5	-41.6	-42.6	-43.4	-43.6	-55.0	-46.5
Factor service (net)	-3.3	-3.7	-3.5	-3.9	-4.8	-6.0	-5.2	-5.4
Nonfact. service balance	-5.0	7.7	-11.4	-2.7	9.1	11.2	9.0	10.1
Of which: travel income	39.4	47.6	18.8	37.0	44.3	46.0	51.0	54.6
Private unrequited transfers (net)	9.2	9.9	10.1	11.9	12.1	12.4	17.5	14.8
Official unrequited transfers (net)	28.6	28.8	20.3	17.8	17.4	20.4	26.3	22.9
Current account balance								
excluding official transfers	-40.3	-35.9	-30.8	-53.4	-36.3	-31.4	-35.6	-35.7
including official transfers	-11.7	-7.0	-10.6	-35.6	-19.0	-11.0	-9.3	-10.8
Capital account	22.0	11.5	6.0	47.9	24.2	15.7	16.4	13.2
Official loans (net)	7.2	4.6	7.0	25.1	12.4	8.4	3.8	3.0
Project related	13.2	11.7	15.1	35.6	19.7	15.2	10.4	10.0
Amortizations	-9.1	-8.2	-8.2	-10.5	-7.3	-6.8	-6.6	-6.9
Private capital inflow	14.9	7.0	-0.9	22.8	11.8	7.3	12.6	10.2
Foreign direct investment (net)	7.8	4.9	3.2	4.6	5.9	6.2	8.8	5.4
Commercial loans (net)	0.0	0.0	0.0	2.6	-0.3	-0.5	-0.3	-0.8
Short-term capital (net) 2/	7.1	2.1	-4.1	12.0	5.5	1.6	-2.4	-2.6
Suppliers' credits	0.0	0.0	0.0	3.6	0.7	0.0	6.5	8.2
Overall balance	10.3	4.5	-4.6	12.4	5.2	4.7	7.1	2.4
Financing	-10.3	-4.5	4.6	-12.4	-5.2	-4.7	-7.1	-2.4
Change in gross official reserves (increase = -)	-5.7	1.2	10.8	-7.6	-0.4	0.0	-6.4	-2.7
Repurchases/repayments (IMF)	-1.7	-2.1	-3.4	-4.8	-4.8	-5.1	-4.0	-3.1
Purchases/loans (IMF)	0.0	0.0	0.0	0.0	0.0	0.0	3.3	3.4
London Club	-2.9	-3.1	-2.8	0.0	0.0	0.0	0.0	0.0
Debt relief	0.0	0.0	0.0	0.0	0.0	0.5 3/	0.0	0.0
Memorandum items:								
Current account balance (in percent of GDP)								
Excluding official transfers	-17.2	-13.7	-12.5	-20.1	-12.8	-10.6	-11.5	-10.6
Including official transfers	-5.0	-2.7	-4.3	-13.4	-6.7	-3.7	-3.0	-3.4
Gross official reserves (end of period)								
in millions of SDRs	74.5	73.3	62.5	70.1	70.4	69.6	75.4	78.1
in months of imports, c.i.f.	5.1	5.5	5.9	5.2	5.5	5.6	5.1	5.7
in months of imports, c.i.f.								
Over the next 12 months	5.6	6.9	4.6	5.5	5.3	4.7	4.8	5.3
Plus all other services payments	4.6	5.8	3.9	4.6	4.4	3.9	3.9	4.4
Debt-service ratio 4/								
Including the Fund	12.3	12.9	18.1	16.2	13.1	13.5	11.4	10.7
Excluding the Fund	10.9	11.1	14.4	11.8	8.9	9.2	8.5	8.3
Nominal GDP (in millions of SDRs)	257.3	260.9	246.2	265.3	283.8	297.8	310.4	318.0
Nominal GDP (in millions of dalasis)	3,228.6	3,460.8	3,492.0	3,800.1	4,001.6	4,180.1	4,479.1	4,955.6
Exchange rate (dalasis per SDR)	12.6	13.3	14.2	14.3	14.1	14.0	14.4	15.6

Sources: The Gambian authorities; and staff estimates and projections.

1/ Until 1996/97, fiscal year (July-June); from 1997, calendar years.

2/ Including errors and omissions.

3/ Forgiveness of a D 7.2 million interest payment by Taiwan Province of China.

4/ In percent of exports and travel income.

Table 42. The Gambia: Composition of Merchandise Exports, 1992/93-1999
(In thousands of SDRs)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Prel.
Total exports	110,695	89,194	82,455	80,273	78,135	78,845	95,848	87,521
Groundnut products	8,300	7,579	7,571	6,799	3,510	3,507	9,603	7,279
Fish and fish products	2,233	1,500	1,702	2,000	2,485	3,151	2,044	2,250
Cotton products	95	2,800	3,123	1,955	1,408	778	611	127
Other domestic products	3,067	2,083	2,535	3,095	3,455	2,591	2,967	1,964
Reexports	97,000	75,232	67,524	66,424	67,277	68,818	80,623	75,900

Sources: The Gambian authorities; and Fund staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Table 43. The Gambia: Composition of Merchandise Imports, 1992/93-1999 1/
(In thousands of SDRs)

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Prel.
Total imports, c.i.f.	176,753	160,300	126,551	162,189	152,269	149,211	176,500	164,286
Food and live animals	45,688	39,594	34,311	42,353	41,595	48,022	69,580	54,070
Beverages and tobacco	6,527	6,120	5,925	6,135	6,417	4,115	5,410	6,185
Raw materials	2,117	1,443	1,730	2,628	8,179	2,435	1,932	2,718
Minerals, fuel, lubricants, and related materials	14,641	14,375	17,592	23,650	20,607	10,466	10,388	9,030
Animal and vegetable oils	5,292	3,687	3,822	4,900	3,397	5,283	7,182	4,969
Chemicals	8,820	8,175	7,434	13,293	9,389	14,299	9,541	11,994
Manufactured goods classified by material	37,220	38,014	20,138	27,076	21,715	13,458	17,537	18,901
Machinery and transport equipment	41,101	37,671	24,355	26,955	27,039	31,437	36,568	33,975
Miscellaneous manufactured articles	13,583	10,099	10,115	15,105	13,047	16,969	15,095	20,332
Commodities and transactions not classified according to kind	1,764	1,122	1,129	94	884	2,727	3,268	2,112

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

Table 44. The Gambia: Direction of Trade, 1992-1999 1/

	(In percent of total)							
	1992	1993	1994	1995	1996	1997	1998	1999 Prel.
Exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Industrial countries	95.1	66.6	88.4	91.2	92.1	90.0	94.3	92.7
United States	0.4	10.0	1.5	1.2	1.1	1.6	1.5	0.3
Japan	14.8	40.9	26.5	11.6	8.5	4.5	6.5	19.4
Belgium and Luxembourg	53.4	2.0	48.2	67.9	73.3	76.1	71.7	61.0
France	0.5	0.6	3.3	2.9	3.9	1.7	7.0	0.4
Germany	0.2	0.3	0.8	0.7	0.6	0.3	1.3	0.7
Italy	20.3	0.2	0.0	0.8	0.1	0.3	0.3	0.4
The Netherlands	0.1	0.2	0.4	0.4	0.7	0.3	0.7	1.2
Spain	2.1	2.5	2.8	2.5	0.8	1.8	1.6	1.8
Switzerland	0.8	0.2	0.2	0.0	0.0	0.3	0.0	0.0
United Kingdom	2.2	9.0	4.5	2.8	2.8	2.8	3.4	6.8
Other	0.3	0.6	0.3	0.4	0.3	0.2	0.4	0.7
Developing countries	4.9	33.4	11.6	8.8	7.8	9.9	5.5	7.0
Africa	1.2	2.9	2.2	1.1	1.2	3.8	2.3	3.2
Of which: Ghana	0.1	0.4	0.5	0.2	0.3	0.3	0.4	0.6
Guinea	0.0	0.0	0.6	0.7	0.3	0.7	1.0	1.4
Senegal	0.8	1.5	0.2	0.0	0.0	0.0	0.0	0.1
Guinea Bissau	0.1	0.4	0.2	0.0	0.2	0.2	0.3	0.4
Asia	3.0	11.1	8.4	7.4	4.9	4.7	2.3	2.5
Of which: China	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Hong Kong	2.2	5.2	5.3	3.6	2.9	1.9	0.5	0.6
Thailand	0.1	3.0	0.3	1.5	0.6	0.8	0.4	0.5
Other	0.8	19.4	1.0	0.2	1.7	1.5	0.9	1.4
Imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Industrial countries	48.4	49.8	42.1	42.2	46.3	46.4	41.5	39.3
United States	2.9	3.1	1.6	2.4	3.0	3.4	3.1	3.3
Japan	3.0	4.0	2.6	2.2	2.6	1.9	2.2	1.8
Belgium and Luxembourg	5.0	5.4	7.3	7.0	6.2	6.1	5.9	4.1
France	6.3	8.2	5.4	5.3	6.4	6.1	5.0	4.7
Germany 2/	4.2	4.2	5.5	2.8	3.8	3.0	2.5	3.1
Italy	7.1	3.3	2.6	2.9	3.2	2.4	2.6	2.6
The Netherlands	4.7	6.1	5.3	7.6	5.7	7.6	7.9	7.3
Spain	1.6	1.2	1.0	1.7	2.6	2.0	1.9	1.6
Switzerland	0.2	0.3	0.2	0.2	0.2	0.3	0.2	0.1
United Kingdom	10.0	10.8	10.5	8.6	9.0	11.0	7.9	8.7
Other	3.4	3.3	0.2	1.5	3.5	2.6	2.4	2.1
Developing countries	51.6	50.2	57.9	57.8	53.7	53.6	58.4	60.6
Africa	7.3	7.8	8.5	8.4	12.0	11.2	14.4	15.6
Of which: Guinea	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Senegal	3.3	3.3	2.9	3.5	4.5	4.3	5.3	5.2
Côte d'Ivoire	3.7	4.0	3.6	3.8	5.9	4.4	4.4	4.3
Asia	41.7	41.1	47.3	44.5	37.7	37.1	37.4	37.7
Of which: China	14.7	21.3	28.7	23.1	16.3	14.7	16.7	17.2
Hong Kong	15.9	11.7	9.5	11.4	13.8	11.5	11.3	10.6
Thailand	4.4	4.5	5.9	5.5	2.3	2.4	1.0	1.0
Other	2.6	1.4	2.1	4.9	4.0	5.3	6.5	7.3

Source: IMF, *Direction of Trade Statistics*.

1/ Based on The Gambia's trading partners' data.

Table 45. The Gambia: Foreign Trade Indicators, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Prel.
(Annual percentage changes)								
Values, in SDR terms								
Exports, f.o.b.	4.6	-19.4	-7.8	-2.6	-2.7	-0.5	21.5	-8.7
Groundnuts 2/	-30.1	-8.7	-0.4	-10.2	-48.4	-48.4	173.9	-24.2
Other domestic exports	-22.9	18.3	15.0	-4.2	4.2	-9.4	-14.1	-22.5
Reexports	11.6	-22.4	-10.5	-1.6	1.3	2.9	17.2	-5.9
Travel income	0.0	20.5	-60.5	96.6	19.8	13.3	10.8	7.0
Imports, f.o.b.	8.1	-8.6	-22.1	28.2	-5.8	-5.3	19.4	-7.8
For domestic use	5.8	0.0	-27.9	44.3	-9.2	-8.3	15.9	-3.4
Of which: oil products	-12.7	-9.9	-41.9	5.0	21.0	-9.9	20.9	27.0
For reexports	11.8	-22.0	-10.5	2.3	1.9	1.3	26.3	-15.5
Price indices, in SDR terms								
Exports, f.o.b.	1.1	1.7	3.7	-3.0	0.3	2.0	0.1	-5.8
Groundnuts 2/	-7.4	0.0	8.3	2.3	5.6	10.1	-8.7	-15.2
Other domestic exports	-5.6	0.7	16.9	-4.5	4.0	9.8	0.9	-13.6
Reexports	2.8	1.9	2.1	-3.4	-0.7	0.8	0.5	-4.2
Travel income	-1.1	-15.9	-17.4	17.7	1.6	9.8	2.5	-19.5
Imports, f.o.b.	3.0	2.5	2.1	2.2	2.0	-0.8	-1.4	-1.7
For domestic use	3.0	2.5	-2.7	2.1	0.9	-0.8	-2.4	-0.2
Of which: oil products	-6.6	-11.1	-3.2	8.1	11.6	-0.4	-31.1	37.6
For reexports	3.0	2.5	2.1	0.4	0.0	-0.8	0.5	-4.2
Volume indices								
Exports, f.o.b.	3.5	-20.8	-11.1	0.4	-2.9	-2.4	21.4	-3.0
Groundnuts 2/	-24.4	-8.7	-8.0	-12.2	-51.1	-53.2	199.9	-10.6
Other domestic exports	-18.3	17.5	-5.1	-6.3	-25.2	-26.2	55.5	-10.5
Reexports	8.5	-23.9	-12.3	1.9	2.0	2.2	25.7	-11.8
Travel income	1.1	43.4	-52.2	67.0	18.0	3.2	8.1	33.0
Imports, f.o.b.	4.9	-10.8	-23.7	25.5	-7.7	-4.5	21.1	-6.2
For domestic use	2.8	-2.4	-25.9	41.2	-10.0	-7.6	18.7	-3.2
Of which: oil products	-6.6	1.4	-40.0	-2.9	8.4	-9.5	75.6	-7.7
For reexports	8.5	-23.9	-12.3	1.9	2.0	2.2	25.7	-11.8
Terms of trade								
Domestic trade	-9.5	-2.2	14.8	-1.4	4.8	10.8	-0.1	-14.4
Total trade	-1.8	-0.8	1.6	-5.1	-1.8	2.9	1.5	-4.2
Goods and services	-2.5	-0.5	-3.9	4.1	1.8	2.3	1.3	-8.3
(In percent of GDP)								
Exports, f.o.b.	43.0	34.7	33.5	30.3	27.5	26.7	30.9	27.5
Groundnuts 2/	3.2	2.9	3.1	2.6	1.2	1.2	3.1	2.3
Other domestic exports	2.1	2.5	3.0	2.7	2.6	2.2	1.8	1.4
Reexports	37.7	29.3	27.4	25.0	23.7	23.3	26.0	23.9
Travel income	15.3	18.5	7.6	13.9	15.6	15.6	16.4	17.2
Imports, f.o.b.	59.1	54.0	44.1	52.4	46.2	43.2	49.2	44.3
For domestic use	35.9	36.0	27.2	36.3	30.9	28.5	31.5	29.7

Sources: Data provided by the Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

2/ Including undecorticated groundnut exports.

Table 46. The Gambia: Public External Debt Outstanding and Debt Service, 1992/93-1999 1/

	1992/93	1993/94	1994/95	1995/96	1996/97	1997	1998	1999 Prel.
(In millions of SDRs)								
External public debt	268.8	268.1	268.9	294.7	303.7	308.7	317.4	310.9
Medium and long term	241.3	242.7	246.9	277.5	291.3	299.1	308.5	301.6
IMF	27.5	25.4	22.0	17.2	12.4	9.6	8.9	9.3
Non-Trust Fund	27.5	25.4	22.0	17.2	12.4	9.6	8.9	9.3
Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External public debt service	18.4	17.7	18.3	19.0	16.0	16.9	16.8	15.3
Principal	13.7	13.4	14.3	15.7	12.4	12.2	12.4	10.8
Medium and long term	12.0	11.3	10.9	10.9	7.6	7.1	8.4	7.8
IMF repurchases/repayments	1.7	2.1	3.4	4.8	4.8	5.1	4.0	3.1
Interest	4.7	4.3	4.0	3.2	3.6	4.7	4.4	4.4
Medium and long term	4.3	3.9	3.7	2.9	3.3	4.4	4.1	4.1
Short term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF charges	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.4
IMF	2.1	2.5	3.7	5.1	5.1	5.4	4.3	3.4
Others	16.3	15.2	14.6	13.9	10.9	11.5	12.5	11.8
(In units indicated)								
Memorandum items:								
External public debt (in percent of GDP)	104.5	104.2	109.2	111.1	107.0	104.4	102.3	97.8
Debt service (in percent of GDP)	7.2	6.9	7.4	7.2	5.7	5.7	5.5	4.8
Debt-service ratio 2/ IMF	12.3	12.9	18.1	16.2	13.1	13.5	11.4	10.7
Others	1.4	1.8	3.7	4.3	4.2	4.3	2.9	2.4
IMF repayments and charges (in percent of total debt- service payments)	10.9	11.1	14.4	11.8	8.9	9.2	8.5	8.3
IMF repayments and charges (in percent of gross international reserves)	11.4	14.1	20.2	26.9	32.0	31.9	25.6	22.6
IMF repayments and charges (in percent of gross international reserves)	2.8	3.4	5.9	7.3	7.3	7.7	5.7	4.4

Sources: The Gambian authorities; and staff estimates.

1/ Until 1996/97, fiscal years (July-June); from 1997, calendar years.

2/ In percent of exports and travel income.

Table 47. The Gambia: Exchange Rate Indicators, 1992-99

(Period average, unless otherwise indicated)

	Dallasis per U.S. dollar	Dallasis per SDR 1/	Effective Exchange Rates (Index 1995=100) 2/	
			Nominal	Real
1992	8.888	12.740	87.489	102.460
1993	9.129	12.906	99.801	110.949
1994	9.576	13.847	104.753	103.121
1995	9.546	14.608	100.000	100.000
1996	9.789	14.162	100.720	99.050
1997	10.200	14.166	104.614	103.569
1998	10.643	14.572	103.472	101.982
1999	11.395	15.539	98.265	99.596
1992				
1st quarter	9.027	12.690	84.557	101.790
2nd quarter	9.031	12.722	86.697	103.442
3rd quarter	8.476	12.874	88.325	101.675
4th quarter	9.017	12.673	90.377	102.932
1993				
1st quarter	9.097	12.788	96.376	108.739
2nd quarter	8.801	12.514	100.147	116.046
3rd quarter	9.181	13.224	100.913	111.329
4th quarter	9.437	13.096	101.766	107.681
1994				
1st quarter	9.644	13.704	104.813	106.686
2nd quarter	9.713	13.790	105.190	103.976
3rd quarter	9.453	13.910	105.202	99.713
4th quarter	9.493	13.983	103.806	102.112
1995				
1st quarter	9.498	14.625	102.343	101.619
2nd quarter	9.473	14.969	98.646	98.093
3rd quarter	9.575	14.506	99.541	100.848
4th quarter	9.640	14.330	99.470	99.440
1996				
1st quarter	9.683	14.174	100.783	100.247
2nd quarter	9.782	14.130	101.451	98.292
3rd quarter	9.783	14.120	100.689	98.812
4th quarter	9.908	14.225	99.956	98.850
1997				
1st quarter	9.972	13.890	104.227	103.512
2nd quarter	10.083	14.297	104.722	104.884
3rd quarter	10.324	14.268	105.375	104.318
4th quarter	10.422	14.207	104.130	101.563
1998				
1st quarter	10.539	14.075	106.164	101.605
2nd quarter	10.558	14.092	105.523	103.529
3rd quarter	10.651	14.645	104.301	103.934
4th quarter	10.824	15.476	97.901	98.861
1999				
1st quarter	11.078	15.034	98.887	100.806
2nd quarter	11.295	15.096	100.280	101.689
3rd quarter	11.551	16.177	98.151	98.927
4th quarter	11.656	15.849	95.743	96.961

Source: IMF, *International Financial Statistics*.

1/ End of period.

2/ Relative consumer price indices in common currency. Weights for partner countries (numbering 19) are based on the Fund's multilateral trade model using 1988-90 average trade weights.

Table 48. The Gambia: Interbank and Parallel Market Exchange Rates, January 1997-March 2000
(Dalasis per unit of foreign currency, unless otherwise indicated; end of period)

	British Pound			U.S. Dollar			CFA Franc (5,000) 1/		
	Interbank mid-market	Parallel mid-market	Spread (percent)	Interbank mid-market	Parallel mid-market	Spread (percent)	Interbank mid-market	Parallel mid-market	Spread (percent)
1997 January	15.86	16.53	4.22	9.91	10.20	2.93	95.59	91.75	-4.02
February	16.06	16.60	3.36	10.03	10.55	5.18	92.08	93.13	1.14
March	16.08	16.00	-0.50	10.01	10.03	0.20	94.52	96.25	1.83
April	16.00	16.05	0.31	9.99	10.03	0.40	89.11	96.25	8.01
May	16.07	16.05	-0.12	10.06	10.52	4.57	89.10	89.75	0.73
June	16.25	16.75	3.08	10.19	10.52	3.24	87.88	89.75	2.13
July	16.65	16.75	0.60	10.30	10.52	2.14	87.08	89.75	3.07
August	16.59	16.68	0.54	10.31	10.67	3.49	83.96	94.38	12.41
September	16.67	16.60	-0.42	10.36	10.57	2.03	84.79	86.50	2.02
October	16.70	16.60	-0.60	10.36	10.57	2.03	88.65	86.50	-2.43
November	16.74	17.44	4.18	10.39	10.62	2.21	89.92	90.75	0.92
December	16.78	17.23	2.68	10.51	10.76	2.38	87.96	88.25	0.33
1998 January	16.80	17.15	2.08	10.56	10.62	0.57	88.32	87.25	-1.21
February	16.86	17.23	2.19	10.53	10.76	2.18	88.72	88.25	-0.53
March	16.84	17.53	4.10	10.53	10.87	3.23	88.76	89.25	0.55
April	16.96	17.64	4.01	10.54	10.88	3.23	87.48	88.50	1.17
May	16.98	17.80	4.83	10.54	10.93	3.70	86.90	88.50	1.84
June	17.00	17.53	3.12	10.59	10.87	2.64	87.51	89.25	1.99
July	17.27	17.97	4.05	10.59	10.97	3.59	89.69	89.50	-0.21
August	17.02	17.53	3.00	10.68	10.87	1.78	89.38	89.25	-0.15
September	17.08	17.53	2.63	10.68	10.87	1.78	91.20	89.25	-2.14
October	17.22	18.55	7.75	10.73	11.20	4.36	91.01	98.25	7.95
November	17.32	18.45	6.53	10.90	11.23	3.04	101.19	98.00	-3.15
December	17.35	18.53	6.80	10.99	11.45	4.17	95.55	99.50	4.13
1999 January	17.47	18.25	4.46	11.04	11.43	3.54	88.05	97.00	10.16
February	17.48	18.40	5.28	11.07	11.45	3.40	93.84	95.50	1.77
March	17.85	18.40	3.09	11.07	11.45	3.41	93.37	95.50	2.29
April	17.84	18.93	6.13	11.25	12.03	6.95	94.61	96.25	1.74
May	17.69	19.28	9.01	11.49	12.10	5.31	94.68	96.50	1.92
June	18.12	19.40	7.06	11.30	12.30	8.84	94.42	95.50	1.14
July	18.00	19.20	6.64	11.37	12.20	7.32	94.52	94.50	-0.02
August	17.85	19.28	8.03	11.42	12.15	6.36	95.18	96.50	1.38
September	17.96	19.18	6.81	11.66	12.33	5.76	95.22	94.00	-1.28
October	18.16	19.20	5.72	11.53	12.20	5.81	94.30	94.50	0.21
November	18.39	19.28	4.86	11.75	12.15	3.43	90.73	96.50	6.36
December	18.65	19.20	2.96	11.55	12.20	5.65	92.91	94.50	1.71
2000 January	18.45	20.28	9.90	11.68	12.60	7.89	94.47	95.50	1.09
February	18.64	20.05	7.56	12.01	12.68	5.60	93.49	92.50	-1.06
March	18.58	20.55	10.58	12.14	13.20	8.74	94.92	94.50	-0.44

Source: The Gambian authorities.

1/ Dalasis per CFAF 5,000.

(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
Taxes on net income and profits			
Taxes on companies and corporations			
1.11 Company tax	<p>Tax on companies having income accruing in, derived from, brought into, or received in The Gambia. "Company" is defined as any company or corporation incorporated or registered in The Gambia or elsewhere.</p> <p>Profit of a life insurance company is defined as investment income less management expenses (including commission). Where premiums are received outside The Gambia, the profit is taken to be the same proportion of the company's total investment income as The Gambia premiums bear to the total premiums, less The Gambia agency expenses and a fair proportion of the head office expenses. For other insurance companies having profits arising partly outside The Gambia, the profit for tax purposes is based on the gross premiums, interest, and other income received or receivable in The Gambia (adjusted for premiums returned, reinsurances, and unexpired risks). The actual losses, agency expenses in The Gambia, and a fair proportion of head office expenses are deductible.</p> <p>Companies exploiting a mine, oil well, or other sources of mineral deposits of an exhaustible nature are granted a depletion allowance. Expenditure taken into account for this purpose includes expenditure on acquisition of the deposits, on exploitation, and on the construction of works that will be of little or no value when the mineral source is no longer worked; it does not include expenditure on the acquisition of any site, on machinery or plant, on works for processing the raw products, or on buildings for workers or for use as offices. Provision is made</p>	<p>Income exempted includes the income or profits of (a) a local authority, district authority, government institution; the Central Bank of The Gambia; (b) a registered cooperative society; (c) an ecclesiastical, charitable, or educational institution of a public character where such income is not derived from a trade or business; (d) a body of persons (which excludes companies and partnerships) formed for the purpose of promoting social or sporting amenities not involving gain by the body or its members; (e) a registered trade union insofar as such income is not derived from a trade or business; (f) the operation of ships or aircraft carried on by a nonresident person subject to an equivalent exemption being granted by the country of his residence to persons resident in The Gambia; and (g) the investment income of an approved pension or provident society fund.</p> <p>Deductions allowed include (a) the written-down value (after deductions for depreciation) of plant, machinery, or fixtures sold or discarded, less any sum realized by the sale of an asset (or its market value if greater). The excess of the sale price (or market value) over the written-down value is treated as income up to the excess of the original cost over the written-down value; (b) expenditure on repair of premises, plant, machinery, or fixtures, and for the renewal, repair, or alterations of articles used in acquiring the income; (c) deduction of allowances in respect of capital expenditure on, and depreciation by wear and tear of plant, machinery, or fixtures arising from their use in a trade, business, profession, vocation, or employment: (i) an initial allowance of 20 percent</p>	<p>35 percent of net profits or 2 percent of turnover, whichever is higher. However, small companies incorporated and controlled in The Gambia after 1954 may benefit from relief as follows: (a) for the year of assessment in which the company commences trading and the subsequent year at a rate equal to the full rate of tax; (b) for the next two assessment years at a rate equal to the full rate of tax; and (c) for the next two assessment years at a rate equal to one third of the rate of tax. Such relief is subject to a reduction as follows: where the company's chargeable income exceeds D 5,000 the amount of chargeable income to be wholly or partly relieved from tax is restricted to any balance of such D 5,000 remaining after deducting one-half of the amount by which such chargeable income exceeds D 5,000. Relief is given only if the company (a) is engaged in a manufacturing activity approved by the Minister of Finance and (b) is not eligible for concessional treatment under the Development Act.</p> <p>For companies in the following sectors: health, education, agriculture, agrotech, fish processing, aquaculture, hotels, inland tourism, manufacturing, and development Banking, commencing business in the years of assessment 1998 and thereafter, the tax payable shall be as follows: (i) two-third of the tax rate of 35 percent for the first three years after commencement, (ii) thereafter, one-third of the tax rate of 35 percent from the</p>
1.11 Company tax (continued)	<p>for an initial allowance of 25 percent of the capital expenditure on the construction of works and 20 percent for plant and machinery; and an annual allowance for any qualifying expenditure</p>	<p>of the total cost (after deducting any sum contributed by another person), and (ii) an annual allowance of such sum as the Commissioner considers reasonable. Where the assets and the</p>	<p>fourth to the sixth year after commencement, and (iii) after the sixth year the full tax rate of 35 percent shall be payable, (iv) companies in these sectors will not be subject to turnover</p>

(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	<p>of 4 percent or 15 percent determined according to a special formula. There is also a balancing allowance on the sale by a going concern of any assets representing qualifying expenditure equal to the excess, if any, of the residual of the expenditure on those assets over the proceeds of their sale. Conversely, a balancing charge applies on the amount by which the proceeds exceed the residual. The full profits of a nonresident shipowner or charterer arising from the carriage of passengers, mail, livestock, or goods shipped in The Gambia are taxable there, except where the profits arise from passengers, brought in solely for transshipment, or from a casual call. Similar provisions apply to the profits of air transport and cable and wireless telegraph undertakings carried on by nonresidents.</p> <p>Starting in 1998, an accelerated capital allowance, to be determined by the Commissioner, shall be granted for companies operating in the following sectors: health, education, agriculture, agrotech, fish processing, aqua culture, new hotels, inland tourism, manufacturing, and development banking.</p>	<p>business, etc., do not have the same ownership, the deduction may not reduce the written-down value to less than the market value of the assets at the end of the relevant period; (d) subject to certain limitations, contributions by employers to pension and provident funds, approved by the Commissioner; (e) a deduction of a reasonable amount for the depreciation by wear and tear of premises, buildings, structures, and works of a permanent nature used for commercial, industrial, or banking purposes (including property used for the occupation or welfare of employees and property owned by property-dealing companies); the amount allowable is limited to: (i) 4 percent of the capital cost for the period in which it was incurred; (ii) for subsequent years, an annual allowance of 4 percent of the written-down value. However, for property other than mills, factories, and similar property, the erection of which commenced before January 2, 1953, the annual allowance is limited to 2 percent of the written-down value; and (f) any loss on the sale, demolition, or permanent disuse of property, etc., for which a deduction as at (e) has been given. The allowance given is equal to the written-down value (calculated by reference to such deductions less the proceeds of sale or any recoveries under an insurance policy. The excess of any such proceeds or recoveries over the written-down value is liable to capital gains tax (see below, 1.31).</p>	tax.

1.2 Taxes on individuals

1.21 Individual income tax

Tax on income accruing in, derived from, brought into, or received in The Gambia. Temporary residents who have no intention of establishing residence, and who have not resided in The Gambia for a period equal in aggregate to six months in the year of assessment, are not taxed on income arising outside and received in The Gambia. Income, wherever received, from any employment exercised in The Gambia is treated as having been derived there. The income other than the earned income of a married woman living with her husband is deemed to be the income of her husband. The earned income

Exemptions include (a) the official salaries and emoluments of the President (and his leave emoluments) or acting President and diplomatic staff; (b) certain lump sums received by way of retirement or death gratuities arising out of compensation schemes, and any sums payable to public officers as a gratuity under any contract or service agreement; (c) lump sums withdrawn by individuals on retirement from any pension, provident, or other approved society or fund; (d) wound and disability pensions granted to members of Commonwealth forces; (e) pensions granted under certain legislation concerning

Either (a)
Income range

0 to D 7,500
D 7,501 - 17,500
D 17,501 - 27,500
D 27,501 - 37,500
D 37,501 - 47,500
Over D 47,500

Tax Rate
Percent

0
10
15
20
25
35

Or (b)

3 percent of turnover or gross receipts,

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	<p>of a married woman is assessed in her hands separately.</p> <p>Income includes (a) gains or profits from any trade, profession, or vocation; (b) gains or profits from any employment including allowances paid in money other than reimbursements for expenditure actually incurred, but excluding (i) the value of any quarters or residence if the employee earns less than D 625 a month or is employed by a government or quasi-government corporation, etc., or approved non-profit-making institution, and (ii) the value of any passage from or to The Gambia provided by the employer and the amount of any reimbursement of expenses actually incurred; (c) dividends, interest, or discounts; the income of a shareholder in a company controlled by not more than five persons may be deemed to include undistributed income of the company; (d) pensions, charges, or annuities; (e) rents, royalties, premiums, and any other profits arising from property, but excluding the annual value of owner-occupied property; and (f) income arising outside The Gambia and brought therein, except accumulated and taxed profits abroad.</p>	<p>widows and orphans; (f) the income of bona fide students in full-time attendance at a school, training center, etc.; (g) certain emoluments payable to noncitizens under an agreement with another government, organization, etc., for technical assistance; etc.; and (h) income from employment, trade, business, or profession exercised outside The Gambia and received therein.</p> <p>A standard deduction of D 7,500 is allowed to every taxpayer, starting January 1993.</p>	<p>whichever is the higher.</p> <p>Standard allowance: D 7,500.</p>
1.21 Individual income tax (continued)	<p>For residential properties, a withholding tax of 10 percent of gross rents is applied.</p> <p>"Assessable income" is income from all sources, excluding exempt income and after permitted deductions; "total income" is assessable income less any offset for losses; and "chargeable income" is total income less allowances for individuals.</p> <p>The amount of a loss incurred by the taxpayer in the year of assessment in any trade, business, profession, or vocation is deductible from assessable income in determining total income, providing it is claimed within 12 months after the end of the year of assessment. There is provision for the carry-forward of any loss not allowed</p>		

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	<p>against assessable income up to a maximum of six years, but only by the person who incurred the loss, and for the same business.</p> <p>Tax is levied for the year of assessment ending on December 31 upon the income of the same calendar year, or the accounting year ended in the preceding year. There are special provisions for allocating the income in respect of the commencement and cessation of a business, employment, etc. Partners are required to make a joint return in respect of their partnership income, but they are liable to tax only in their separate, individual capacities.</p>		<p>The tax rate chargeable on the income of companies for the year of assessment within which the due date for payment of the interest falls (35 percent). The rate paid or payable by the company on the assessed income of the year of assessment within which the dividend is declared payable (35 percent).</p>
1.22 Withholding at source	<p>(a) Monthly deductions from public emoluments, subject to adjustment when the liability is finally determined. Any other employer is obliged to collect the tax payable by an employee in monthly installments, as prescribed by the Commissioner;</p> <p>(b) persons paying mortgage or debenture interest, deductible in ascertaining their income to nonresidents; (c) companies resident in The Gambia on dividends paid to shareholders (the tax so deducted can be credited against the shareholder's tax liability); (d) the Commissioner may, if necessary, appoint any person as the agent of a taxpayer for the purposes of the Act and require him to pay any tax due from any money, including remuneration or pensions, payable from him to the taxpayer. Pensions are no longer taxable.</p>		
1.31 Capital gains tax	<p>Tax on net capital gains arising from transfer of capital assets (namely, premises, buildings, or land, structures or works, and permanent fixtures) or on the selling price of transferred capital assets, whichever is higher. Transfers include sale, exchange, or extinction of interest or compulsory acquisition of capital assets. Gains include those arising from transfer of assets under a gift or will and distribution of assets or dissolution of business.</p>	<p>Capital losses can be offset against capital gains in the same year of assessment. Gains on transfer of land used for agricultural purposes and property being used for residential purposes are not chargeable if owner occupied the house/land for two years before sale and reinvested profits within three years of sale.</p>	<p>Gains of D 5,000 and below are exempt. Rates of tax: companies, 25 percent of net gains or 10 percent of selling price; individuals, 15 percent of net gains or 5 percent of selling price.</p>

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
2. Payroll tax	Fixed annual levy on expatriates in executive, managerial, and supervisory grades in commerce and industry.	Expatriates in the public service, international organizations, and charitable institutions are exempt.	D 30,000 per person.
3. Taxes on goods and services			
3.1 Turnover tax	Tax on turnover of parastatals and other government institutions in surplus positions and which are exempted by legislation from payments of taxes on profits.		2 percent for audited accounts or 3 percent for noncomplying companies.
3.2 Sales tax	Tax imposed on the sale price of all goods manufactured or imported and on services such as: hotel accommodations, telecommunications, insurance, air services, restaurants and bars, cinematographs, night clubs and casinos, and gambling houses.	(a) Educational, technical, cultural, and religious institutions; (b) food and drinks not imported or industrially processed; (c) feeds for animals; (d) semifinished products to produce (b); and (e); (e) medicines; (f) production equipment excluding office equipment, motor vehicles, and electric generators; (g) butane gas and gas cookers; (h) school textbooks; (i) imported day-old chicks; and (j) packaging and freight for exports.	10 percent. 15 percent for GAMTEL telecommunications services.
3.3 Selective taxes on activities			
3.31 Business and professional licenses			
3.31.1 Business registration tax	Business registration fee		Annual fees are set at D 1,000 for externally registered firms with local branches, D 500 for local companies and partnerships, and D 250 for other local businesses. Nonincorporated shopkeepers at the wholesale level are assessed an annual fee of D 500, while retail shopkeepers with a turnover of more than D 10,000 per year are assessed a fee of D 200; those with turnover below D 10,000 are assessed a fee of D 150.
3.31.2 Professional tax	Tax on professionals working in the country. This tax is tied to the issue of an annual license that is renewable and levied on doctors, lawyers, accountants, and surveyors.		D 10,000 per annum.
3.32 Motor vehicle taxes			

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
3.32.1 Motor vehicle licenses	License fee on the gross weight of commercial goods vehicles, the carrying capacity of commercial passenger vehicles, and the net weight of private vehicles.		Commercial goods vehicles: D 137.85 per year on trucks not exceeding 100 cwt. gross weight to D 278.58 per year on trucks in the 100-120 cwt. weight bracket, with D 11.98 per 5 cwt. additional on trucks over 120 cwt. and D 25 additional on vehicles over 125 cwt.. Trailers: D 19.97 per cwt. Commercial passenger vehicles: D 149.83 per year for three-passenger vehicles to D 433.35 per year for buses carrying more than 24 passengers. Private vehicles: D 96.85 per year on cars not exceeding 20 cwt. to D 168.75 per year on cars in the 40-50 cwt. weight bracket; Motor scooters: D 40.97 per year. Motorcycles: D 48.96 per year. There are also corresponding half-yearly or December-only rates.
3.32.2 Road tax	Additional to vehicle licenses.		Motorcycles D 20 per year; private motor vehicles D 70 per year; commercial taxis, D 150 per year, and commercial trucks and buses D 1,050 per year.
3.32.3 Driving license			D 20 per year.

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
Taxes on international trade and transactions	Tax on value of imported goods to be declared on customs entries. Normally for goods imported under a contract of sale negotiated in fully open market conditions, the value is represented by the price made under that contract, adjusted as necessary to a c.i.f. basis. Items are identified by the Harmonized Commodity Description and Coding System identify items.	General exemptions include goods in transit; goods for use as aircraft's or ship's stores; advertising material having no commercial value as such; mosquito-proof gauze and netting; personal effects; certain goods imported by, or on behalf of, the government, privileged persons (within prescribed limits) and institutions; and certain goods (building materials, plant, and machinery) purchased by the holders of development certificates during their tax holiday period.	For all goods, there is one unified tariff rate irrespective of country of origin, ranging from 0 percent to 20 percent. Generally, luxury goods are duties at the higher rates. Motor vehicles are duties at rates from 14 percent to 20 percent. Second hand vehicles are duties at a minimum duty rate of D 10,000.00 (plus D 1,000.00 environmental tax for second hand cars).
4.1 Import duties	If there is no invoice, the value is the price that the goods would fetch on sale in the open market in The Gambia, including freight, insurance, commission, and all other costs up to the port or place of importation.		Following the introduction of the flexible exchange rate system, in February 1986, specific rate of duty on beverages, portable, spirits, oil, tobacco, sugar and certain other products were converted to equivalent ad valorem rates. Alternative special duty rates have been reintroduced to combat under valuation duties for imported spirits and wine have been reduced to 20 percent with an introduction of revenue tax (D 25.00 per liter) (excise duty import) on the stated items effective January 1, 1999.
4.11 Customs duties	A levy of sales tax on the total earnings of lawyers was introduced effective August 1998.		Duties on fuel are calculated according to a formula agreed with the oil companies based on specific duty rates. Following introduction of a 10 percent sales tax in July 1998, which replaces the 6 percent import tax, import duties have been lowered by an average of 4 percent.
4.11 Customs duties (continued)			The National Water and Electricity Company pays 20 percent of the normal duty rate on imports of petroleum products.
			Following the introduction of the flexible exchange rate system, in February 1986 specific rates of duty on beverages, potable spirits, oil, tobacco, sugar, and certain other products were converted to equivalent ad valorem rates. Alternative specific duty rates have been reintroduced to combat undervaluation. Duties on imported spirits

(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5. Other taxes			
5.1 Stamp duties	<p>Instruments Subject to Duty</p> <p>agreements</p> <p>awards</p> <p>bills of exchange</p> <p>conveyances</p> <p>insurance policies</p> <p>leases</p> <p>mortgages</p> <p>Persons Liable</p> <p>partial thereto</p> <p>person making or executing the award</p> <p>drawer or acceptor</p> <p>transferee</p> <p>issuer</p> <p>lessee or tenant</p> <p>mortgages</p>	<p>General exemptions include (a) instruments effecting the payment of money to or for acknowledging any such payment to or receipt by or on behalf of the government; (b) instruments for the conveyance of any property or any interest therein to the government; (c) instruments whereby any contract is made by the government or on its behalf with another person; (d) contracts or instruments made or executed by any responsible officer of the government under the authority of any act; (e) instruments of which the duty would be payable by any consular officer arising out of his official functions, subject to reciprocity by the government he represents; and (f) instruments for the acquisition of land by any foreign state for the purpose of a consular office, subject to reciprocity.</p> <p>Certain other exemptions are provided within the categories of instruments generally liable to duty.</p>	<p>Rates of duty are specific and vary according to the nature of the instrument, the matter to which it relates, and the value thereof.</p>
Development Act, 1988	<p>Tax Incentives</p> <p>Any person engaged in a development project (in manufacturing industry; agriculture, livestock, fishing, and forestry; mining and quarrying; and tourism) may apply for a Development Certificate, which specifies, inter alia, the factory construction (or alteration, extension, etc.) date, the production date, the tax credits to be granted, and their duration. The provision of tax credits is limited to companies that either export at least one-half their output or of which 70 percent or more of their total current inputs originate from The Gambia. All development certificate holders are eligible for: (a) a tax credit certificate equivalent to 10 percent of local content used in the capital and construction phase, and in the first five fiscal years following production; (b) an offset against taxation equivalent to double the cost of training provided to management and employees in skills relating to the operations of</p>		

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(All amounts in dalasis)

Tax	Nature of Tax	Exemptions and Deductions	Rates
Development Act, 1988 (continued)	the enterprise; and (c) accelerated depreciation at twice the normal rate for infrastructure supplied that is also available to other users.		
	In accordance with the terms of the Development Certificate, a tax credit certificate is granted for a period of no more than two years for (a) the total or partial exemption of customs duties on the following items: (i) the approved capital equipment, plant, building material, machinery, and appliances to be used in establishing the project; and (ii) the approved quantity of semifinished products, spare parts, and other supplies to be used in the production operations; and (b) the total or partial exemption from payment of company tax or turnover tax.		
	The tax credit certificate shall indicate the amount of money the Government should forgo, and the holder of a Development Certificate may, at the end of the tax holiday period, set off unused tax credits against future tax or customs duty liabilities. The Development Certificate does not confer any special status with respect to the income tax.		