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The Gambia: Selected Issues and Statistical Appendix

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THE GAMBIA

Selected Issues and Statistical Appendix

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Approved by the African Department

August 21, 2008

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I. External Stability and Competitiveness in The Gambia[1]

Main Findings

The exchange rate is broadly in line with fundamentals, although data weaknesses and uncertainties prevent a definitive assessment. Prudent debt management and structural reforms are central to external stability and competitiveness.

External stability

Balance of payments flows. Historically, except for an abrupt fall in reserves in 2001 due to macroeconomic slippages, the overall balance of payments (BOP) has averaged an annual surplus of 2 percent of GDP since 1997. A widening current account deficit since 2004 reflects foreign direct investment in tourism and telecommunications.

The macroeconomic balance approach finds that The Gambia's current account deficit is higher than economic fundamentals would predict and a depreciation of 11 percent would be needed to restore sustainability.

The external sustainability approach suggests that a 4-6 percent depreciation is needed for the current account deficit to be consistent with constant net foreign assets as a share of GDP.

The equilibrium real exchange rate (ERER) approach finds evidence of slight *over*valuation (2 percent) using single-country estimation, and significant *under*valuation (33 percent) using evidence from a panel of countries.

Competitiveness

The Gambia's real exchange rate has depreciated significantly over the last two decades, consistent with relatively low productivity growth.

Structural indicators of competitiveness rank The Gambia better than many ECOWAS peers but suggest that structural improvements would boost competitiveness.

A. Background

1. **The Gambia's exchange rate regime is a managed float.** Though the exchange rate of the dalasi is determined in the interbank foreign exchange market, the Central Bank of The Gambia (CBG) intervenes in the market from time to time to (1) accumulate foreign reserve assets to meet targets or prevent reserves from being depleted, and (2) calm disorderly conditions when the exchange rate is volatile and the market illiquid.

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[1] Prepared by Sutapa Amornvivat, Lawrence Dwight, and Chris Marsh.

2. **There have been strong balance of payments inflows in recent years**:

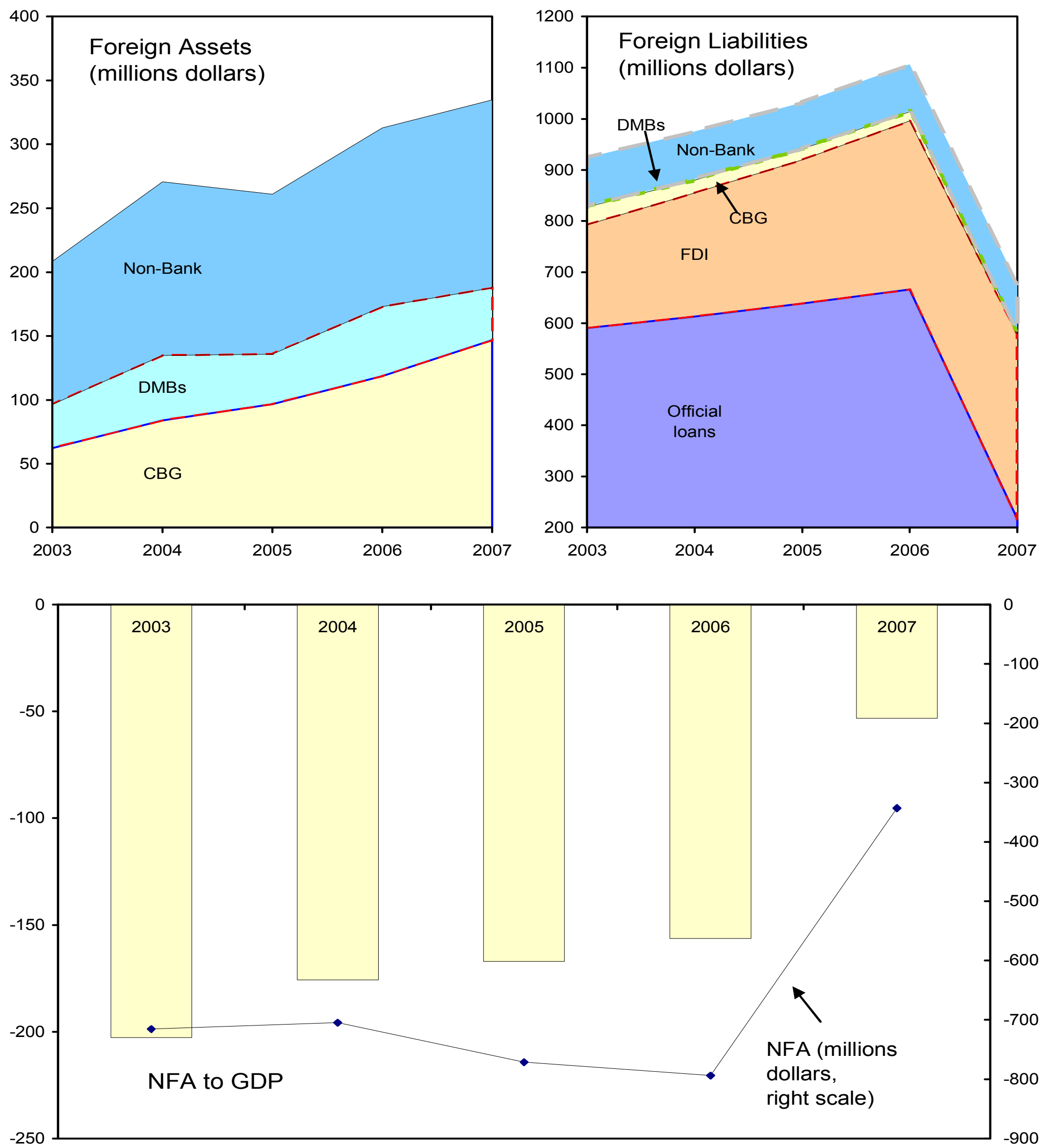
- ***Foreign assets.*** Private banks and nonbanks have accumulated significant foreign assets in recent years (see Figure I.1), owing to strong external performance—in particular, in the tourist sector—and large inflows of foreign direct investment (FDI). During this time, the CBG also accumulated international reserves, increasing reserve cover.

- ***External liabilities.*** After official external debt, the largest component of external liabilities in The Gambia is the estimated stock of FDI of about $200 million—about one-third of GDP. Until recently external liabilities were dominated by official debt. However, at the end of 2007 HIPC and MDRI relief of about US$377 million considerably reduced external indebtedness.

3. **The recent dalasi appreciation also reflects solid external performance.** After a period of trend dalasi depreciation in nominal and real terms since the mid-1980s, solid external performance created pressures that brought about a nominal and real appreciation in 2007. However, the impact of appreciation on the tourism sector is yet to be seen, since prices were largely negotiated with tour operators before the appreciation.

4. **Despite improvements, data deficiencies complicate assessment of external developments in The Gambia.** Box I.1 revisits the findings of a previous selected issues paper describing data shortcomings. While BOP data are continuously being improved, a rough calculation of possible margins of error suggests the current account balance could be over- or under-estimated by as much as 2 percent of GDP.

Figure I.1. Foreign Assets, Liabilities, and Net Position



Source: BIS, CBG, GIPFZA, DoSFEA, and staff estimates.

BOX I.1. DATA DEFICIENCIES IN THE GAMBIA'S BALANCE OF PAYMENTS

An earlier Selected Issues Paper (see IMF, 2004) described the "constraints and data deficiencies faced in the compilation, and the implications for the interpretation of balance of payments figures." While the central bank (CBG) has recently begun to publish quarterly BOP data, significant weaknesses remain. This box summarizes the major data constraints.

- **Trade balance.** It is estimated that 30 percent of all imports are reexported, generating a surplus on the services account. But official export data are patchy and based in part on information on the groundnut trade and an estimate of informal trade with Senegal based on crop size. Uncertainties in these estimates could impact the current account balance by ½ percent of GDP.
- **Services balance.** Services are dominated by tourism, reexport earnings, and an estimate of service imports. Though tourist arrival figures are reliable, expenditure and earnings per hotel bed are IMF staff estimates. Reexport earnings are thus subject to caveat. Moreover, service imports are based on estimated insurance and freight plus a figure for the unknown purchase of services by residents. Together these suggest a 1 percent margin of uncertainty in the estimated current account as a percent of GDP.
- **Income and current transfers.** Recently, the CBG has begun collecting remittance data from the banks, which has led to an upward revision in estimated inflows. Official transfer data are reasonably accurate, and the new Central Project Management and Aid Coordination Department (in the Department of State for Finance and Economic Affairs) should improve the timeliness and frequency of data. Income estimates rely on estimated returns from FDI (see below), generating a margin of uncertainty on the current account balance of about ½ percent of GDP.
- **Capital and financial account.** Changes in the net foreign assets of banks and nonbanks are reliable. Official borrowing figures are adjusted to account for the lag on implementation of projects. FDI data are based on information on inward investment compiled by the investment agency, GIPFZA. These data are not collected explicitly for BOP purposes, capture only official investment, and do not record nonresident investment in vacation homes or reinvested earnings from FDI. These items are estimated by staff.

There is thus considerable uncertainty about the current account balance. While reported figures reflect the best estimates of staff and the authorities, the margin of uncertainty could be as large as 2 percent of GDP

B. External Stability

5. Because different methods of assessing external stability give different results, rather than relying on any single methodology, it is best to take a holistic approach based on a variety of methods. In this chapter The Gambia's external stability is examined using four approaches: (i) the evolution of the balance of payments; (ii) the macrobalance approach; (iii) the external sustainability approach; and (iv) the equilibrium exchange rate approach.[2] Estimates for The Gambia's real effective exchange rate (REER) range from overvaluation of

[2] The basics of each approach are explained below. More detail on the methodologies can be found in Lee et al., 2008.

11 percent to undervaluation of 33 percent (see Table I.1), but the latter derives from a cross-country regression that does not seem to account well for developments in the Gambia's external balance. The other approaches suggest a slight-to-modest overvaluation, but the estimates are well within the margins of error for a result of no overvaluation. As a result, we conclude that The Gambia's real effective exchange rate is in line with what economic fundamentals would suggest.

Table I.1. Summary of Results—External Stability and the Real Exchange Rate

Technique	**Assessment**	**Over- (+) or Under- (-) Valuation** (Percent)
Balance of payment flows	Flows in line with fundamentals	0
Macroeconomic balance approach	Current account deficit broadly in line with fundamentals	+11
External sustainability approach	Current account deficit broadly in line with fundamentals	+4 to +6
Equilibrium real exchange rate	REER broadly in line with fundamentals	+2 to -33

Historical evolution of the balance of payments

6. The balance of payments approach inquires into the sustainability of The Gambia's current account deficit based on the nature and sustainability of capital inflows and the level of its international reserves. From 1997 to 2007, The Gambia's balance of payments has been roughly in balance. However, a structural shift beginning in 2004 that resulted from higher direct investment led to a corresponding increase in imports (see Figure I.2).

- From 1997 to 2003 the **current account** registered an average deficit of only 2½ percent of GDP but for 2004–07 it ballooned to an average deficit of 11 percent.

-- The deficit on trade in goods and nonfactor services grew from an average of 11 percent of GDP for 1997–2003 to an average of 27 percent for 2004–2007 as imports of goods jumped.

-- The jump in imports was partially offset by an increase of about 3 percent of GDP in the surplus on the services account.

- Developments with the **capital and financial account** were dominated by the increase in direct investment from an average of 3½ percent of GDP for 1997–2003 to 13¼ percent for 2004–07.

-- The increase in direct investment mainly went to telecommunications and tourism projects.

-- Other investment averaged less than 2 percent of GDP for both periods.

-- Similarly, portfolio investment was negative, reflecting portfolio outflows, but constituted less than 1½ percent of GDP.

- Developments in The Gambia's **international reserves** are dominated by the severe deterioration of the BOP in 2001 that resulted in a 10 percent of GDP decline in international reserves. Except for this episode, international reserves grew on average by ½ percent of GDP annually in 1997–2003 and by 4 percent annually for 2004–07.

- The **real depreciation of The Gambia's currency** by more than 50 percent between 2000 and 2003 does not seem to have had much impact on the trade balance.

-- Contrary to expectations, despite the depreciation, exports declined from 28 percent of GDP in 2000 to 22 percent in 2004. Imports declined from 36 percent of GDP to 29 percent from 2000 to 2001, but in the following years they rose to 33 percent by 2003 and increased investment in 2004 stimulated a large jump to 47 percent.

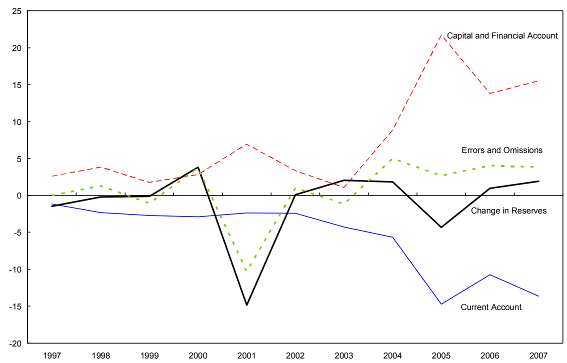
- In conclusion, **The Gambia's balance of payments seems sustainable** on a flow basis. The deficit on the trade balance has been financed by direct investment and an improvement in the services balance. While the surge in direct investment may not be maintained, imports would likely drop in line with any fall off in investment.

-- Although the ***flows*** in the balance of payments seem sustainable, the current account deficit could lead to an unsustainable ***stock*** of net foreign liabilities. Indeed, because of large debt stocks, The Gambia received HIPC/MDRI relief in 2007. The Gambia's net foreign assets are assessed below in the section on the external sustainability approach.

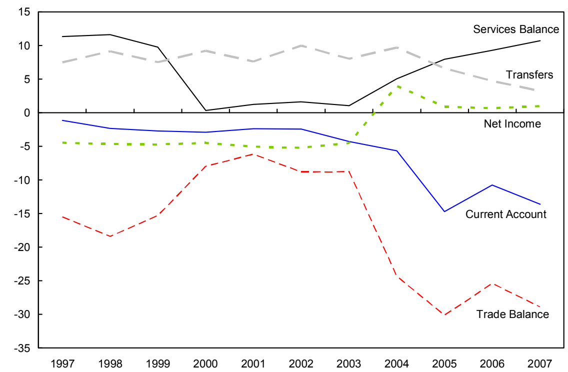
Figure I.2. Developments in the Balance of Payments, 1997–2007

(Percent of GDP)

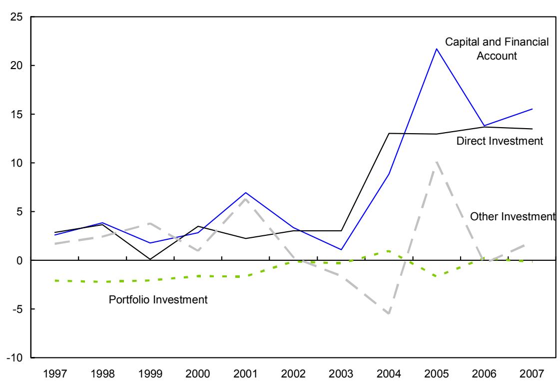
Overall Balance of Payments



Current Account

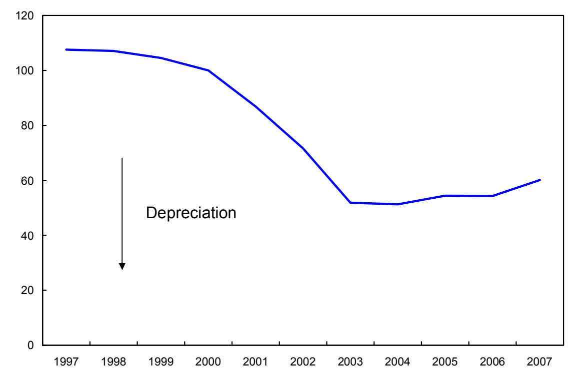


Capital and Financial Flows



Real Effective Exchange Rate

(Average for 2000 = 100)



The macroeconomic balance approach

7. The macroeconomic balance approach compares The Gambia's underlying current account balance with an appropriate savings-investment norm. The approach proceeds in three steps:

- The actual current account deficit is stripped of temporary factors to arrive at an estimate of the underlying current account deficit.

- A savings-investment norm is estimated based on cross country data.

- Trade elasticities are used to estimate the change in the exchange rate that would be required to bring the underlying current account to the level implied by the savings-investment norm.

8. **For 2007 the actual current account deficit was 12.5 percent of GDP and the underlying deficit** is estimated at 11.7 percent. This estimate is derived as the average of four different techniques to remove temporary factors (see Table I.2). The first technique subtracts factors that may have caused the current account deficit to deviate from its underlying value. In 2007, the main factor is the decline in the groundnut sector due to poor rains and bad marketing. The second technique uses the *World Economic Outlook* forecast for 2013, which is generated assuming that temporary factors unwind over the medium term. Finally, the last two techniques rely on data filters, specifically a three-year moving average and a Hodrick-Prescott filter. The average of the four techniques is taken as the best estimate of The Gambia's underlying current account balance.

Table I.2. Estimate of Underlying Current Account Balance

	Value (Percent of GDP)
2007 actual current account balance (–12.5) minus temporary decline in groundnut sector (–2.5)	–10.0
World Economic Outlook forecast (2013)	–11.1
3-year moving average	–13.0
Hodrick-Prescott filter (λ=100)	–12.7
Average	–11.7

9. **Based on coefficients derived from cross-country regressions, the appropriate savings-investment norm for The Gambia is estimated to be 3.8 percent of GDP** (see Table I.3). There are three main contributors to the current account norm: (i) high population growth relative to major trading partners implies a structural deficit of about 2 percent of GDP; (ii) the negative NFA position implies a deficit norm of about 1 percent of GDP because debt service payments are higher; and (iii) the average fiscal deficit of 5 percent of GDP over the last three years implies higher imports. Taking the average of the pooled and fixed effects estimation from the macroeconomic balance approach implies a 3.8 percent current account deficit norm.

10. **However, there are reasons for caution in using cross-country regressions to derive a current account norm for The Gambia:**

- First, the country has had relatively high FDI inflows in the last few years—over 13 percent of GDP—starting in 2004 and stimulating a sharp increase in imports. FDI is not a factor considered in the cross-country regressions used to derive the saving-investment norms.

- Second, low-income countries like The Gambia often receive large foreign aid inflows. To the extent these are official grants and are included in the current account, they may reduce the underlying current account balance. However, to the extent that aid inflows take the form of loans, they may provide financing for a significant increase in the current account deficit. For 2004–2007, official grants to The Gambia averaged 4½ percent of GDP and official loans averaged 7½ percent. Foreign aid inflows are also not a factor in the cross-country regressions used to derive the savings-investment norms. Other econometric studies (for example, Isard and others, 2001) suggest that about half of foreign aid inflows are translated into an increase in the current account deficit.

Table I.3. Calculation of the Current Account Norm

	Data for The Gambia	Pooled Coefficients	Fixed Coefficients	Pooled Coefficients	Fixed Coefficients	
Fiscal balance	-3.4	0.20	0.32	-0.68	-1.09	
Old age dependency	...	-0.14	-0.23			
Population growth	1.8	-1.21	-0.47	-2.18	-0.85	
Initial NFA	-67	0.02	...	-1.34		
Oil balance	-3.2	0.23	0.31	-0.74	-0.99	
Per capita growth	-0.5	-0.21	-0.27	0.11	0.14	
Relative income	4.7	0.02	...	0.09		
Banking crisis	...	0.01	...			
Asian crisis	...	0.06	0.07			
Financial center	...	0.03	...			
						Average
Estimated current account norm				-4.7	-2.8	**-3.8**

Coefficients taken from page 5 of IMF Occassional Paper 261

11. **The exchange rate depreciation required to close the 8 percent of GDP gap between the underlying current account and its equilibrium value is estimated to be 11 percent**. Trade elasticities (the percentage change in the value of exports and/or imports with respect to a percentage change in the real exchange rate) were calculated using standard CGER elasticities augmented somewhat for the lagged impact of the real exchange rate on tourist arrivals, suggested by experience since 2001 (see Table I.4). This implies a 1.4 percent depreciation is necessary to improve the current account by 1 percent of GDP. A 10.9 percent real depreciation would be needed to close the 7.9 percent of GDP gap between the underlying and norm current accounts (see Table I.5).

12. However, the large FDI and aid inflows suggest that the norm for The Gambia's underlying current account deficit should be higher than the results of the cross-country regressions suggest. As a result, the macrobalance approach may be biased toward suggesting a larger overvaluation than is actually the case.

Table I.4. Trade Elasticities

Export Elasticity (Elas X)	-1.14
Import Elasticity (Elas M)	0.92
Share of exports of goods and services in GDP, X/GDP	0.33
Share of imports of goods and services in GDP, M/GDP	0.37
Elasticity of the current account (with respect to the REER)	-0.72
= Elas X * (X/GDP) - Elas M * (M/GDP)	
Required percentage change in the REER to improve	-1.4
the current account by one percent of GDP	

Table I.5. Calculation of Over/Under Valuation
via the Macroeconomic Balance Approach

Underlying current account	-11.7
Current account norm	-3.8
Gap	-7.9
Elasticity of the current account to the REER	-1.4
Estimated over (+) / under(-) valuation	10.9

The external sustainability approach

13. **The external sustainability approach estimates the current account balance consistent with an appropriate level of external indebtedness**. Like the macrobalance approach, it involves three steps: (i) calculating the level of the current account that stabilizes the net foreign asset position (NFA) at a given level; (ii) comparing the underlying current account balance with that benchmark; and (iii) computing the adjustment in the REER needed to align the underlying current account balance with the NFA-stabilizing level.

14. It can be shown that the current account balance consistent with an unchanged NFA-to-GDP ratio is[3]:

$$(1) \qquad ca^s = \frac{g+\pi}{(1+g)(1+\pi)} b^s$$

where: ca^s = stabilizing level of the current account balance to GDP

g = estimated growth rate of real GDP

π = estimated GDP inflation

b^s = stable NFA-to-GDP ratio

For The Gambia the following assumptions are made:

ca^s = –11.7 % (underlying current account deficit in 2007)

g = 5¼ % (projected growth rate of real GDP)

π = 4¼ % (projected growth in the GDP deflator)

b^s = –70 % (NFA-to-GDP ratio at the end of 2007)

Implications of current levels of the current account and NFA

15. **The main problem in implementing the external sustainability approach is the choice of NFA target**. Before selecting a target it is useful to consider two benchmark cases: (1) the long-run NFA position that would result from maintaining the present underlying current account balance; and (2) the current account balance required to stabilize the NFA position at its current level.

16. **The 2007 underlying current account deficit is not sustainable**. In the section on the macroeconomic balance approach, the underlying current account deficit including grants was estimated at 11.7 percent of GDP for 2007. The Gambia's real growth rate is estimated at 5¼ percent and inflation at 4¼ percent based on the projections for these variables over the long term (2008–2028). According to equation (1), a current account balance of –11.7 percent of GDP would result in a long-run NFA position equal to –132 percent of GDP. Thus, the 2007 underlying current account deficit is clearly unsustainable over the long run.

[3] See Lee and others (2008) for additional detail on the external sustainability approach.

17. **Sustaining the 2007 net foreign asset position would require a depreciation**. The Gambia's end-2007 NFA position is estimated at –67 percent of GDP. A current account deficit of 5.9 percent of GDP is required to keep NFA at this level, close to the norm of 4.0 percent estimated from the macroeconomic balance approach. Using the coefficients in Table I.4, a real depreciation of 7.6 percent would result in a stable NFA to GDP ratio.

Table I.6. Implications of Maintaining 2007 Levels of the Current Account and Net Foreign Assets

Underlying Current Account Balance: of: –11.7 percent of GDP	=>	Steady State NFA Position: of: –132 percent of GDP
Steady State NFA Position of: –67 percent of GDP	=>	Current Account Balance of: -5.9 percent of GDP

Choosing an NFA target

18. While the current value of NFA serves as a benchmark, the appropriate target may be a different level. Here we construct a target NFA position assuming that the current values for The Gambia's gross foreign assets remain unchanged and setting an upper limit on gross foreign liabilities. The results are shown in Table I.7. In 2007 The Gambia's NFA measured 67 percent of GDP. Net foreign exchange reserves measured 20 percent of GDP, net bank claims on foreigners 6 percent of GDP, net nonbank claims on foreigners 9 percent of GDP, and public external debt 47 percent of GDP.

19. In 2007 the bank and nonbank sectors both had net creditor positions. In choosing an NFA target, it is assumed that these sectors could sustain an increase in gross foreign liabilities up to the level of gross foreign assets—they do not become net debtors. The debt sustainability analysis for The Gambia sets the maximum level of the NPV of debt at 30 percent of GDP. This corresponds to a nominal face value of approximately 60 percent of GDP, compared to the actual 50 percent after debt relief at the end of 2007. Finally, it is assumed that The Gambia can sustain an increase of 10 percent of GDP in FDI. However, if FDI does not increase as expected, the NFA and current account targets would need to be reduced. A second scenario sets a lower NFA target on the assumption that FDI falls by 10 percent of GDP instead of increasing.

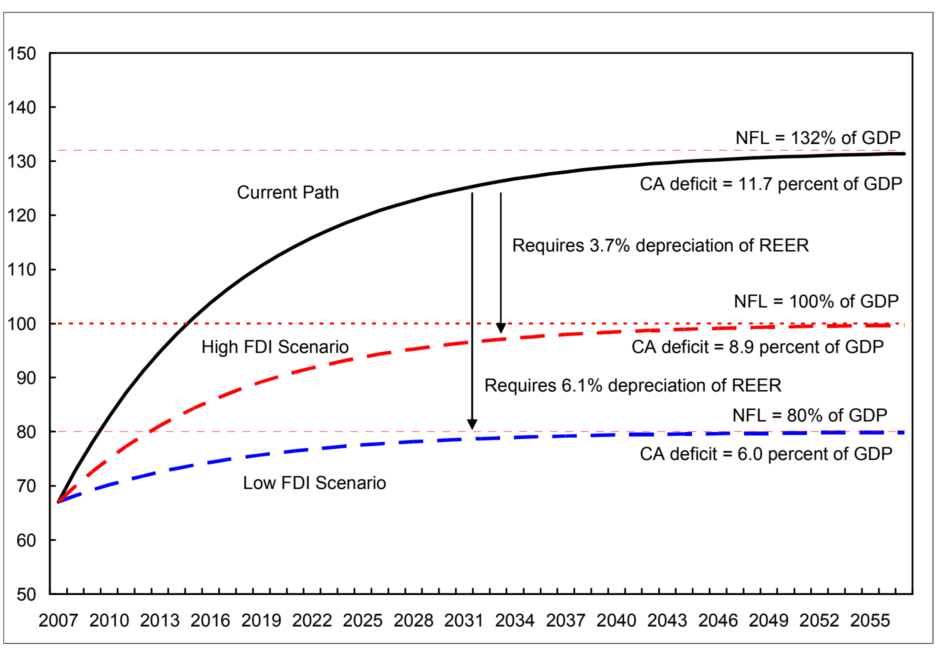
20. It is therefore estimated that The Gambia's sustainable net foreign liability position could increase by 33 percent of GDP in the high FDI scenario but only 13 percent in the low

scenario. Equation (1) then produces a current account target of 8.9 percent of GDP in the high scenario and 7.1 percent in the low. To close the gap with the underlying current account deficit of 11.7 percent of GDP would require a real depreciation of 3.7 percent of GDP in the high scenario and 6.1 percent in the low (see Figure I.3).

Table I.7. Current and Target Net Foreign Assets

	Current 2007	Target with High FDI	Target with Low FDI
Net Foreign Assets (Assets - Liabilities)	-67	-100	-80
Assets	49	49	49
FDI	...	...	...
CBG net reserves	20	20	20
Bank claims abroad	6	6	6
Nonbank claims abroad	23	23	23
Liabilities	116	149	129
FDI	55	65	45
Bank debt	0	6	6
Nonbank debt	14	23	23
Public debt	47	55	55

Figure I.3. NFA Target and Required Depreciation



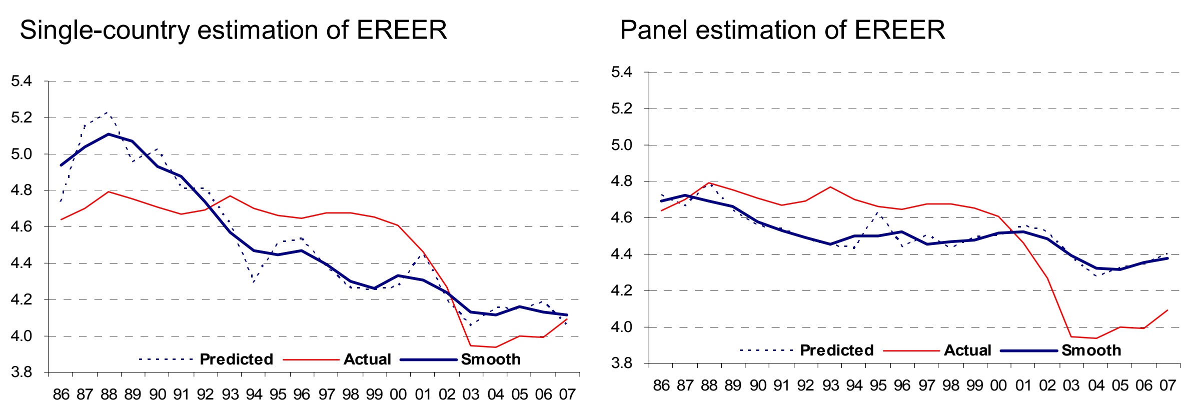
Equilibrium real exchange rate (ERER) approach

21. **The equilibrium real exchange rate (ERER) approach attempts to determine whether the real exchange rate is in line with economic fundamentals by regressing the REER on key macroeconomic variables**. Both single-country and panel results were used to assess The Gambia's REER (Figure I.4).

- **The single-country model suggests the dalasi was overvalued by 2 percent in 2007.** In the model, the fundamentals—in particular terms of trade, openness, productivity growth, and government consumption—predict a trend dalasi real depreciation against trading partners since the mid-1980s. In these terms, the depreciation around 2002 was consistent with the trend in fundamentals. Moreover, the recent dalasi appreciation is a return to fundamentals after a previous over-depreciation. The dalasi REER is now slightly overvalued.

- **Using coefficients from a panel of 28 oil-importing sub-Saharan African countries (Chudik and Mongardini, 2007), the dalasi was instead undervalued by 33 percent in 2007.** However, the panel data do not show any response in the model to exchange rate depreciation in about 2001–03, which suggests the findings may not be robust.

Figure I.4. EREER Estimations



C. Competitiveness

Evolution of the real effective exchange rate

22. Figure I.5 shows the evolution of The Gambia's REER, nominal effective exchange rate (NEER), and inflation differential versus partner countries from 1980 through 2007. The REER went through several stages during this period:

- From independence in 1965 until 1986, when the dalasi was pegged to the British pound, the REER was relatively stable, staying within 4 percent of its index average (141) throughout.

- In 1986, the dalasi was allowed to float. This resulted in a 50 percent drop in the NEER and a 28 percent drop in the REER.

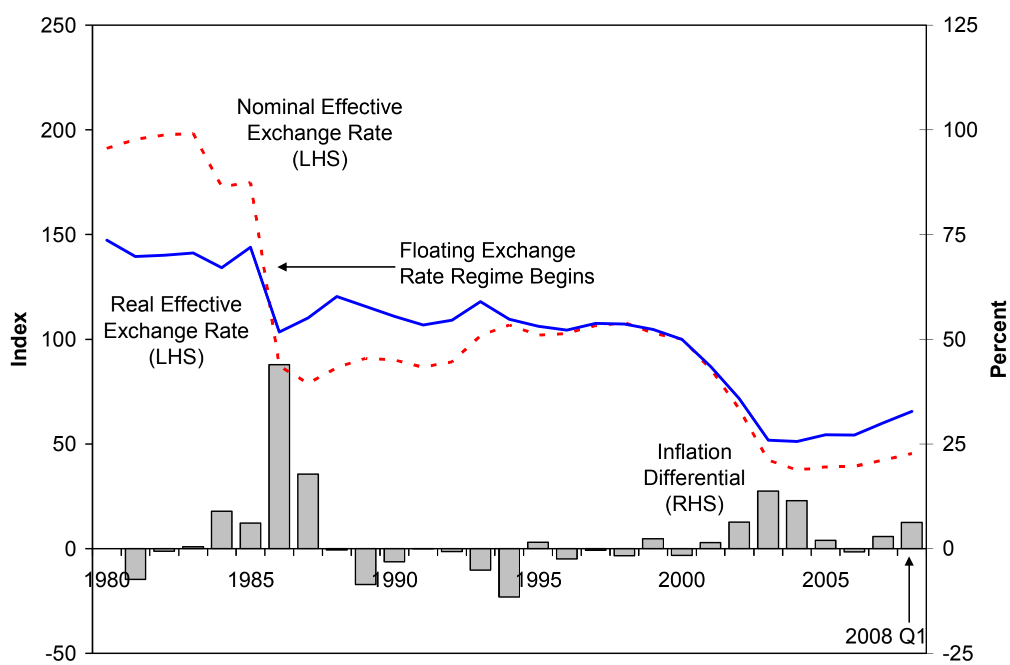
- After the switch to a floating exchange rate, the REER stayed within 10 percent of its period average from 1986 to 2000. A moderate nominal appreciation of the dalasi was offset by a negative inflation differential with partner countries. Interestingly, the 1994 depreciation of the CFA franc seems to have had relatively little impact on The Gambia's REER.

- From 2000 until 2003, The Gambia experienced an economic crisis due to fiscal slippages and accommodating monetary policy. The fiscal balance fell to a deficit of 14 percent of GDP in 2001 while credit to the government jumped 25 percent and NFA in the banking system dropped by a third. By 2003 The Gambia's inflation differential versus its partners had increased to 14 percent. The REER declined 50 percent over the period.

- In late 2003 the authorities began to tighten fiscal and monetary policies, which lowered inflation and stabilized the exchange rate. From 2003 to 2006, the REER remained within a 3 percent band around its average.

- In 2007, the authorities reduced the fiscal deficit substantially and further tightened monetary policy. As a result, by the first quarter of 2008 the REER had appreciated by 24 percent compared to the 2003–06 average, but it was still 40 percent below its 1986–2000 average.

Figure I.5. Effective Exchange Rates and Inflation, 1980–2008 Q1

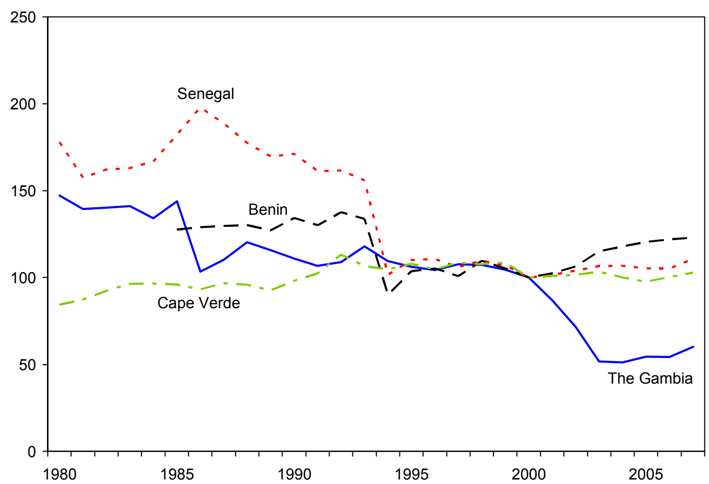


23. Figure I.6 compares the evolution of The Gambia's REER with three other countries. Senegal is The Gambia's most important trading partner and is similar in climate and thus has the potential to produce similar agricultural goods. Cape Verde is a significant tourist destination for European travelers. Like The Gambia, which is a major re-exporter of goods to Senegal and Guinea-Bissau, Benin serves as a major re-exporter of goods to Nigeria and Togo. Other possible comparators, Guinea-Bissau and Sierra Leone, were rejected due to the impact of recent conflicts.

24. Though it is difficult to know whether The Gambia was competitive in absolute terms in 2007 without knowing if its REER was significantly overvalued in 1980, in relative terms it is clear (see Figure I.6) that its REER has fallen significantly against these countries over the last 27 years.

Figure I.6. REER Developments in Comparator Countries, 1980–2007

(Average of 2000 = 100)



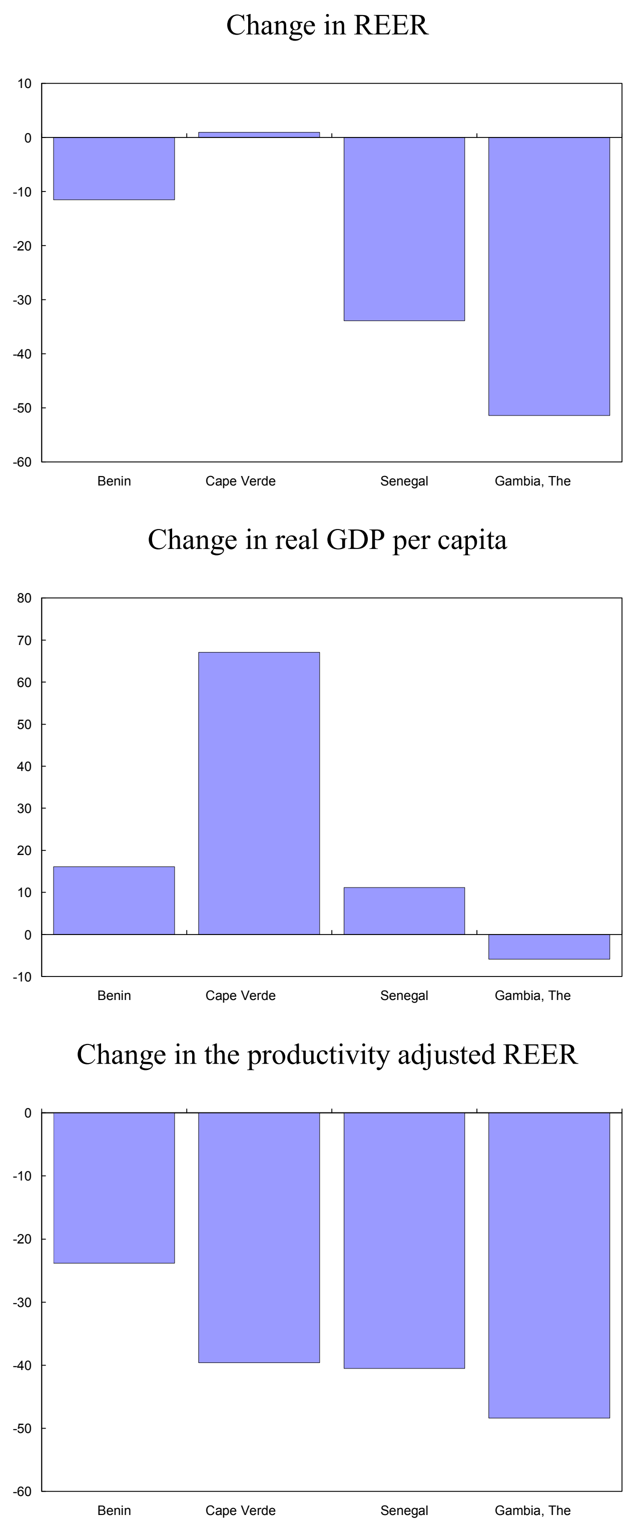
25. **Productivity**. According to the Balassa-Samuelson theorem, a country's real exchange rate may appreciate compared with trading partners if (1) productivity increases faster in the traded than in the nontraded goods sector, or (2) productivity is uniform across sectors but the traded goods sector is relatively capital-intensive. Thus, the fall in The Gambia's REER may reflect a decline in relative productivity rather than an improvement in competitiveness. Unfortunately, good data on productivity in both sectors are not readily available for many developing countries. Here, real GDP per capita is used as a rough proxy for total factor productivity.

26. Figure I.7 shows growth in real GDP per capita in The Gambia compared with the three comparator countries. Growth of real GDP per capita in The Gambia has lagged growth in Cape Verde and Senegal. Using changes in real GDP per capita to adjust for productivity changes in the REER leads to the productivity-adjusted REER shown in the third panel. The fact that change in this measure for The Gambia is comparable in magnitude to the changes in Cape Verde and Senegal suggests that changes in The Gambia's REER may be driven

largely by productivity changes. It also suggests that The Gambia has not lost competitiveness.

Figure I.7. Productivity Adjusted REER, 1991–2003

(Percent Change)



Survey-based indicators

27. **While survey indicators do not necessarily reflect developments in the real exchange rate, they point to possible structural weaknesses that could eventually undermine external stability.** Survey-based indices of the quality of the business climate suggest that The Gambia compares well with other ECOWAS member countries despite its poor overall competitiveness ranking. The indices used in this section are the *Doing Business Survey* from the World Bank and the *Global Competitiveness Index* from the World Economic Forum.

28. The World Bank's *Doing Business Survey* ranks The Gambia 131 out of 178 countries in 2008, third among ECOWAS member countries behind Ghana and Nigeria. Ease of trade is identified as a major strength for The Gambia. Weaknesses, on the other hand, cover a wide range of areas, such as time to register property (371 days), strength of investor protection (index 2.7 out of 10), total tax rate (287 percent of profit), and time to pay taxes (376 hours per year).

29. The World Economic Forum's *Global Competitiveness Index* reports that inadequate access to financing, poor infrastructure, an uneducated workforce, and high tax rates are major obstacles to doing business in The Gambia.

Figure I.8. Ease of Doing Business Compared to Peers

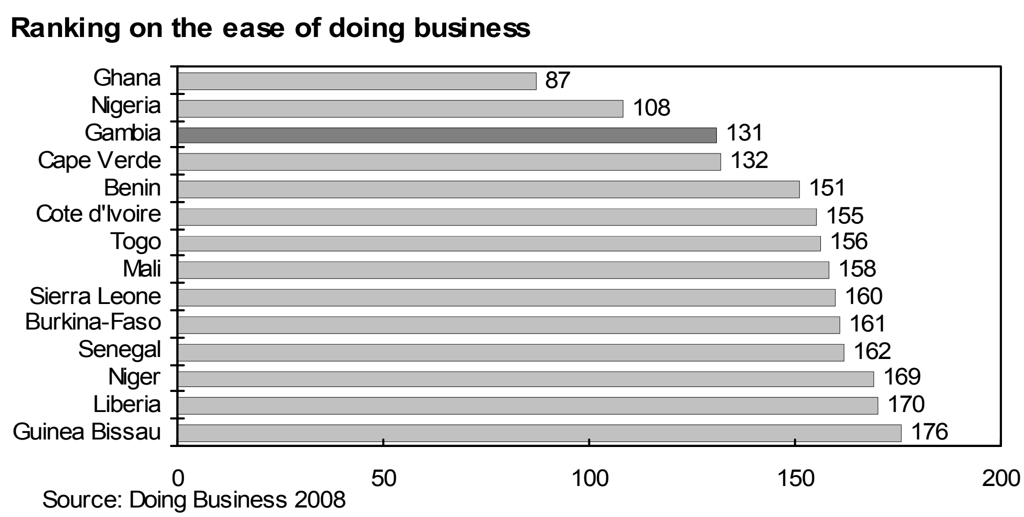


Table I.8. Survey-Based Measures of Competitiveness

The Gambia: Indicators of Competitiveness

World Bank Doing Business Indicators 2008				*World Economic Forum Global Competitiveness Index 2008*			
	2007	2008	Change		2006-07	2007-08	Change
Overall Ranking	*127*	*131*	4	*Overall ranking*	*101*	*104*	3
Starting a Business	70	94	24	Insitutions	54	57	3
Dealing with Licenses	68	70	2	Infrastructure	95	97	2
Employing Workers	28	29	1	Macroeconomic stability	105	108	3
Registering Property	130	133	3	Health and primary education	107	110	3
Getting Credit	132	135	3	Higher education and training	106	109	3
Protecting Investors	165	165	0	Market efficiency	89	88	-1
Paying Taxes	172	173	1	Technological readiness	92	94	2
Trading Across Borders	65	73	8	Business sophistication	106	109	3
Enforcing Contracts	57	61	4	Innovation	115	118	3
Closing a Business	117	116	-1				
Number of Countries	175	178	3	Number of Countries	125	131	6

30. Because tourism is one of The Gambia's major industries, staff examined indicators in this area. According to the *Travel and Tourism Competitiveness Index* for 2007, The Gambia fares well on safety and security. It also does well on affinity for travel and tourism, which includes tourism openness and the attitude of the population toward foreign visitors. The recent appreciation of the dalasi has weakened price competitiveness, which was strong in 2006–07. The Gambia's tourism industry also lags behind on information and communication technology and transportation infrastructure.

31. To assess competitiveness in 76 low-income countries Di Bella, Lewis, and Martin (2007) used as indicators relative price measures, external sector outcomes, production costs, and measures of institutional quality[4] Each indicator is presented as a decile ranking. For our purposes, we looked only at ECOWAS member countries as a suitable peer group for The Gambia.[5]

- **Measures of RER misalignment.** These includes changes in the terms of trade (ITT) and purchasing power parity (CPI) -based RER over the last five years, and a measure of the deviation of the equilibrium RER from the actual RER derived from the panel estimates of Chudik and Mongardini (2007).

- **External sector outcomes.** These include changes in export volumes and in the export share of a country in world exports in the last five years. Both volume and market shares refer to non-oil exports. However, the Gambia's export of goods constitutes only 20–30 percent of total exports of goods and services.

[4] Strengths and limitations of these indicators are discussed extensively in Di Bella, Lewis, and Martin (2007).

[5] Even though the decile ranking is for the original 76 low-income countries, comparison within the ECOWAS subset is mathematically valid.

- **Production costs.** To make the list comparable across a wide range of exports, these include a proxy for energy prices (diesel) and telecoms. Owing to data limitations, transportation costs and wage are omitted.

- **Institutional indicators.** Survey-based indices of the quality of the business climate drawn from the *Doing Business Survey* from the World Bank, and the *Corruption Perception Index* from the Transparency International assess institutions, bureaucratic effectiveness, governance, and security. These indicators were particularly useful for low-income countries because they point directly to specific impediments that impair competitiveness.

32. A score was constructed as the simple average of the individual indicators (deciles) within each of the four categories; the standard deviation of all the indicators for each country was computed to measure dispersion of the indicators. Both composite scores and standard deviations were then ranked in deciles.

Table I.9. Competitiveness Rankings[6] of ECOWAS Members in 2006

ECOWAS members	Relative Price			External Sector		Costs-based		Institutions		Change in Score 2005-06
	ITT change	RER change	EREER	Xvol	Xshare	Diesel	Tel	DoingB	TI	
Benin	9	8	6	6	8	5	9	6	5	→
Burkina-Faso	9	8	4	2	2	10	2	9	1	→
Cape Verde	10	5	2	3	3		10	5		↓
Cote d'Ivoire	5	8	10	7	6	9	6	6	9	↑
Gambia	6	1	1	10	8	8	4	5	5	→
Ghana	9	6	4	6	5	6	1	3	1	↑
Guinea Bissau	7	8	10	5	7		1	10		→
Liberia			10			6				
Mali	4	5	4	6	4	8		8	3	↑
Niger	4	7	7	8	6	9		9	7	→
Nigeria	1	8	2	1	1	3	4	4	8	↑
Senegal	5	6	3	9	9	9	1	7	1	→
Sierra Leone	2	1	2	1	1	7		10	8	→
Togo	5	7	9	7	6	8	8	8	6	↑

Source: Di Bella, Lewis, and Martin (2007).

33. **The Gambia ranked in the middle among ECOWAS members in 2006, as it had in 2005. Nigeria and Ghana were among the best performers in the group**. The weakest areas for the Gambia lies in its small and concentrated export sector and high energy prices. There are some problems with bilateral comparisons, however. For example, it is difficult to form a judgment on the relative competitiveness of The Gambia and Senegal because The

[6] Information corresponding to each indicator is presented in the form of a decile ranking for 76 low-income countries instead of the direct value of the indicator. The first decile represents the most competitive countries, the tenth the least competitive.

Gambia outperformed Senegal on some indicators, and Senegal outperformed The Gambia on others.

D. Conclusion

34. **The external stability assessment concludes that The Gambia's REER is in line with economic fundamentals**. The point estimates range from an undervaluation of 33 percent to an overvaluation of 2 percent, but most measures suggest a slight to moderate overvaluation. However, the estimates are within the margins of error for a finding of no overvaluation, given the quality of the data and the limitations of the methodologies used.

35. **The assessment of competitiveness concluded that The Gambia is competitive against other ECOWAS members, although it could use some improvements in structural areas.** The REER has fallen relative to trading partners even accounting for productivity changes. Survey-based indices of the quality of the business climate suggest that The Gambia compares well to other ECOWAS member countries despite a poor overall competitiveness ranking. Priority structural areas for improvement are registering property, investor protection, and tax rates. However, The Gambia scores well on ease of employment and enforcing contracts.

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II. Fiscal Implications of an Economic Partnership Agreement[1]

A. Introduction

1. **The European Union (EU) and African, Caribbean, and Pacific (ACP) countries have been negotiating new WTO-compliant Economic Partnership Agreements (EPAs)** (Box II.1). Opposition to the intended EPA between the EU and the Economic Community of West African States (ECOWAS) has been strong in The Gambia, based on fears of large revenue losses and negative effects on domestic industry.[2] The Gambia, it was feared, would be among the countries most dramatically affected by the EPA because of its dependence on taxes on international trade.

2. **This paper concludes that potential revenue losses induced by an EPA for The Gambia, though large, would be manageable if trade liberalization is implemented gradually over 15 to 20 years.** While The Gambia's reliance on custom duties is still significant, it has been declining over time. A gradual approach, which would take full advantage of the option offered to liberalize only 80 percent of all imports from the EU, would have several advantages:

- **Revenue losses would be contained.** They would average 0.4 percent of GDP annually in the first five years. A gradual approach could be compatible with WTO rules, which do not state precisely the pace of trade liberalization.
- **Any negative impact on domestic industries would be reduced.** Domestic producers would have more time to adapt to more intense international competition. Clear signals about the gradual phasing out of tariff protection would give local economic actors incentives to seek efficiency gains before competition builds. The agricultural sector could be a prime candidate to benefit from protection.
- **With the EU committed to providing compensation for revenue losses, a gradual approach may make compensation more credible and therefore easier to achieve**.

3. In what follows, Section B describes the current weight of customs revenues and assesses the fiscal impact of various liberalization scenarios. Section C analyzes the case for protecting industries in The Gambia. Section D draws conclusions.

[1] Prepared by Alex Segura-Ubiergo. For some of the general information and the methodology, the paper draws on the previous Selected Issues Paper on Senegal (IMF Country Report No. 08/221) prepared by the same author.

[2] The EPA is being negotiated between the EU and ECOWAS countries as a bloc. ECOWAS is a regional group of 15 countries, founded in 1975. Its mission is to promote economic integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters. See http://www.comm.ecowas.int/sec/index.php?id=about_a&lang=en.

Box II.1. Economic Partnership Agreements—Background

EPAs are intended to replace the Cotonou Agreement between the EU and ACP countries. The Cotonou Agreement, which became effective in 2002, was not reciprocal: the EU would fully liberalize trade (with transition periods for some products), but ACP countries were not required to dismantle or reduce their tariffs for European imports. The World Trade Organization (WTO) waived the EU's unilateral trade preferences through 2007 but, even though negotiations had started in September 2002, fewer than half of the 77 ACP countries had initialed full or interim WTO-compliant EPAs by the end of 2007. ECOWAS has requested an additional negotiation period of 18 months.

The core principle of an EPA is establishment of a free trade area with "substantially all" trade liberalized. The EU has proposed asymmetrical implementation while preserving the notion of reciprocity: it would dismantle all tariffs and quantitative restrictions on imports from ACP countries, but most ACP countries (including The Gambia) would liberalize 80 percent of tariffs on EU imports over a period of perhaps 15–20 years.

The Gambia has joined its voice to countries like Senegal, Nigeria, and South Africa that have been critical of the EPAs. The fear of destabilizing their small but increasingly dynamic and well-functioning economy has been a real concern for The Gambian authorities. President Jammeh has stated that he could not agree to the EPA in its current form, and The Gambia did not sign the agreement in 2007. Negotiations have restarted in the context of ECOWAS, but the prerequisites for a new agreement are still not known.

B. Fiscal Aspects of an EPA: An Assessment of Potential Revenue Losses

4. **The performance of The Gambia's tax system has become increasingly more robust, with a record of strengthened administration in recent years that compares favorably with peers in sub-Saharan Africa.** Among neighboring countries in West Africa, The Gambia is a leader in tax collection. Its tax-to-GDP ratio exceeds that of Senegal, the leader in the WAEMU zone (Figure II.1). However, The Gambia's tax system is not buoyant and has experienced major bouts of volatility (Figure II.2) because the tax base is relatively dependent on international trade, which tends to be more volatile than domestic sources of taxation.

Figure II.1. Tax-to-GDP Ratio in The Gambia and Neighboring WAEMU Countries

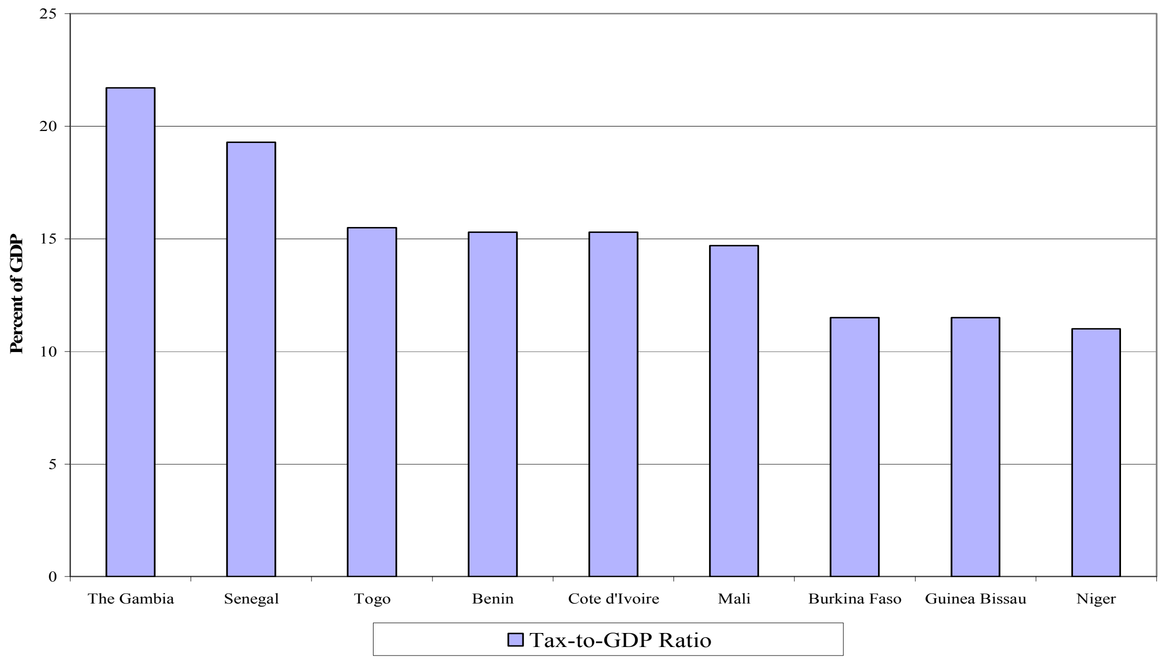
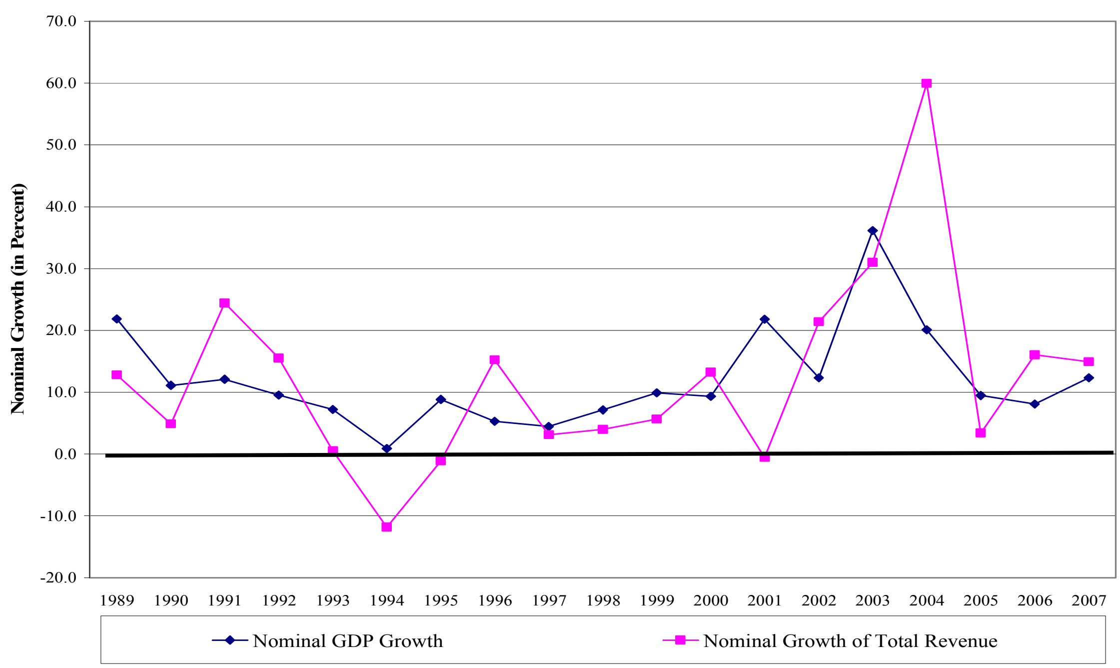


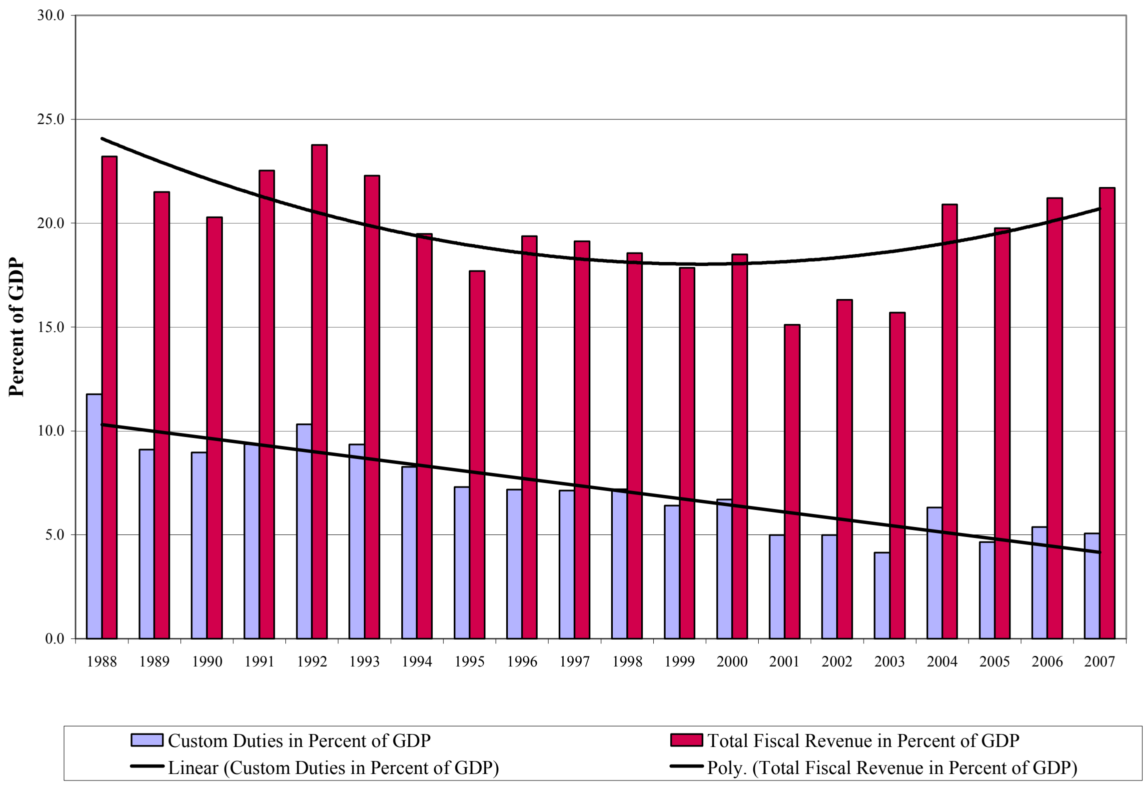
Figure II.2. The Gambia: Nominal GDP and Revenue Growth, 1989-2007



Sources: Gambian authorities and IMF staff calculations.

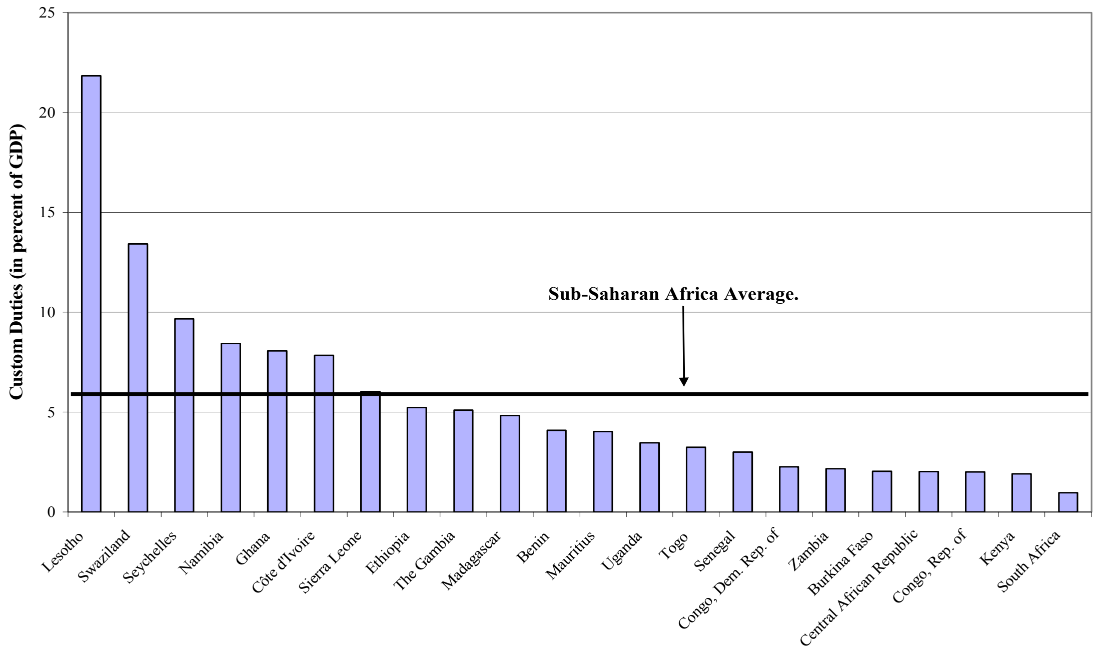
5. **Customs duties are still sizable but have been declining over time relative to GDP and total revenue.**[3] While total fiscal revenue have hovered around 20 percent of GDP (except in the 2001-2003 period), custom duties have declined from over 10 percent of GDP in the late 1980s to around 5 percent of GDP in 2007 (Figure II.3). The current level of custom duties is slightly below the Sub-Saharan African average (Figure II.4). This increasingly lower reliance on customs duties results from a lower average effective tariff rate and the increasing importance of the sales tax on imports.

Figure II.3. The Gambia: Trends in Custom Duties and Total Fiscal Revenues, 1988-2007



[3] In recent years custom duties have tracked the rising share of imports in GDP fairly closely. Duties comprise all taxes and fees on foreign trade. Import duties, the ECOWAS levy, and the processing fee are the main components.

Figure II.4. Custom Duties in Selected Sub-Saharan African Countries, Average 2002–06



6. **Isolating import duties from other taxes on international trade is essential for gauging the fiscal impact of an EPA.** The direct effect of the EPA operates through the import duties, which represent about 40 percent of international trade taxes (Table II.1), so while total international trade taxes are about 10 percent of GDP (about half of The Gambia's total revenues), import duties represent about 4 percent of GDP. Over 75 percent of the effect of an EPA on revenue collection comes from its direct effect on import duties. The rest (see below) are indirect effects such as those associated with changes in the tax base for the sales tax on imports. But the sales tax on imports does not disappear with an EPA. This is a crucial point that has not been always well understood in the debates about EPAs.

Table II.1. Breakdown of Key International Trade Taxes in The Gambia, 2007

CATEGORY	Thousands of Dalasi	Percent of Total International Trade Taxes	Percent of GDP
Import duty	633,698	39.9%	4.0
Sales tax	823,900	51.9%	5.1
ECOWAS levy	36,518	2.3%	0.2
Processing fee	93,172	5.9%	0.6
TOTAL	1,587,288	100.0%	9.92

Sources: Gambian authorities and IMF staff calculations.

7. **Studies to date tend to exaggerate the revenue losses associated with a potential EPA.** Annual revenue losses are estimated at 2–7 percent of GDP.[4] These estimates tend to blow revenue losses out of proportion for a number of reasons, often appearing in combination:

- They do not properly isolate import duties from other international trade taxes (see above).
- They use older data (from when The Gambia was more dependent on EU imports).[5]
- They do not consider protection scenarios.
- They assume full and immediate trade liberalization.
- They exaggerate the indirect (trade diversion) effects.

8. **In assessing the order of magnitude of potential revenue losses from liberalizing trade with the EU, it is useful to note that in 2007 imports from the EU generated import duties of 1.8 percent of GDP** (D 281 million). Imports from the EU, and the associated customs duties, are heavily concentrated in five categories of products (Table II.2)[6]: transportation, mineral and petroleum products, prepared foodstuffs, vegetable

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[4] For example, Zgovu, Milner, and Mendy (2004) argue that an EPA will lead to losses of about 38 percent of fiscal revenue. See also Enterplan Ltd (2005).

[5] For example, in 2002–2003, the share of EU imports in total imports was about 66 percent—about 20 percentage points higher than in 2007.

[6] The focus of the Chapter is on trade in goods. This is the case because trade in goods is the main source of custom revenues.

products, and machinery and mechanical appliances. Imports from the EU reached 23 percent of GDP in 2007.

Table II.2. International Trade Taxes and Custom Duties from EU Imports, 2007

(D thousands)

Import	HS Code	CIF Value	Total International Trade Taxes	Customs Duties	Effective Tariff Rate (Percent)
Transportation	86-89	634,934	191,000	73,467	11.6
Mineral products	25-27	541,492	204,052	68,034	12.6
Foodstuffs	16-24	415,490	196,817	52,073	12.5
Vegetable products	06-15	550,186	107,640	24,005	4.4
Machinery/electrical	84-85	662,434	47,202	17,056	2.6
Animal and Animal Products	01-05	104,592	29,299	10,936	10.5
Chemical and allied industries	28-38	251,764	17,887	6,488	2.6
Metals	72-83	97,655	16,625	6,282	6.4
Stone and glass	68-71	54,382	11,458	5,173	9.5
Textiles	50-63	145,066	13,983	4,664	3.2
Miscellaneous	90-97	104,654	10,222	4,663	4.5
Wood and wood products	44-49	73,791	10,392	4,366	5.9
Plastics and rubbers	39-40	40,121	6,323	3,044	7.6
Footwear and headgear	64-67	5,125	1,604	737	14.4
Raw hides, skins, leather, and furs	41-43	1,671	635	318	19.0
TOTAL		3,683,357	865,139	281,306	7.6

Sources: Gambian authorities and IMF staff calculations.

9. **Three main liberalization scenarios seem possible.** The following assesses the fiscal impact of (i) full and immediate trade liberalization (Option 1); (ii) substantial and immediate liberalization (Option 2); and (iii) substantial but gradual liberalization (Option 3). Full liberalization assumes that 100 percent of all imports from the EU would be liberalized—the most extreme, and unrealistic, scenario given the EU's willingness to settle for a substantial liberalization of 80 percent of all imports from the EU. With respect to the substantial but gradual scenario, three different paces of liberalization are assumed: frontloaded, progressive, and backloaded (Options 3.1–3.3).

Option 1: Fiscal impact of full and immediate trade liberalization[7]

10. **Immediate elimination of all tariffs on European imports would lead to annual revenue losses of about 2.4 percent of GDP,** composed as follows:

- **A loss of customs duties of 1.8 percent of GDP** (D 281 million) as explained in ¶8.
- **A reduction in the sales tax on imports because of reduced customs duties of 0.2 percent of GDP** (D 28 million). Any reduction in customs duties has an automatic negative effect on the sales tax on imports because custom duties are part of the taxable base used to calculate the sales tax. A reduction in the base of the sales tax equal to the decline in customs duties, multiplied by the effective sales tax rate on imports of about 12 percent, yields a loss of 0.2 percent of GDP.
- **A further revenue loss from trade diversion of 0.4 percent of GDP.** This assumes a relatively large trade diversion effect of 10 percentage points, with imports from the EU increasing from 46 percent to 56 percent of all imports. This relatively large trade diversion effect assumed in staff simulations seems to provide an upper bound for The Gambia, given that the share of EU imports in total imports is already high.
- **The impact of more complex second-order effects is unlikely to be large.** For example, if the EPA led to efficiency gains and greater competitiveness, GDP growth and corporate income taxes could rise. By contrast, if duty-free European imports led to an erosion of the competitiveness of domestic industries, tax collections could drop. However, this risk is limited by the continuation of tariffs on 20 percent of imports from the EU—which are to be selected as part of the trade negotiations.[8]

11. **Full and immediate trade liberalization with an EPA would constitute a major fiscal shock**. Indeed, a revenue reduction of 2.4 percent of GDP would pose a serious risk to the desired fiscal stance and to economic stability. It would be highly unlikely that the EU (or other development partners) could provide the necessary amounts of compensatory grants. New fiscal revenue of 2.4 percent of GDP, on top of the significant revenue increases achieved in recent years, could not be generated without also generating distortions because The Gambia's economy is so small. In addition, large development needs would make offsetting spending cuts difficult.

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[7] This option is presented as a benchmark scenario only. Implementation of the EPA is expected to be gradual, and up to 20 percent of imported goods will not be subject to tariff liberalization. The scenario is useful, however, because critics of the EPA agreement tend to use it as the point of reference to measure potential fiscal effects.

[8] Gauging the size of indirect effects requires the use of a general equilibrium model, which is beyond the scope of this paper. Such models are difficult to calibrate in low-income developing countries with large informal sectors that are subject to frequent domestic and external shocks.

Options 2: Fiscal impact of substantial and immediate trade liberalization

12. **If trade liberalization is capped at 80 percent of imports from the EU, revenue losses may be about 1.9 percent of GDP**. The EU Commission has agreed to asymmetrical liberalization (100 percent liberalization on the European side, 80 percent on the ECOWAS side), in line with other EPAs.[9]

Option 3: Fiscal impact of substantial but gradual trade liberalization

13. **The EU is not requesting that trade liberalization be implemented at once**. Transitions of 15–20 years are envisaged, even if the precise path for ECOWAS is not yet clear. Interim agreements signed with other ACP countries suggest three possibilities: *frontloaded liberalization* (Botswana, Lesotho, Namibia, Swaziland, Mozambique, and the countries in the East African Community); *progressive liberalization* (Mauritius, Zimbabwe, and Caribbean countries), and *backloaded liberalization* (Côte d'Ivoire and Ghana). The three pacing possibilities are presented in Table II.3.[10]

Table II.3. Average Annual Revenue Loss by Liberalization Scenario, 2010–25

(Percent of GDP)

	2010–14	2015–19	2020–24	2025 on	2010–24
Frontloaded liberalization	0.9	1.2	1.6	1.9	1.2
Progressive liberalization	0.5	0.9	1.4	1.9	0.9
Backloaded liberalization	0.4	0.8	1.1	1.9	0.8

Sources: Gambian authorities; and IMF staff calculations.

[9] Among the countries that have signed interim EPA agreements, the overwhelming majority will eliminate tariffs for 80 percent of imports over a period of about 15 years. East African countries will have liberalized 80 percent of imports by 2023, and so will Ghana and Côte d'Ivoire (the only countries in West Africa to have signed interim agreements).

[10] The scenarios are stylized representations of possible agreements. It is not possible to exactly replicate in the scenarios the already signed interim agreements. For example, Côte d'Ivoire and Ghana should achieve trade liberalization of about 66 percent of imports by 2018 and 80 percent by 2023, but the pace up to 2018 is not specified.

Note: All scenarios assume that 20 percent of trade is never liberalized, and the maximum revenue loss when trade liberalization ends is 1.2 percent of GDP. Frontloaded/progressive/backloaded liberalization assumes 50/25/20 percent trade liberalization in 2010–14, 66/50/40 percent in 2015–19, 83/75/60 percent in 2020–24, and 80 percent thereafter.

- ***Option 3.1:*** *Frontloaded trade liberalization* produces the largest immediate revenue losses, starting at 0.9 percent of GDP (5 percent of total revenues) annually from 2010 on.[11] This would be a major fiscal shock, which should be avoided.

- ***Option 3.2:*** *Progressive liberalization* would lead to an immediate revenue loss of 0.5 percent of GDP (2.5 percent of total revenues). This option, which seems more manageable, would also provide a substantial window for The Gambia to continue modernizing tax administration and expanding the revenue base so that further revenue losses can be comfortably absorbed by the time the next phase of trade liberalization begins.

- ***Option 3.3:*** *Backloaded liberalization* would cause a slightly more modest revenue loss in the first 10 years of trade liberalization than the progressive option, but later the revenue losses rise more sharply. The fiscal shock would therefore be large in the last phase of trade liberalization. This option should also be avoided as it would simply push the inevitable fiscal shock to the future and offer fewer incentives for tax reform.

14. **Reforms could reduce net revenue losses and the need for EU compensation.** Reducing customs duty exemptions could have a significant positive impact on revenue collection. About 40 percent of all imports into The Gambia in 2007 did not generate any import duties. Cutting fiscal exemptions by half and applying an average effective tariff rate of 7.6 percent would generate additional custom duties of 0.4 percent of GDP. This could help offset initial revenue losses, but additional aid from the EU would be essential to make the agreement manageable.

C. The Infant-Industry Argument and Other Aspects of an EPA

15. **Critics of EPAs have made the infant-industry argument that nascent industries in The Gambia need protection to compete internationally.** However, for several reasons this is not a strong argument:

- First, the average effective tariff rate on EU imports is already low (7 percent), so this is unlikely to be a decisive factor.

[11] The start of the simulation is 2010 because the negotiations are likely to continue through 2009.

- Second, except for agricultural products, most imports from Europe are capital-intensive goods (transport vehicles, machinery, electronic devices) and petroleum products, in which The Gambia does not have comparative advantage. For most nonagricultural imports from the EU, tariffs can only be justified because they produce revenue, not because of their "protective potential."
- Third, The Gambia does not have a large manufacturing sector and the main industries (like hotel/tourism and construction) are nontradables that would not be affected by trade liberalization.
- Finally, the EU offers the possibility of protecting up to 20 percent of imports, which should further reduce deindustrialization fears . The challenge for countries in ECOWAS is to agree on a common list of products to be protected.

D. Conclusion

16. **The potentially large revenue losses associated with an EPA in The Gambia would only be manageable if The Gambia negotiated a gradual trade liberalization agreement.** Within this option, a progressive or backloaded approach could contain revenue losses, facilitate establishment of a credible compensation mechanism, and assuage concerns about the negative impact of the EPA on domestic industries. However, backloaded liberalization may face other difficulties, including the need to make the commitment to reform credible. By contrast, frontloading trade liberalization would be a significant fiscal shock for The Gambia, with an initial revenue loss of about 0.9 percent of GDP. Frontloading would also raise significant concerns about the effect on domestic industries and social dislocation and should therefore be avoided.

17. **Given the option to protect 20 percent of imports, agricultural products may be the most appropriate to protect**. Agriculture is important for a majority of the population, especially the most vulnerable groups, and is an area where the EU is particularly competitive. Protecting this sector could also facilitate consensus with other ECOWAS countries.

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The Gambia: Basic Data

Area, population, and GDP per capita

Area	11,300 sq. km.
Population	
Total (2006)	1.7
Growth rate (2000–06; average)	3.2
GDP per capita (2006) (staff est.)	$305

	2000	2001	2002	2003	2004	2005	2006	2007
	(Millions of dalasis, unless otherwise indicated)							
National accounts								
GDP at constant 1976/77 prices	739.9	782.5	757.1	809.1	866.2	910.5	970.1	1031.2
Of which								
Agriculture	173.4	188.9	135.7	162.9	186.3	191.4	193.4	197.3
Industry	75.5	80.1	88.0	93.0	95.8	101.9	115.8	125.2
Services	403.7	432.9	451.4	471.0	485.1	522.3	562.4	601.4
Nominal GDP	5,382.4	6,555.9	7,364.3	10,025.2	12,042.3	13,181.8	14,247.9	16,007.3
Gross domestic investment								
(in percent of GDP)	17.3	24.9	21.0	19.5	27.1	26.3	24.2	25.0
Gross domestic savings								
(in percent of GDP)	7.6	19.5	12.6	10.2	9.4	6.6	6.3	8.7
Central government finance								
Total revenue and grants	1,117.2	1,125.7	1,528.7	1,820.4	3,065.0	2,823.5	3,203.3	3,662.6
Domestic revenue	995.4	989.9	1,201.8	1,574.2	2,517.8	2,603.4	3,023.5	3,468.2
Foreign grants	121.8	135.9	326.9	246.2	547.2	220.1	179.7	194.4
Total expenditure and net lending	1,192.1	2,037.4	1,853.8	2,292.7	3,750.4	3,961.1	4,211.2	3,634.8
Recurrent	985.8	1,237.1	1,318.2	1,707.0	2,035.8	2,420.4	2,584.0	2,586.4
Development and net lending[1]	206.3	800.3	535.6	585.7	1,714.6	1,419.2	1,627.2	1,048.4
Overall deficit (commitment basis)[1]								
Excluding grants	-0.1	-823.0	-173.7	-245.8	284.4	-16.4	299.6	598.6
Including grants	-75.0	-911.6	-325.1	-472.4	-685.5	-1,137.6	-1,007.9	27.8
Adjustment to cash basis (float)	-23.7	-34.7	0.9	-123.6	-62.6	-72.2	-29.0	62.8
Overall deficit (cash basis)[1]	-98.7	-946.3	-324.2	-596.0	-748.0	-1,209.8	-1,036.9	75.6
Financing	98.7	946.3	324.2	596.0	748.0	1,209.8	1,036.9	-75.6
Foreign	-45.6	-23.6	140.9	59.7	690.3	727.7	876.2	158.2
Domestic	144.3	969.9	183.3	536.3	57.7	482.1	160.7	-233.7
Money and credit[2]								
Net domestic assets	12.3	53.2	22.3	15.2	-10.5	12.8	8.5	10.1
Credit to the government (net)[3]	3.1	49.9	1.0	12.5	-10.6	6.3	3.8	-5.0
Credit to the private sector[4]	4.4	13.2	27.7	19.1	-7.7	5.5	8.4	4.3
Broad money	34.8	19.4	35.3	43.4	18.3	13.1	26.2	6.7

The Gambia: Basic Data (concluded)

	2000	2001	2002	2003	2004	2005	2006	2007
	(Millions of U.S dollars, unless otherwise indicated)							
Balance of payments								
Trade balance	-63.3	-50.0	-62.4	-60.0	-105.9	-142.6	-138.1	-171.5
Exports, f.o.b.	126.6	102.1	109.3	101.0	96.8	80.9	84.0	91.4
Imports, c.i.f.	-189.9	-152.1	-171.6	-161.0	-202.8	-223.4	-222.2	-262.9
Services (net)	8.2	4.3	9.2	8.3	-13.2	-5.8	2.5	19.4
Transfers	41.8	34.9	42.8	33.8	42.2	31.1	25.6	19.4
Private	10.6	3.5	3.6	3.7	8.0	7.4	9.3	11.5
Official	31.3	31.4	39.2	30.0	34.2	23.7	16.3	7.8
Current account balance								
Excluding official transfers	-44.5	-42.2	-49.6	-48.0	-58.8	-93.3	-74.6	-88.1
Including official transfers	-13.2	-10.8	-10.4	-18.0	-24.6	-69.6	-58.3	-80.3
Capital account	6.0	22.8	9.9	6.7	48.0	103.1	77.5	98.9
Official	6.6	8.4	18.9	16.1	23.0	25.5	26.9	6.4
Private	-0.6	14.4	-9.0	-9.4	25.0	77.6	50.5	92.5
Unaccounted-for loss in reserves	0.0	-28.5	0.5	0.0	0.0	0.0	0.0	0.0
Errors and omissions	17.4	-39.6	-0.1	6.3	7.9	-20.5	5.2	-1.6
Overall balance	10.1	-56.1	-0.1	-4.9	31.3	13.0	24.4	31.9
Current account balance (percent of GDP)								
Excluding official transfers	-10.6	-10.1	-13.4	-13.6	-14.7	-20.2	-14.7	-13.7
Including official transfers	-3.1	-2.6	-2.8	-5.1	-6.1	-15.1	-11.5	-12.5
Gross official reserves								
In millions of U.S. dollars	111.4	63.0	67.2	62.3	84.0	96.6	118.6	141.5
In months of imports, c.i.f.	7.0	5.0	4.7	4.6	4.3	4.5	5.5	5.5
External public debt								
In millions of U.S. dollars	465.6	490.4	528.8	555.2	587.6	621.4	676.7	299.4
In percent of GDP	110.6	117.3	143.0	157.3	146.5	134.7	133.6	46.5
	(Percent of exports and nonfactor services)							
Debt-service ratio								
Including the Fund	19.6	16.8	23.9	11.1	17.7	17.7	16.5	19.5
Excluding the Fund	17.7	15.7	22.6	10.1	7.3	15.7	13.3	17.3

Sources: Gambian authorities; IMF staff estimates; and World Bank, *World Development Indicators* .

[1]Data for 2001 include US$28.5 million capital expenditure financed by a retroactive loan by the Central Bank of The Gambia (CBG) which the authorities indicated in October 2003 had not been recorded in official accounts.

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

[3]Includes the central bank's foreign currency advance to the government in 2001.

[4]Includes claims on the private sector and public enterprises, and central bank credit to foreign exchange bureaus.

Table 1. The Gambia: GDP by Sector at Constant Prices, 2000–07

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

	2000	2001	2002	2003	2004	2005	2006	2007
Agriculture	173.4	188.9	135.7	162.9	186.3	191.4	193.4	197.3
Groundnuts	49.5	54.2	25.7	33.3	48.7	50.4	44.8	41.6
Other crops	77.2	84.9	57.7	74.5	80.1	81.7	86.6	90.9
Livestock	34.3	36.3	38.1	40.0	41.3	42.3	44.2	46.2
Forestry	4.0	4.2	4.4	4.6	4.8	4.9	5.2	5.4
Fishing	8.4	9.3	9.7	10.4	11.5	12.0	12.6	13.2
Industry	75.5	80.1	88.0	93.0	95.8	101.9	115.8	125.2
Manufacturing	35.9	36.9	38.5	39.5	41.5	42.0	43.7	45.4
Large and medium manufacturing	24.3	25.0	26.3	26.8	28.1	28.4	29.6	30.7
Small manufacturing	11.6	11.9	12.3	12.8	13.4	13.6	14.1	14.7
Construction and mining	34.4	37.9	43.6	47.3	48.9	54.3	66.2	73.5
Electricity and water supply	5.1	5.3	5.9	6.2	5.4	5.6	5.9	6.2
Services	403.7	432.9	451.4	471.0	485.1	522.3	562.4	601.4
Trade	81.1	87.0	90.6	93.7	96.8	99.4	103.3	105.8
Groundnuts	11.2	12.9	13.6	14.0	14.3	14.0	14.5	13.9
Others	69.9	74.0	77.0	79.7	82.5	85.4	88.8	91.9
Hotels and restaurants	30.1	33.1	35.5	40.1	40.5	49.8	56.0	64.1
Transport and communications	161.0	175.1	183.1	191.5	200.7	222.1	247.8	270.7
Transport	66.8	71.4	74.3	77.3	79.6	82.0	85.2	88.7
Communications	94.2	103.7	108.8	114.3	121.1	140.1	162.6	182.1
Real estate and business services	39.8	41.8	43.5	44.8	45.8	47.2	48.6	50.0
Public administration	72.6	76.2	78.5	80.1	80.1	81.9	84.1	87.5
Other services	19.0	19.6	20.2	20.8	21.3	21.9	22.6	23.2
GDP at factor costs	652.6	701.8	675.0	726.9	767.2	815.6	871.7	923.8
Indirect tax (net)	87.4	80.7	82.1	82.3	98.9	94.8	98.4	107.5
GDP at constant market prices	739.9	782.5	757.1	809.1	866.2	910.5	970.1	1,031.2
Memorandum item:								
Real GDP growth (in percent)	5.5	5.8	-3.2	6.9	7.0	5.1	6.5	6.3

Sources: Gambian authorities; and IMF staff estimates.

Table 2. The Gambia: GDP by Sector at Current Market Prices, 2000–07

(Millions of dalasis, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007
Agriculture	1,654.3	2,042.3	1,832.7	2,814.4	3,502.3	3,727.6	3,744.0	3,977.3
Groundnuts	389.7	464.7	284.5	634.1	1,075.6	1,114.9	961.8	844.6
Other crops	662.7	838.3	655.6	1,031.7	1,163.9	1,251.1	1,341.3	1,513.7
Livestock	405.8	494.6	597.3	765.1	828.5	884.1	934.4	1,049.9
Forestry	60.8	73.4	88.7	113.6	122.9	133.0	140.5	157.9
Fishing	135.3	171.1	206.7	269.8	311.4	344.6	365.9	411.2
Industry	584.4	736.8	964.4	1,265.1	1,372.8	1,541.7	1,763.2	2,049.5
Manufacturing	244.8	301.6	378.2	485.4	547.4	583.6	613.8	686.1
Large and medium manufacturing	163.2	201.7	254.1	324.0	365.4	389.3	409.5	457.7
Small manufacturing	81.7	100.0	124.1	161.4	182.0	194.3	204.4	228.4
Construction and mining	265.5	350.5	483.7	656.0	712.5	833.5	1,016.8	1,213.6
Electricity and water supply	74.0	84.7	102.5	123.7	113.0	124.7	132.5	149.8
Services	2,497.3	3,174.0	3,845.0	5,006.1	5,529.2	6,332.4	6,866.0	7,827.4
Trade	490.6	650.5	778.6	1,047.6	1,164.3	1,255.9	1,320.9	1,434.1
Groundnuts	7.4	10.3	12.9	17.3	19.1	19.5	20.4	20.5
Others	483.2	640.2	765.7	1,030.2	1,145.2	1,236.4	1,300.5	1,413.5
Hotels and restaurants	213.8	305.7	408.9	600.7	651.7	853.3	974.6	1,197.7
Transport and communications	798.5	1,040.4	1,279.8	1,733.0	1,946.6	2,301.5	2,565.6	2,999.6
Transport	378.7	486.3	581.6	816.5	903.3	990.5	1,044.8	1,168.3
Communications	419.8	554.2	698.2	916.4	1,043.3	1,311.0	1,520.8	1,831.3
Real estate and business services	331.5	400.3	478.8	567.1	622.5	679.1	709.5	785.7
Public administration	455.3	525.8	607.7	712.9	765.6	829.6	864.0	943.6
Other services	207.6	251.2	291.1	344.8	378.5	413.0	431.4	466.6
GDP at factor costs	4,736.1	5,953.1	6,642.1	9,085.5	10,404.3	11,601.8	12,373.1	13,854.1
Indirect tax (net)	646.3	602.8	722.2	939.7	1,638.0	1,580.0	1,874.7	2,153.2
GDP at market prices	5,382.4	6,555.9	7,364.3	10,025.2	12,042.3	13,181.8	14,247.9	16,007.3
Memorandum items:								
Nominal GDP growth (percent)	9.4	21.8	12.3	36.1	20.1	9.5	8.1	12.3
Real GDP growth (percent)	5.5	5.8	-3.2	6.9	7.0	5.1	6.5	6.3
GDP deflator (percent)	3.6	15.2	16.1	27.4	12.2	4.1	1.4	5.7
CPI (annual average change, in percent)	0.9	4.5	8.6	17.0	14.3	5.0	2.1	5.4

Sources: Gambian authorities; and IMF staff estimates.

Table 3. The Gambia: GDP Growth by Sector at Constant Prices, 2000–07

(Percent)

	2000	2001	2002	2003	2004	2005	2006	2007
Agriculture	10.5	8.9	-28.2	20.1	14.4	2.7	1.1	2.0
Groundnuts	12.3	9.4	-52.6	29.9	46.0	3.7	-11.1	-7.2
Other crops	14.2	10.0	-32.0	29.0	7.5	2.0	6.0	5.0
Livestock	3.0	6.0	5.0	5.0	3.2	2.3	4.5	4.5
Forestry	3.9	5.0	5.0	5.0	3.1	3.7	4.5	4.5
Fishing	2.9	10.0	5.0	7.0	10.0	5.0	5.0	4.5
Industry	5.1	6.1	9.8	5.7	3.0	6.4	13.6	8.0
Manufacturing	2.0	2.7	4.5	2.6	5.7	1.2	4.0	4.0
Large and medium manufacturing	2.0	3.0	5.0	2.0	5.0	1.1	4.0	4.0
Small manufacturing	2.0	2.0	3.5	4.0	5.0	1.3	4.0	4.0
Construction and mining	10.0	10.0	15.0	8.5	3.5	11.0	22.0	11.0
Electricity and water supply	-3.0	4.0	10.0	5.0	-13.0	5.0	5.0	5.0
Services	3.4	7.2	4.3	4.3	3.0	7.7	7.7	6.9
Trade	6.8	7.2	4.1	3.4	3.4	2.7	4.0	2.4
Groundnuts	12.3	15.0	5.0	3.0	2.5	-2.0	3.5	-4.3
Others	6.0	6.0	4.0	3.5	3.5	3.5	4.0	3.5
Hotels and restaurants	-12.8	10.0	7.0	13.0	1.0	23.0	12.6	14.3
Transport and communications	5.1	8.8	4.6	4.6	4.8	10.7	11.6	9.2
Transport	4.0	7.0	4.0	4.0	3.0	3.0	4.0	4.0
Communications	6.1	10.0	5.0	5.0	6.0	15.7	16.0	12.0
Real estate and business services	2.2	5.0	4.0	3.0	2.2	3.0	3.0	3.0
Public administration	4.6	5.0	3.0	2.0	0.0	2.3	2.7	4.0
Other services	3.0	3.0	3.0	3.0	2.2	3.0	3.0	3.0
GDP at factor costs	5.4	7.5	-3.8	7.7	5.6	6.3	6.9	6.0
Indirect tax (net)	6.7	-7.7	1.7	0.2	20.2	-4.1	3.7	9.2
GDP at constant market prices	5.5	5.8	-3.2	6.9	7.0	5.1	6.5	6.3

Sources: Gambian authorities; and IMF staff estimates.

Table 4. The Gambia: Implicit GDP Deflators, 2000–07
(Base year, 1976/77=100)

	2000	2001	2002	2003	2004	2005	2006	2007
Agriculture	954.1	1,081.3	1,350.7	1,727.5	1,879.9	1,947.7	1,935.8	2,016.3
Groundnuts	787.4	858.2	1,109.2	1,902.7	2,210.3	2,210.3	2,145.6	2,030.4
Other crops	858.4	987.1	1,135.2	1,385.0	1,453.3	1,531.6	1,549.1	1,665.6
Livestock	1,184.1	1,361.7	1,565.9	1,910.4	2,004.7	2,091.1	2,114.9	2,274.0
Forestry	1,524.6	1,753.3	2,016.3	2,459.9	2,581.2	2,692.4	2,723.2	2,928.0
Fishing	1,603.4	1,844.0	2,120.5	2,587.1	2,714.7	2,860.9	2,893.6	3,111.2
Industry	774.3	920.1	1,096.4	1,360.7	1,432.9	1,512.4	1,522.0	1,637.5
Manufacturing	681.9	818.2	981.7	1,227.3	1,318.2	1,389.2	1,405.0	1,510.7
Large and medium manufacturing	672.1	806.5	967.8	1,209.8	1,299.3	1,369.3	1,384.9	1,489.1
Small manufacturing	702.3	842.7	1,011.3	1,264.1	1,357.7	1,430.8	1,447.1	1,555.9
Construction and mining	771.3	925.5	1,110.6	1,388.3	1,456.8	1,535.2	1,535.2	1,650.7
Electricity and water supply	1,439.9	1,583.9	1,742.3	2,003.6	2,102.5	2,210.1	2,236.9	2,407.9
Services	618.6	733.3	851.8	1,062.9	1,139.7	1,212.4	1,220.8	1,301.6
Trade	605.1	748.1	859.8	1,118.4	1,202.8	1,263.4	1,278.6	1,355.4
Groundnuts	66.3	79.6	95.5	124.1	133.3	139.1	140.7	147.7
Others	691.7	864.6	994.3	1,292.6	1,388.3	1,448.1	1,464.6	1,538.1
Hotels and restaurants	709.8	922.7	1,153.3	1,499.3	1,610.3	1,714.4	1,738.9	1,869.6
Transport and communications	496.0	594.2	698.9	904.7	969.8	1,036.2	1,035.3	1,108.0
Transport	567.3	680.8	782.9	1,056.9	1,135.1	1,208.5	1,225.7	1,317.9
Communications	445.5	534.6	641.5	801.9	861.3	935.5	935.5	1,005.8
Real estate and business services	832.4	957.3	1,100.9	1,266.0	1,359.8	1,440.3	1,460.8	1,570.7
Public administration	627.0	689.7	773.9	890.0	955.8	1,012.5	1,026.9	1,078.4
Other services	1,089.9	1,280.6	1,440.7	1,656.8	1,779.4	1,884.9	1,911.7	2,007.6
GDP at factor costs	725.8	848.3	984.0	1,249.9	1,356.1	1,422.5	1,419.5	1,499.7
Indirect tax (net)	739.6	747.0	879.9	1,142.1	1,656.1	1,666.0	1,905.7	2,003.9
GDP at constant market prices	727.4	837.8	972.7	1,239.0	1,390.3	1,447.8	1,468.8	1,552.3

Sources: Gambian authorities; and IMF staff estimates.

Table 5. The Gambia: Supply and Use of Resources, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
	(In millions of dalasis)							
Supply of resources	2,293.9	3,645.0	3,356.3	4,359.6	3,846.0	3,964.6	4,104.3	4,694.7
GDP at current prices	5,382.4	6,555.9	7,364.3	10,025.9	12,036.6	13,179.9	14,332.6	15,613.0
Imports of goods and nonfactor services	-3,088.4	-2,910.9	-4,008.0	-5,666.3	-8,190.5	-9,215.3	-10,228.3	-10,918.3
Use of resources	2,293.9	3,645.0	3,356.3	4,359.6	3,846.0	3,964.6	4,104.3	4,694.7
Gross domestic absorption	5,904.9	6,910.6	7,978.0	10,952.9	14,159.5	15,775.3	16,892.4	18,158.0
Consumption	4,975.8	5,279.9	6,433.1	8,999.3	10,899.9	12,310.6	13,430.2	14,250.3
Private	4,371.5	4,534.7	5,702.3	8,121.6	9,913.7	10,999.7	12,086.8	12,570.3
Public	604.3	745.2	730.8	877.7	986.2	1,310.9	1,343.4	1,680.0
Gross fixed investment	929.1	1,630.6	1,544.9	1,953.6	3,259.7	3,464.7	3,462.3	3,907.7
Private	683.6	898.2	1,008.9	1,423.7	1,653.8	2,014.1	2,075.6	2,049.7
Public	245.6	732.5	536.0	529.9	1,605.8	1,450.6	1,386.7	1,858.0
Change in stocks	..	..	..	..	..	..	..	..
Exports of goods and nonfactor services	2,565.9	2,556.3	3,394.4	4,739.3	6,067.5	6,815.8	7,806.4	8,432.9
Memorandum items:								
	(In percent of GDP)							
Consumption	92.4	80.5	87.4	89.8	90.6	93.4	93.7	91.3
Private	81.2	69.2	77.4	81.0	82.4	83.5	84.3	80.5
Public	11.2	11.4	9.9	8.8	8.2	9.9	9.4	10.8
Domestic savings 1/	7.6	19.5	12.6	10.2	9.4	6.6	6.3	8.7
Domestic investment	17.3	24.9	21.0	19.5	27.1	26.3	24.2	25.0
Imports of goods and nonfactor services	-57.4	-44.4	-54.4	-56.5	-68.0	-69.9	-71.4	-69.9
Exports of goods and nonfactor services	47.7	39.0	46.1	47.3	50.4	51.7	54.5	54.0

Sources: Gambian authorities; and IMF staff estimates.

1/ Defined as GDP minus consumption.

Table 6. The Gambia: Savings-Investment Balance, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
				(Percent of GDP)				
GDP market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Factor services, net	-4.9	-5.5	-6.0	-5.6	4.1	0.4	0.0	0.1
Remittances of technical assistance staff	2.4	2.1	3.0	3.5	13.1	10.3	10.2	8.2
Interest receipts, net	-7.3	-7.6	-9.1	-9.0	-9.0	-9.9	-10.2	-8.0
GNP market prices	95.1	94.5	94.0	94.4	104.1	100.4	100.0	100.1
Unrequited transfers, net 1/	9.9	8.3	11.6	9.6	10.5	6.7	5.0	3.0
Of which: official transfers	7.4	7.5	10.6	8.5	8.5	5.1	3.2	1.2
Gross disposable national income	105.1	102.8	105.5	104.0	114.6	107.2	105.0	103.1
Total consumption	92.0	81.9	87.4	88.8	90.7	95.4	88.1	92.4
Private consumption 2/	80.7	70.6	77.4	80.1	82.6	86.5	78.9	83.4
Government consumption 3/	11.2	11.4	9.9	8.8	8.2	8.9	9.3	9.0
Gross domestic savings	8.0	18.1	12.6	11.2	9.3	4.6	11.9	7.6
Government domestic savings 4/	1.3	-2.7	-0.4	0.3	5.9	2.3	4.6	6.2
Private domestic savings 5/	6.7	20.8	13.1	10.9	3.3	2.3	7.2	1.4
Gross national savings	13.1	20.9	18.2	15.2	23.9	11.7	16.9	10.8
Government national savings	3.6	-0.6	4.0	2.8	10.5	4.0	5.9	7.4
Of which: domestically generated	1.3	-2.7	-0.4	0.3	5.9	2.3	4.6	6.2
Private national savings 4/	9.6	21.5	14.2	12.4	13.4	7.8	11.0	3.4
Total domestically generated 5/	10.9	18.8	13.7	12.7	19.4	10.1	15.6	9.5
Gross domestic investment	17.3	24.2	21.0	20.3	30.0	26.8	28.4	23.2
Government investment 6/	4.6	11.2	7.3	6.1	14.4	11.0	11.0	6.1
Private investment 2/	12.7	13.0	13.7	14.2	15.7	15.8	17.4	17.2
Memorandum items:								
External current account								
Including transfers	-4.1	-3.3	-2.8	-5.1	-6.1	-15.1	-11.5	-12.5
Excluding transfers	-11.6	-10.8	-13.4	-13.6	-14.7	-20.2	-14.7	-13.7
Government financial balance 7/	-3.3	-13.9	-7.7	-5.8	-8.5	-8.7	-6.4	0.1
Government savings	1.3	-2.7	-0.4	0.3	5.9	2.3	4.6	6.2
Government investment	4.6	11.2	7.3	6.1	14.4	11.0	11.0	6.1
Private financial balance 7/	-3.1	8.5	0.5	-1.8	-0.3	-8.2	-3.1	-9.7
Private savings	9.6	21.5	14.2	12.4	13.4	7.8	11.0	3.4
Private investment	12.7	13.0	13.7	14.2	13.7	16.0	14.1	13.1

Sources: Gambian authorities; and IMF staff estimates.

1/ Consists of both official and private transfers.
2/ Includes public enterprise sector.
3/ Government current expenditure (excluding Gambia Local Fund), less capital component of recurrent budget, plus current component of development budget.
4/ Domestic revenue (excluding capital revenue) less government consumption.
5/ Gross national savings excluding official transfers.
6/ Development expenditure (excluding net lending), plus capital component of recurrent budget, less current component of development budget.
7/ Domestically generated financial balances.

Table 7. The Gambia: Agricultural Production, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
Acreage			(Thousands of hectares)					
Export crops	126.4	138.9	105.6	107.9	116.6	137.3	110.4	117.6
Groundnuts	124.8	138.9	105.6	107.9	116.6	137.3	110.4	117.6
Cotton	1.6	...	...	...	...	...	...	...
Food crops	146.3	159.0	148.3	176.9	194.3	199.4	184.6	190.8
Rice (paddy)	16.7	18.20	12.00	17.75	16.61	17.81	15.20	16.59
Sorghum[1]	24.4	26.20	18.30	24.68	26.05	22.95	18.96	21.72
Millet[1]	90.4	97.40	96.9	109.9	123.1	127.3	116.2	111.7
Maize	14.8	17.20	18.40	21.04	24.20	27.58	32.26	36.16
Sesame	...	...	2.70	3.50	4.30	1.79	1.97	0.76
Findo	0.0	0.0	0.0	0.0	0.0	1.89	0.00	3.87
Total area	272.7	297.9	253.9	284.9	310.9	336.6	295.0	308.4
Production			(Thousands of metric tons)					
Export crops	138.2	151.7	72.0	92.9	135.7	140.7	81.8	72.6
Groundnuts	138.0	151.1	71.5	92.9	135.7	140.7	81.8	72.6
Cotton	0.2	0.6	0.5	...	...	...	...	...
Food crops	175.6	199.9	139.7	216.2	213.2	201.0	184.9	151.2
Rice (paddy)	34.1	32.6	20.4	31.2	21.1	18.1	15.8	11.4
Sorghum[1]	24.9	33.4	15.2	30.1	29.0	28.5	20.3	18.0
Millet[1]	94.6	104.9	84.6	120.3	132.5	125.4	118.2	89.2
Maize	22.0	29.0	18.6	33.4	29.2	27.7	29.1	31.4
Sesame	...	...	0.9	1.2	1.4	0.7	1.5	0.4
Findo	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.9
Total production	313.8	351.6	211.7	309.2	348.9	341.7	266.7	223.7

Source: Gambian authorities.

[1]Including area intercropped with groundnuts.

Table 8. The Gambia: Minimum Producer Prices for Agricultural Commodities, 2000–07
(Dalasis per ton)

	2000	2001	2002	2003	2004	2005	2006	2007
Cotton	3,750	3,650	4,150	…	…	…	…	…
Groundnuts (undecorticated)	2,600	2,650	4,250	7,500	8,100	7,500	6,500	7,200
Rice (paddy)	1,750	2,250	2,500	…	…	…	…	…

Source: Gambian authorities.

Table 9. The Gambia: Indicators of Tourism Activity, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
Number of tourists	78,710	57,231	78,893	89,116	90,098	107,904	124,800	142,626
Germany	12,156	3,065	3,707	4,253	2,891	4,941	6,561	6,418
Sweden	4,997	4,043	5,391	4,205	3,954	6,754	6,361	7,458
Other Scandinavian countries	4,801	2,551	3,535	3,615	8,210	6,023	8,308	13,926
United Kingdom	37,594	34,399	48,894	40,872	48,297	48,748	52,797	66,043
Other	19,162	13,173	17,366	36,171	26,746	41,438	50,773	48,781
Average daily expenditure (in dalasis)[1]	477.5	499.0	542.0	634.0	724.0	500.0	500.0	519.0

Sources: Gambian authorities; and IMF staff estimates.

[1]Amount spent in The Gambia; excludes the cost of package tours.

Table 10. The Gambia: Energy Statistics, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
Electricity				(Thousands of kilowatt-hours)				
Total production	117,553	146,860	161,361	150,307	128,061	156,268	164,212	213,004
Residential consumption	45,676	55,324	62,060	48,458	38,833	52,944	49,642	58,559
Business consumption (including government)	21,530	25,698	24,934	44,693	41,132	44,317	49,548	61,636
Street lighting	...	740	507	383	279	…	…	…
Other consumption	10,347	12,917	17,301	…	…	4,752	6	6
Losses (including powerhouse consumption)	40,000	52,181	56,559	56,773	47,817	54,255	65,016	92,803
				(Dalasis per kilowatt-hour)				
Retail electricity prices								
Residential	1.55-2.21	1.55-3.75	1.55-3.75	1.55-3.75	1.55-6.98	4.59	1.55-6.98	2.02-7.58
Business	2.21	3.90	3.90	3.90	7.25	7.25	7.25	9.43
Hotels/industries	2.54	4.30	4.30	4.30	8.02	8.02	8.02	10.43
				(Millions of dalasis)				
Imports of mineral fuels and products[1]	289	149	342	455	1,014	1,181	1,265	1,351
				(Dalasis/litre)				
Retail petroleum prices								
Gasoline	8.95	10.50	15.00	22.00	22.00	30.00	30.00	30.00
Diesel oil	6.75	9.50	12.00	15.00	21.50	28.00	28.00	28.00

Sources: Gambian authorities; and the National Water and Electricity Company Ltd. (NAWEC).

[1]Includes mineral fuels, mineral oils and products of their distillation, bitminous substances, and mineral waxes; c.i.f. value.

Table 11. The Gambia: Public Sector Wage Scale, 2000–06
(In dalasis per year)

	2000		2001		2002 1/		2003		2004		2005		2006	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Grade 1	5,352	6,444	5,352	6,444	5,352	6,444	5,352	6,444	6,240	7,511	6,240	7,511	6,240	7,511
Grade 2	6,168	7,260	6,168	7,260	6,168	7,260	6,168	7,260	7,687	8,957	7,687	8,957	7,687	8,957
Grade 3	7,716	9,060	7,716	9,060	7,716	9,060	7,716	9,060	9,129	10,692	9,129	10,692	9,129	10,692
Grade 4	9,084	11,436	9,084	11,436	9,084	11,436	9,084	11,436	10,830	13,571	10,830	13,571	10,830	13,571
Grade 5	11,532	14,556	11,532	14,556	11,532	14,556	11,532	14,556	13,684	17,203	13,684	17,203	13,684	17,203
Grade 6	14,568	18,012	14,568	18,012	14,568	18,012	14,568	18,012	17,356	21,368	17,356	21,368	17,356	21,368
Grade 7	18,480	21,924	18,480	21,924	18,480	21,924	18,480	21,924	21,548	25,560	21,548	25,560	21,548	25,560
Grade 8	22,344	25,872	22,344	25,872	22,344	25,872	22,344	25,872	26,054	30,165	26,054	30,165	26,054	30,165
Grade 9	26,436	29,964	26,436	29,964	26,436	29,964	26,436	29,964	30,824	34,936	30,824	34,936	30,824	34,936
Grade 10	30,552	34,752	30,552	34,752	30,552	34,752	30,552	34,752	35,624	40,521	35,624	40,521	35,624	40,521
Grade 11	35,820	40,020	35,820	40,020	35,820	40,020	35,820	40,020	41,766	46,663	41,766	46,663	41,766	46,663
Grade 12	40,368	46,920	40,368	46,920	40,368	46,920	40,368	46,920	47,069	54,707	47,069	54,707	47,069	54,707

Source: Gambian authorities.

1/ In 2002, an additional cost of living allowance of 10 percent of the basic salary was paid to staff at grades 1-3.

Table 12. The Gambia: Minimum Daily Wages, 1998–2007
(In dalasis)

	2000	2001	2002	2003	2004	2005	2006	2007
General workers								
Foreman	28.43	28.43	28.43	28.43	28.43	28.43	28.43	28.43
Artisan (second class)	28.43	28.43	28.43	28.43	28.43	28.43	28.43	28.43
Head laborer	16.18	16.18	16.18	16.18	16.18	16.18	16.18	16.18
Laborer	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94
Dockworkers								
Supervisor/foreman	36.40	36.40	38.58	48.23	48.23	48.23	60.29	60.29
Headman (Banjul)	22.50	22.50	23.85	29.81	29.81	29.81	54.91	54.91
Headman (river ports)	...	...	...	...	...	...	...	...
Tally clerk (day rate)	58.80	58.80	58.80	75.50	75.50	75.50	90.62	90.62
Tally clerk (night rate)	87.40	87.40	87.40	109.25	109.25	109.25	135.31	135.31
Winchman (Banjul)	20.25	20.25	21.47	26.84	26.84	26.84	33.55	33.55
Winchman (river ports)	...	...	...	...	...	...	...	...
Gangwayman (Banjul)	18.50	18.50	19.61	24.51	24.51	24.51	30.64	30.64
Gangwayman (river ports)	...	...	...	...	...			
Laborer (Banjul)	17.70	17.70	18.76	23.45	23.45	23.45	29.31	29.31
Laborer (river ports)	...	...	...	...	...	...	...	...

Source: Gambian authorities.

Table 13. The Gambia: Overall Consumer Price Index, January 2000-June 2008[1]

	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	1,523.9	1,576.7	1,682.6	1,876.4	2,216.0	2,373.7	2,468.4	2,518.0	2,646.4
February	1,524.0	1,577.1	1,681.7	1,904.9	2,243.0	2,402.8	2,469.9	2,521.4	2,647.1
March	1,524.0	1,577.3	1,682.3	1,929.7	2,260.3	2,381.7	2,472.5	2,576.9	2,656.3
April	1,525.3	1,577.4	1,684.3	1,971.7	2,282.8	2,409.6	2,475.5	2,630.4	2,667.5
May	1,525.4	1,578.3	1,685.0	1,983.9	2,296.9	2,413.7	2,477.6	2,640.3	2,682.1
June	1,525.6	1,586.7	1,685.6	2,006.2	2,322.8	2,424.9	2,479.3	2,638.5	2,696.7
July	1,526.4	1,592.6	1,686.7	2,027.0	2,344.7	2,443.6	2,480.9	2,637.8	
August	1,527.1	1,599.4	1,697.0	2,054.6	2,356.3	2,448.5	2,483.0	2,641.2	
September	1,526.8	1,603.2	1,779.5	2,098.9	2,363.3	2,452.9	2,485.8	2,635.9	
October	1,526.0	1,605.3	1,807.9	2,119.2	2,365.9	2,462.2	2,489.0	2,639.1	
November	1,526.5	1,606.3	1,840.1	2,151.6	2,368.8	2,470.7	2,491.5	2,642.1	
December	1,526.9	1,650.1	1,864.7	2,192.2	2,369.6	2,484.4	2,494.9	2,645.1	
Memorandum items:									
Overall index (period average)	1,525.7	1,594.2	1,731.5	2,026.4	2,315.9	2,430.7	2,480.7	2,613.9	2,666.0
Annual percentage change[2] (period average)	0.9	4.5	8.6	17.0	14.3	5.0	2.1	5.4	3.0
Annual percentage change[3] (end of period)	0.2	8.1	13.0	17.6	8.1	4.8	0.4	6.0	2.2

Source: Gambian authorities.

[1]Data until July 2004 represent that for low-income households in Banjul and Kombo St. Mary areas with the base year of 1974 = 100, and from August 2004 onward, the new national CPI with the base period of August 2004 = 100. The new CPI are spliced with the old CPI.

[2]Data presented for 2008 are based on the averages for January to June 2007 and for January to June 2008.

[3]Data presented for 2008 are based on the June 2008 data.

Table 14. The Gambia: National Consumer Price Index, August 2004-June 2008
(August 2004 = 100)

	Weights	Food (54.7)	Nonfood (45.3)	Overall (100)
2004	August	100.00	100.00	100.00
	September	100.27	100.33	100.30
	October	100.15	100.73	100.41
	November	100.32	100.80	100.53
	December	100.12	101.13	100.56
2005	January	100.24	101.38	100.74
	February	102.14	101.75	101.97
	March	100.51	101.81	101.08
	April	102.41	102.08	102.26
	May	102.73	102.05	102.43
	June	102.91	102.91	102.91
	July	103.89	103.48	103.70
	August	104.02	103.78	103.91
	September	104.13	104.07	104.10
	October	104.66	104.27	104.49
	November	104.62	105.15	104.85
	December	105.28	105.63	105.44
2006	January	104.51	105.05	104.76
	February	104.54	105.17	104.82
	March	104.64	105.28	104.93
	April	104.79	105.38	105.06
	May	104.91	105.44	105.15
	June	104.98	105.52	105.22
	July	105.03	105.60	105.29
	August	105.12	105.69	105.38
	September	105.24	105.81	105.50
	October	105.40	105.91	105.63
	November	105.47	106.07	105.74
	December	105.57	106.26	105.88
2007	January	106.65	107.12	106.86
	February	106.77	107.29	107.01
	March	111.07	107.29	109.36
	April	114.69	107.94	111.63
	May	115.19	108.25	112.05
	June	115.15	108.13	111.98
	July	115.01	108.24	111.95
	August	115.19	108.33	112.09
	September	114.77	108.34	111.86
	October	114.91	108.48	112.00
	November	115.12	108.49	112.13
	December	115.32	108.53	112.26
2008	January	115.38	108.59	112.31
	February	115.45	108.58	112.34
	March	116.11	108.60	112.73
	April	116.61	109.08	113.21
	May	117.39	109.52	113.83
	June	118.11	109.99	114.44

Source: Gambian authorities.

Table 15. The Gambia: Central Government Operations, 2000–07
(Millions of dalasis)

	2000	2001	2002	2003	2004	2005	2006	2007
Revenue and grants	1,117.2	1,125.7	1,528.7	1,820.4	3,065.0	2,823.5	3,203.3	3,662.6
Domestic revenue	995.4	989.9	1,201.8	1,574.2	2,517.8	2,603.4	3,023.5	3,468.2
Tax revenue	869.9	853.8	1,040.2	1,380.7	2,244.7	2,263.2	2,677.9	3,037.3
Direct tax	223.6	251.0	318.0	441.0	606.3	682.5	803.2	884.1
Of which : personal	90.4	102.6	122.4	154.2	207.2	231.1	246.3	349.9
corporate	115.0	132.7	176.8	265.8	367.1	406.6	506.4	466.4
Indirect tax	646.3	602.8	722.2	939.7	1,638.4	1,580.8	1,874.7	2,153.2
Domestic tax on goods and services	72.8	73.9	124.9	205.7	291.4	374.5	474.8	548.4
Tax on international trade	573.5	528.9	597.3	734.0	1,347.0	1,206.2	1,399.9	1,604.8
Nontax revenue	162.5	136.0	161.5	193.5	273.1	340.1	345.6	430.9
Grants	121.8	135.9	326.9	246.2	547.2	220.1	179.7	194.4
Program	60.3	0.0	94.9	0.0	0.0	0.0	17.0	0.0
Projects	61.5	67.9	109.9	132.0	395.7	203.0	162.7	174.5
HIPC	0.0	68.0	122.1	114.2	151.4	17.1	0.0	19.9
Expenditure and net lending 1/	1,192.1	2,037.4	1,853.8	2,292.7	3,750.4	3,961.1	4,211.2	3,634.8
Current expenditure	985.8	1,237.1	1,318.2	1,707.0	2,035.8	2,420.4	2,584.0	2,586.4
Wages and salaries	341.2	342.0	395.2	452.6	517.5	554.0	652.6	680.4
Other charges	397.4	533.4	512.5	594.5	583.8	735.6	1,010.0	1,090.9
Interest	247.3	293.8	370.5	607.6	867.9	1,130.9	921.4	815.0
External	60.2	68.7	84.0	163.4	234.6	240.8	232.2	231.0
Domestic	187.1	225.0	286.6	444.2	633.3	890.1	689.2	584.0
HIPC Initiative funded expenditure	0.0	68.0	39.9	52.3	66.6	0.0	0.0	0.0
Capital expenditure and net lending 1/	206.3	800.3	535.6	585.7	1,714.6	1,419.2	1,627.2	1,048.4
Capital expenditure	245.6	285.4	568.4	608.3	1,733.5	1,449.6	1,564.1	972.8
External	196.7	224.5	478.3	472.7	1,517.0	1,341.3	1,487.2	780.3
Loans	135.2	156.6	368.4	340.7	1,121.3	1,138.3	1,307.5	585.9
Grants	61.5	67.9	109.9	132.0	395.7	203.0	179.7	194.4
Gambia Local Fund	48.9	60.9	57.7	57.2	88.8	106.3	76.8	192.5
HIPC Initiative funded expenditure	0.0	0.0	32.4	78.4	127.7	2.0	0.0	0.0
Extrabudgetary expenditure 1/	0.0	447.1	0.0	0.0	4.5	121.5	0.0	0.0
Net lending	-39.3	67.8	-32.8	-22.6	-23.4	-30.4	63.1	75.7
Overall balance (commitment basis), including grants	-75.0	-911.6	-325.1	-472.4	-685.5	-1,137.6	-1,007.9	27.8
Basic balance	-0.1	-823.0	-173.7	-245.8	284.4	-16.4	299.6	613.6
Adjustment to cash basis (float)	-23.7	-34.7	0.9	-123.6	-62.6	-72.2	-29.0	62.8
Overall balance (cash basis)								
Including grants	-98.7	-946.3	-324.2	-596.0	-748.0	-1,209.8	-1,036.9	75.6
Financing	98.7	946.3	324.2	596.0	748.0	1,209.8	1,036.9	-75.6
External (net)	-45.6	-23.6	140.9	59.7	690.3	727.7	876.2	158.2
Borrowing	135.2	233.6	725.8	340.7	1,121.3	1,138.3	1,307.5	585.9
Project	135.2	156.6	368.4	340.7	1,121.3	1,138.3	1,307.5	585.9
Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans 2/	0.0	77.0	357.4	0.0	0.0	0.0	0.0	0.0
Amortization	-180.8	-257.2	-591.9	-293.6	-431.0	-410.6	-431.3	-427.7
HIPC Initiative debt relief	0.0	0.0	7.0	12.6	0.0	0.0	0.0	0.0
Change in arrears (+ increase)	...	...	...	...	...	...	...	...
Domestic	144.3	969.9	183.3	536.3	57.7	482.1	160.7	-233.7
Bank 1/	45.0	952.8	22.9	401.2	-578.0	339.7	230.5	-68.4
Nonbank	139.5	68.1	197.0	95.1	635.7	93.4	103.5	-266.8
Accumulation / repayment (minus) of arrears	-40.2	-51.0	-36.7	0.0	0.0	-5.0	-283.7	-455.5
Privatization proceeds	0.0	0.0	0.0	0.0	0.0	54.0	0.0	626.5
Repayment of domestic debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-93.0
CBG (unrealized profits)	0.0	0.0	0.0	40.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic primary balance 3/	247.2	-82.1	196.8	361.8	1,152.3	1,114.4	1,221.0	1,413.7
Memorandum items:								
Stock of domestic debt	1,693.5	2,496.1	2,694.2	2,763.5	3,957.2	4,675.1	4,582.0	4,545.7

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

1/ Data for 2001 include US$28.5 million capital expenditure financed from a retroactive loan from the Central Bank of The Gambia (CBG), which the authorities indicated in October 2003 had not been recorded in official accounts.

2/ Includes loan disbursements (D 287.8 million in January and D 94.7 million in April) from Taiwan Province of China for electricity generators and improvement of distribution network. The generators were delivered to the National Water and Electricity Corporation in October 2001. The inflows were used to pay the suppliers.

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

Table 16. The Gambia: Central Government Operations, 2000–07
(In percent of GDP, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007
Revenue and grants	20.8	17.2	20.8	18.2	25.5	21.4	22.5	22.9
Domestic revenue	18.5	15.1	16.3	15.7	20.9	19.8	21.2	21.7
Tax revenue	16.2	13.0	14.1	13.8	18.6	17.2	18.8	19.0
Direct tax	4.2	3.8	4.3	4.4	5.0	5.2	5.6	5.5
Of which: personal	1.7	1.6	1.7	1.5	1.7	1.8	1.7	2.2
corporate	2.1	2.0	2.4	2.7	3.0	3.1	3.6	2.9
Indirect tax	12.0	9.2	9.8	9.4	13.6	12.0	13.2	13.5
Domestic tax on goods and services	1.4	1.1	1.7	2.1	2.4	2.8	3.3	3.4
Nontax revenue	3.0	2.1	2.2	1.9	2.3	2.6	2.4	2.7
Grants	2.3	2.1	4.4	2.5	4.5	1.7	1.3	1.2
Program	1.1	0.0	1.3	0.0	0.0	0.0	0.1	0.0
Projects	1.1	1.0	1.5	1.3	3.3	1.5	1.1	1.1
HIPC Initiative	0.0	1.0	1.7	1.1	1.3	0.1	0.0	0.1
Expenditure and net lending 1/	22.1	31.1	25.2	22.9	31.2	30.1	29.6	22.7
Current expenditure	18.3	18.9	17.9	17.0	16.9	18.4	18.1	16.2
Wages and salaries	6.3	5.2	5.4	4.5	4.3	4.2	4.6	4.3
Other charges	7.4	8.1	7.0	5.9	4.9	5.6	7.1	6.8
Interest	4.6	4.5	5.0	6.1	7.2	8.6	6.5	5.1
External	1.1	1.0	1.1	1.6	1.9	1.8	1.6	1.4
Domestic	3.5	3.4	3.9	4.4	5.3	6.8	4.8	3.6
HIPC Initiative funded expenditure	0.0	1.0	0.5	0.5	0.6	0.0	0.0	0.0
Capital expenditure and net lending 1/	3.8	12.2	7.3	5.8	14.2	10.8	11.4	6.5
Capital expenditure	4.6	4.4	7.7	6.1	14.4	11.0	11.0	6.1
External	3.7	3.4	6.5	4.7	12.6	10.2	10.4	4.9
Loans	2.5	2.4	5.0	3.4	9.3	8.6	9.2	3.7
Grants	1.1	1.0	1.5	1.3	3.3	1.5	1.3	1.2
Gambia Local Fund	0.9	0.9	0.8	0.6	0.7	0.8	0.5	1.2
Movements in Project Accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HIPC Initiative funded expenditure	...	...	...	...	...	...	...	...
Extrabudgetary expenditure 1/	0.0	6.8	0.0	0.0	0.0	0.9	0.0	0.0
Net lending	-0.7	1.0	-0.4	-0.2	-0.2	-0.2	0.4	0.5
Overall balance (commitment basis), including grants	-1.4	-13.9	-4.4	-4.7	-5.7	-8.6	-7.1	0.2
Basic balance	0.0	-12.6	-2.4	-2.5	2.4	-0.1	2.1	3.8
Adjustment to cash basis (float)	-0.4	-0.5	0.0	-1.2	-0.5	-0.5	-0.2	0.4
Overall balance (cash basis), including grants	-1.8	-14.4	-4.4	-5.9	-6.2	-9.2	-7.3	0.5
Financing	1.8	14.4	4.4	5.9	6.2	9.2	7.3	-0.5
External (net)	-0.8	-0.4	1.9	0.6	5.7	5.5	6.1	1.0
Borrowing	2.5	3.6	9.9	3.4	9.3	8.6	9.2	3.7
Project	2.5	2.4	5.0	3.4	9.3	8.6	9.2	3.7
Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans 2/	0.0	1.2	4.9	0.0	0.0	0.0	0.0	0.0
Amortization	-3.4	-3.9	-8.0	-2.9	-3.6	-3.1	-3.0	-2.7
HIPC Initiative debt relief	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Change in arrears (+ increase)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic	2.7	14.8	2.5	5.3	0.5	3.7	1.1	-1.5
Bank 1/	0.8	14.5	0.3	4.0	-4.8	2.6	1.6	-0.4
Nonbank	2.6	1.0	2.7	0.9	5.3	0.7	0.7	-1.7
Accumulation / repayment (minus) of arrears	-0.7	-0.8	-0.5	0.0	0.0	0.0	-2.0	-2.8
Privatization proceeds	0.0	0.0	0.0	0.0	0.0	0.4	0.0	3.9
Repayment of domestic debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
CBG (unrealized profits)	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Financing Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic primary balance 3/	4.6	-1.3	2.7	3.6	9.6	8.5	8.6	8.8
Memorandum item:								
Stock of domestic debt	31.5	38.1	36.6	27.6	32.9	35.5	32.2	28.4

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

1/ Data for 2001 include US$28.5 million capital expenditure financed by a retroactive loan by the Central Bank of The Gambia (CBG), which the authorities indicated in October 2003 had not been recorded in official accounts.

2/ Includes loan disbursements (D 287.8 million in January and D 94.7 million in April) from Taiwan Province of China for electricity generators and improvement of distribution network. The generators were delivered to the National Water and Electricity Corporation in October 2001. The inflows were used to pay the suppliers.

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

Table 17. The Gambia: Functional Classification of Central Government Current Expenditure, 2000-07

	2000	2001	2002	2003	2004	2005	2006	2007
				(Millions of dalasis)				
Total current expenditure	1,437.5	1,237.1	1,318.2	1,707.0	2,035.8	2,380.1	3,758.3	4,426.6
Of which								
General public services	…	…	…	…	…	447.0	876.6	909.2
Defense	42.5	38.5	45.0	57.0	58.0	85.3	78.2	113.1
Education	148.2	142.0	126.9	130.0	224.2	269.6	338.8	429.8
Of which: elementary education	…	…	…	…	…	185.1	242.7	…
Health	94.3	127.8	120.4	123.0	221.9	218.0	215.3	344.7
Of which: basic health care	…	…	…	…	…	…	…	…
Social welfare	…	…	…	…	…	2.1	3.8	49.7
Housing	…	…	…	…	…	20.4	53.5	94.7
Economic affairs and services	…	…	…	…	…	157.1	1,088.2	1,453.5
Other	…	…	…	…	…	1,180.6	1,103.9	1,031.9
Of which: interest on government domestic debt	187.1	225.0	286.6	444.2	633.3	1,097.4	955.9	846.4

Source: Gambian authorities.

Table 18. The Gambia: Central Government Social Expenditure and Social Indicators, 2000–07

	2000	2001	2002	2003	2004	2005	2006	2007
	(Millions of dalasis)							
Education expenditure	331.6	297.8	354.6	112.0	293.5	269.5	338.8	429.8
Of which								
Primary education	136.0	96.0	125.6	111.5	153.5	185.1	242.7	298.7
Secondary education	73.0	…	…	…	…	…	…	…
Higher education	59.7	…	…	…	…	…	…	…
Health expenditure	253.9	192.8	225.3	146.7	164.5	145.6	215.3	344.7
Primary and secondary health care	112.2	…	…	79.7	116.1	…	…	…
Tertiary health care	104.4	…	…	66.8	48.1	…	…	…
Administration and training	37.3	…	…	2.0	3.0	…	…	…
	(In percent, unless otherwise indicated)							
Social indicators								
Illiteracy rate	63	62	61	…	…	…	…	…
School enrollment rate								
Primary school enrollment (in percent of net)	64	69	73	72	…	…	62	…
Of which : female	60	67	73	72	…	…	64	…
Secondary school enrollment (in percent of net)	26	32	41	39	43	…	38	…
Of which : female	22	27	35	36	39	…	37	…
Life expectancy at birth (years)	57	…	58	…	…	59	59	…
Population with access to health care	…	…	…	…	…	…	…	…
Population with access to improved drinking water	86	…	…	…	…	…	86	…
Population below the poverty line	…	…	…	61	…	…	…	…
Infant mortality rate (per 1,000 live births)	94	…	…	…	89	86	84	…

Sources: Gambian authorities; and World Bank, *World Development Indicators, 2007.*

Table 19. The Gambia: List of Public Enterprises, End-2007

Name	Sector	Legal Status	Government Participation (In percent)	Capital (In millions of dalasis)	Turnover 1/ (In millions of dalasis)	Personnel
Social Security and Housing Finance Corporation (SSHFC) 2/	Social security and pension fund management and housing	Corporation	Owned by scheme members	…	431.1	280
National Water and Electricity Company Limited (NAWEC)	Electricity, water, and sewerage	Limited liability	97%	68.5	1.2	883
Gambia Ports Authority (GPA)	Marine/ports management	Public corporation	100%	16.3	384.3	780
Gambia International Airlines (GIA)	Airline operation, ground and cargo handling	Limited liability	99%	16.8	142.4	318
Gambia Telecommunucations Company Limited (GAMTEL)	Telecommunications	Limited liability	50%	60.0	1.1	1,443
Gambia Public Transport Corporation (GPTC)	Public transport	Public corporation	100%	38.8	29.2	244
Maintenance Services Agency Company Limited (MSA)	Vehicle and plant maintenance	Limited liability	99%	3.0	10.9	89
Gambia Civil Aviation Authority (GCAA)	Aviation	Public corporation	100%	231.9	244.7	554
Gambia Printing and Publishing Corporation (GPPC)	Printing and stationary	Public corporation	100%	11.4	24.0	89
Asset Management and Recovery Corporation (AMRC) 3/	Management and debt recovery services	Limited liability	100%	…	13.1	67
Gambia Telecommunications Cellular Company Limited (GAMCEL)	Mobile phone service provider	Limited liability	100% subsidiary of GAMTEL	94.3	749.7	255
Gambia Radio and Television Services (GRTS)	Radio & television broadcasting	Public corporation	100%	…	48.7	223
Gambia Ferry Services Company	River transportation	Limited liability	50%	20.0	109.8	578

Source: Gambian authorities.

1/ Taken from unaudited accounts.
2/ Net assets of all the Funds of SSHCF as of end-2005 was D 2,268 million. The figure under the turnover column represents income from contributions, investment income, and mortgage income.
3/ AMRC's accumulated fund as of end-2005 was D 40.1 million.

Table 20. The Gambia: Monetary Survey, 2000–June 2008

	2000 Dec.	2001 Dec.	2002 Dec.	2003 Dec.	2004 Dec.	2005 Dec.	2006 Dec.	2007 Dec.	2008 Jun.
Monetary survey	(Millions of dalasis, unless otherwise noted; end of period)								
Net foreign assets	1,319.7	650.5	958.2	1,861.3	3,184.5	3,200.7	4,291.9	4,022.2	3,627.7
Net domestic assets	662.6	1,716.9	2,244.3	2,731.7	2,247.5	2,944.5	3,465.7	4,251.7	4,866.8
Domestic credit	770.1	2,020.4	2,698.6	3,708.9	2,869.5	3,510.4	4,259.2	4,200.5	5,260.9
Claims on government (net)	83.4	1,071.8	1,094.5	1,494.4	1,008.8	1,348.4	1,578.9	1,188.6	1,958.9
Claims on government (net)[1]	83.4	589.3	612.0	1,011.9	434.0	773.6	1,504.1	1,188.6	1,958.9
Advances to the government in foreign currencies[2]	0.0	482.5	482.5	482.5	574.8	574.8	74.7	0.0	0.0
Claims on the private sector and public enterprises[3]	686.8	774.8	1,335.3	1,976.6	1,677.5	1,978.8	2,497.1	2,828.6	3,118.7
Claims on public enterprises	11.9	75.8	86.7	342.8	223.4	259.8	267.5	228.6	380.8
Claims on private sector	674.9	699.0	1,248.5	1,633.8	1,454.1	1,719.0	2,229.5	2,600.0	2,738.0
Claims on foreign exchange bureaus[4]	0.0	173.8	268.8	237.9	183.3	183.3	183.3	183.3	183.3
Other items (net)	-107.5	-303.5	-454.3	-977.2	-622.0	-565.9	-793.5	51.2	-394.1
Broad money	1,982.4	2,367.4	3,202.5	4,593.0	5,432.0	6,145.2	7,757.6	8,273.9	8,494.5
Currency outside banks	540.3	600.8	797.4	1,182.9	1,416.3	1,424.2	1,937.3	1,689.2	1,483.8
Deposits	1,442.1	1,766.5	2,405.2	3,410.2	4,015.7	4,721.0	5,820.3	6,584.7	7,010.7
	Change (in percent of beginning-of-year stocks)								
Broad money	34.8	19.4	35.3	43.4	18.3	13.1	26.2	6.7	2.7
Reserve money	16.8	21.0	34.1	62.7	11.0	11.9	24.3	-4.3	-6.3
Total deposits	32.2	22.5	36.2	41.8	17.8	17.6	23.3	13.1	6.5
Contribution to growth of broad money	(In percent of beginning-of-period broad money, unless otherwise noted)								
Net foreign assets	22.5	-33.8	13.0	28.2	28.8	0.3	17.8	-3.5	-4.8
Net domestic assets	12.3	53.2	22.3	15.2	-10.5	12.8	8.5	10.1	7.4
Domestic credit	7.4	63.1	28.6	31.5	-18.3	11.8	12.2	-0.8	12.8
Claims on government (net)	3.1	49.9	1.0	12.5	-10.6	6.3	3.8	-5.0	9.3
Claims on government (net)[1]	3.1	25.5	1.0	12.5	-12.6	6.3	11.9	-4.1	9.3
Advances to the government in foreign currencies[2]	0.0	24.3	0.0	0.0	2.0	0.0	-8.1	-1.0	0.0
Claims on the private sector and public enterprises[3]	4.4	4.4	23.7	20.0	-6.5	5.5	8.4	4.3	3.5
Claims on public enterprises	0.2	3.2	0.5	8.0	-2.6	0.7	0.1	-0.5	1.8
Claims on private sector	4.2	1.2	23.2	12.0	-3.9	4.9	8.3	4.8	1.7
Claims on foreign exchange bureaus[4]	0.0	8.8	4.0	-1.0	-1.2	0.0	0.0	0.0	0.0
Other items (net)	4.9	-9.9	-6.4	-16.3	7.7	1.0	-3.7	10.9	-5.4
Memorandum items:									
Nominal GDP (millions of dalasis)	5,382.4	6,555.9	7,364.3	10,025.9	12,042.3	13,181.8	14,247.9	16,007.3	17,901.0
(percentage change)	9.4	21.8	12.3	36.1	20.1	9.5	8.1	12.3	11.8
Velocity (calendar-year GDP/average broad money)	3.0	3.2	2.7	2.6	2.4	2.3	1.9	2.0	2.1
Reserve money multiplier (broad money/reserve money)	2.8	2.8	2.8	2.5	2.2	2.1	1.8	1.9	2.1
Credit to the private sector and public enterprises									
Twelve-month change (percent)	10.32	12.81	72.35	48.03	-15.13	17.96	26.19	13.28	24.81
Percent of GDP	12.76	11.82	18.13	19.70	13.93	15.01	17.53	17.67	17.42
Percent ratios									
Currency outside banks/broad money	27.25	25.38	24.90	25.75	26.07	23.18	24.97	20.42	17.47
Currency outside banks/deposits	37.46	34.01	33.15	34.69	35.27	30.17	33.29	25.65	21.16
Deposits/broad money	72.75	74.62	75.10	74.25	73.93	76.82	75.03	79.58	82.53

Sources: Gambian authorities; and IMF staff estimates.

[1] Excluding advances to the government in foreign currencies.
[2] These advances reflect previously unrecorded public spending and borrowing in 2001, financed by the Central Bank of The Gambia (CBG), and the previously unrecorded depletion of foreign exchange reserves in 2001-03 as reported by the authorities on October 28, 2003.
[3] In March 2003, the government instructed the CBG to lend the equivalent of D 137 million in U.S. dollars to a newly created public enterprise for a seismic survey of offshore oil deposits.
[4] Claims on foreign exchange bureaus reflect the delayed delivery of foreign currency purchased on a spot basis.

Table 21. The Gambia: Summary Accounts of the Central Bank, 2000–June 2008

	2000 Dec.	2001 Dec.	2002 Dec.	2003 Dec.	2004 Dec.	2005 Dec.	2006 Dec.	2007 Dec.	2008 Jun.
	(Millions of dalasis; end of period)								
Net foreign assets	1,314.4	698.3	816.2	847.5	1,757.8	2,132.3	2,827.7	3,049.2	2,746.8
Foreign assets	1,594.2	1,136.8	1,563.7	1,928.6	2,492.5	2,718.2	3,326.8	3,191.6	2,949.2
Foreign liabilities	-279.8	-438.5	-747.4	-1,081.1	-734.7	-585.9	-499.1	-142.5	-202.4
Net domestic assets	-611.7	152.3	324.3	1,008.4	303.0	174.3	38.7	-304.6	-175.0
Domestic credit	-778.1	138.8	381.1	1,229.8	195.9	-29.2	-164.0	-903.4	-476.2
Claims on government (net)	-732.4	-3.1	184.9	840.5	-186.8	-413.8	-548.5	-1,294.0	-876.4
Claims on government (net) [1]	-732.4	-485.6	-297.6	358.0	-761.6	-988.6	-623.3	-1,294.0	-876.4
Advances to the government in foreign currencies [2]	0.0	482.5	482.5	482.5	574.8	574.8	74.7	0.0	0.0
Claims on private sector	22.7	24.0	23.7	24.8	28.8	30.8	30.7	36.8	40.3
Claims on banks (net)	-68.4	-55.9	-96.3	-10.3	33.6	33.6	33.6	33.6	39.6
Claims on public enterprises [3]	0.0	0.0	0.0	136.9	136.9	136.9	136.9	136.9	136.9
Claims on foreign exchange bureaus [4]	0.0	173.8	268.8	237.9	183.3	183.3	183.3	183.3	183.3
Other items (net)	166.4	13.4	-56.8	-221.4	107.1	203.5	202.7	598.8	301.2
Reserve money	702.7	850.5	1,140.5	1,855.9	2,060.7	2,306.6	2,866.5	2,744.5	2,571.7
Currency outside banks	540.3	600.8	797.4	1,182.9	1,416.3	1,424.0	1,937.3	1,689.2	1,483.8
Bank reserves	162.4	249.7	343.2	673.0	644.5	882.4	929.2	1,055.3	1,087.9
Cash	35.2	55.1	52.0	68.0	69.3	113.4	149.9	204.3	170.4
Deposits at the central bank	127.3	194.6	291.2	605.0	575.2	769.0	779.3	851.0	917.5
Required reserves	201.9	247.3	336.7	613.8	722.8	849.8	931.2	1,053.6	981.5
Excess reserves	-39.5	2.4	6.4	59.2	-78.4	32.6	-2.1	1.8	106.4
Contribution to growth of reserve money	(In percent of beginning-of-period reserve money)								
Reserve money	16.8	21.0	34.1	62.7	11.0	11.9	24.3	-4.3	-6.3
Currency in circulation outside banks	26.7	8.6	23.1	33.8	12.6	0.4	22.2	-8.7	-7.5
Bank reserves	-9.9	12.4	11.0	28.9	-1.5	11.5	2.0	4.4	1.2
Cash	0.5	2.8	-0.4	1.4	0.1	2.1	1.6	1.9	-1.2
Deposits at the central bank	-10.4	9.6	11.4	27.5	-1.6	9.4	0.4	2.5	2.4
Net foreign assets	42.4	-87.7	13.9	2.7	49.0	18.2	30.1	7.7	-11.0
Net domestic assets	-25.6	108.7	20.2	60.0	-38.0	-6.2	-5.9	-12.0	4.7
Domestic credit	-34.1	130.5	28.5	74.4	-55.7	-10.9	-5.8	-25.8	15.6
Claims on government (net)	-31.1	103.8	22.1	57.5	-55.4	-11.0	-5.8	-26.0	15.2
Claims on government (net) [1]	-31.1	35.1	22.1	57.5	-60.3	-11.0	15.8	-23.4	15.2
Advances to the government in foreign currencies [2]	0.0	68.7	0.0	0.0	5.0	0.0	-21.7	-2.6	0.0
Claims on banks (net)	-3.2	1.8	-4.8	7.5	2.4	0.0	0.0	0.0	0.2
Claims on private and public enterprises	0.2	0.1	0.0	12.1	0.2	0.1	0.0	0.2	0.1
Claims on public enterprises [3]	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0	0.0
Claims on private enterprises	0.1	0.2	0.0	0.1	0.2	0.1	0.0	0.2	0.1
Claims on foreign exchange bureaus [4]	0.0	24.7	11.2	-2.7	-2.9	0.0	0.0	0.0	0.0
Other items (net)	8.5	-21.8	-8.3	-14.4	17.7	4.7	0.0	13.8	-10.8

Sources: Gambian authorities; and IMF staff estimates.

[1] Excluding advances to the government in foreign currencies.
[2] These advances reflect previously unrecorded public spending and borrowing in 2001, financed by the Central Bank of The Gambia (CBG), and previously unrecorded depletion of foreign exchange reserves in 2001-03 as reported by the authorities on October 28, 2003.
[3] In March 2003, the government instructed the CBG to lend the equivalent of D 137 million in U.S. dollars to a newly created public enterprise for a seismic survey of offshore oil deposits.
[4] Claims on foreign exchange bureaus reflect the delayed delivery of foreign currency purchased on a spot basis.

Table 22. The Gambia: Summary Accounts of the Commercial Banks, 2000–June 2008
(Millions of dalasis)

	2000 Dec.	2001 Dec.	2002 Dec.	2003 Dec.	2004 Dec.	2005 Dec.	2006 Dec.	2007 Dec.	2008 Jun.
Net foreign assets	5.3	-47.8	142.0	1,013.9	1,426.7	1,068.4	1,464.1	973.0	880.9
Foreign assets	137.5	128.1	568.1	1,055.6	1,507.2	1,105.9	1,520.6	1,459.0	1,208.8
Foreign liabilities	-132.1	-175.8	-426.1	-41.7	-80.5	-37.5	-56.5	-485.9	-327.9
Net domestic assets	1,436.8	1,814.3	2,263.2	2,396.3	2,589.0	3,652.6	4,356.2	5,611.7	6,129.8
Domestic credit	1,479.8	1,825.6	2,221.2	2,468.9	2,707.3	3,573.3	4,456.8	5,137.5	5,776.8
Claims on government (net)	815.8	1,074.9	909.7	654.0	1,195.6	1,762.2	2,127.4	2,482.7	2,835.3
Claims on private sector and public enterprises	664.0	750.7	1,311.5	1,814.9	1,511.7	1,811.1	2,329.4	2,654.9	2,941.5
Claims on public enterprises	11.9	75.8	86.7	205.9	86.5	122.9	130.6	91.7	243.8
Claims on private sector	652.2	674.9	1,224.8	1,609.0	1,425.3	1,688.2	2,198.8	2,563.2	2,697.7
Of which: in foreign currency	0.0	94.8	94.6	...	...	...	...	...	...
Reserves	162.4	249.7	343.2	673.0	644.5	882.4	929.2	1,055.3	1,087.9
Cash	35.2	55.1	52.0	68.0	69.3	113.4	149.9	204.3	170.4
Deposits at the central bank	127.3	194.6	291.2	605.0	575.2	769.0	779.3	851.0	917.5
Net claims on central bank	68.4	55.9	96.3	10.3	-33.6	-33.6	-33.6	-33.6	-39.6
Other items (net)	-273.9	-316.9	-397.5	-755.9	-729.2	-769.4	-996.2	-547.6	-695.3
Total deposit liabilities	1,442.1	1,766.5	2,405.2	3,410.2	4,015.7	4,721.0	5,820.3	6,584.7	7,010.7
Of which: foreign currency deposits	0.0	0.0	273.4	895.2	675.4	701.8	793.1	1,018.4	…
Demand deposits	443.3	524.7	959.4	1,690.1	1,691.4	1,896.4	2,248.1	2,519.3	2,647.8
Savings deposits	705.5	831.9	1,084.2	1,374.6	1,786.0	1,955.6	2,479.2	2,612.3	2,603.2
Time deposits	293.3	410.0	361.6	345.4	538.3	869.0	1,093.0	1,453.1	1,759.8
Memorandum items:									
Credit to the private sector and public enterprises	664.0	750.7	1,311.5	1,814.9	1,511.7	1,811.1	2,329.4	2,654.9	2,941.5
Twelve-month change (in percent)	10.6	13.1	74.7	38.4	-16.7	19.8	28.6	14.0	26.4
Percent of GDP	12.3	11.5	17.8	18.1	12.6	13.7	16.3	16.6	16.4

Sources: Gambian authorities.

Table 23. The Gambia: Monthly Interest Rates on Treasury Bills, January 2000–June 2008
(Percent per annum)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	12.5	12.0	15.0	20.0	31.0	28.0	15.0	13.7	13.5
February	12.5	12.5	15.0	20.0	31.0	28.0	14.9	13.8	13.7
March	12.0	12.5	15.0	23.0	31.0	26.0	15.9	13.7	13.6
April	12.0	12.5	15.0	24.0	31.0	26.0	15.8	13.7	13.1
May	12.0	12.5	15.0	24.0	31.0	26.0	15.4	13.9	13.3
June	12.0	12.5	15.0	25.0	31.0	26.0	14.5	13.9	13.1
July	12.0	12.5	15.0	26.0	31.0	22.0	14.1	13.9	
August	12.0	12.5	15.0	31.0	31.0	18.0	14.0	13.4	
September	12.0	12.5	15.0	31.0	31.0	18.0	13.3	12.8	
October	12.0	15.0	18.0	31.0	30.0	18.0	12.3	12.2	
November	12.0	15.0	19.0	31.0	30.0	16.0	10.7	12.9	
December	12.0	15.0	20.0	31.0	30.0	16.0	12.8	13.7	

Source: Central Bank of The Gambia.

Table 24. The Gambia: Structure of Interest Rates, 2000–March 2008
(Percent per annum; end of period)

	2000	2001	2002	2003	2004	2005	2006	2007	March 2008
Commercial bank lending rates									
Agriculture	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0	18.0-27.0
Manufacturing	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0	18.0-27.0
Building	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Trading	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Tourism	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Other	18.0-24.0	18.0-24.0	17.0-24.0	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Deposits									
Short-term deposit account	7.0	7.0	7.0	6.5	6.5	1.25-4.0	1.25-4.0	1.25-4.1	0.5-4.0
Savings bank account	8.0-10.0	8.0-10.0	8.0-10.0	8.0-17.0	10.0-17.0	5.0-10.0	5.0-7.0	5.0-7.0	4.0-7.0
Time deposits									
Three–months	9.5-12.5	9.5-12.5	6.0-13.0	7.0-22.0	8.0-22.0	5.0-14.0	5.0-8.5	5.0-12.9	5.0-13.6
Six–months	10.0-12.5	10.0-12.5	6.0-13.0	8.0-22.0	8.0-22.0	7.0-15.0	6.0-13.0	6.0-12.9	6.0-13.6
Nine–months	10.8-12.5	10.8-12.5	7.0-13.0	8.0-22.0	8.0-22.0	7.0-14.0	6.0-10.0	7.0-12.9	7.0-13.6
Twelve–months and over	11.0-12.5	11.0-12.5	7.0-13.0	10.0-22.0	12.0-23.0	7.0-17.0	6.0-13.0	7.0-12.9	7.0-13.6
Government									
Treasury bills	12.0	15.0	20.0	31.0	30.0	16.0	12.8	13.7	13.6
Government development loans									
1994-99	15.0	15.0	15.0	...	...	...	...	...	...
1999-2002	14.0-15.5	14.0-15.5	...	...	...	...	...	...	...
2005	...	...	15.5-20.0	15.5-20.0	15.5-20.0	15.5-20.0	...	...	...
Central bank									
Bank rate	10.0	13.0	18.0	29.0	28.0	14.0	9.0	10.0	10.0
Secondary market operations									
Rediscount rate	15.0	18.0	23.0	34.0	33.0	19.0	14.0	15.0	15.0

Source: Central Bank of The Gambia.

Table 25. The Gambia: Distribution of Commercial Bank Credit by Sector, 2000–March 2008

	2000	2001	2002	2003	2004	2005	2006	2007	March 2008
	(Millions of dalasis)								
Agriculture	102.8	39.6	71.7	139.5	181.4	301.0	462.2	189.4	178.3
Fishing	3.5	5.5	5.9	10.5	16.7	32.0	19.1	16.2	16.3
Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building and construction	51.1	58.4	78.4	95.0	89.1	144.4	165.0	302.2	283.4
Transportation	27.7	50.2	93.6	150.8	128.0	133.4	180.7	325.6	270.1
Distributive trade	311.9	349.6	540.0	598.2	499.4	478.7	518.0	719.8	667.6
Tourism	25.0	32.8	21.5	100.1	102.9	75.4	205.3	202.3	186.4
Personal loans	107.9	196.1	314.4	399.5	367.6	533.9	408.6	449.5	414.9
Other	47.2	60.6	212.0	372.3	228.9	283.9	421.1	426.7	595.2
Total	677.0	792.8	1,337.4	1,865.8	1,613.9	1,982.6	2,379.9	2,631.6	2,612.1
	(Percent of total credit)								
Agriculture	15.2	5.0	5.4	7.5	11.2	15.2	19.4	7.2	6.8
Fishing	0.5	0.7	0.4	0.6	1.0	1.6	0.8	0.6	0.6
Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building and construction	7.5	7.4	5.9	5.1	5.5	7.3	6.9	11.5	10.8
Transportation	4.1	6.3	7.0	8.1	7.9	6.7	7.6	12.4	10.3
Distributive trade	46.1	44.1	40.4	32.1	30.9	24.1	21.8	27.4	25.6
Tourism	3.7	4.1	1.6	5.4	6.4	3.8	8.6	7.7	7.1
Personal loans	15.9	24.7	23.5	21.4	22.8	26.9	17.2	17.1	15.9
Other	7.0	7.6	15.9	20.0	14.2	14.3	17.7	16.2	22.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of The Gambia.

Table 26 The Gambia: Liquidity Position of Commercial Banks, 2000–March 2008
(End-of-period data; in millions of dalasis, unless otherwise specified)

	2000	2001	2002	2003	2004	2005	2006	2007	March 2008
Liquid assets	1,034.6	1,368.0	972.3	1,707.4	2,162.7	2,150.8	2,630.4	2,632.3	2,066.1
Reserves	108.5	174.3	76.8	1,045.9	1,358.7	1,469.8	1,908.9	1,546.6	1,044.7
Deposits at central bank	127.0	196.3	292.2	592.1	573.9	762.3	768.8	921.9	852.2
Cash holdings	35.6	55.6	49.8	68.0	69.0	112.4	143.9	215.8	172.3
Foreign cash holdings	20.9	17.1	63.9	167.5	203.9	179.5	194.1	171.6	206.1
Foreign bank balances	-75.0	-94.8	-329.1	218.3	511.9	415.5	802.0	237.2	-185.9
Treasury bills	923.6	1,191.2	893.0	659.0	801.5	678.5	719.0	1,083.3	1,018.9
Government development stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liquid assets	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Memorandum items:									
Required liquid assets[1]	408.5	511.7	689.3	1,003.6	1,162.2	1,331.2	1,646.3	1,876.3	1,909.7
Excess liquidity[2]	626.0	856.3	283.0	703.8	1,000.5	819.6	984.1	756.0	156.4
Excess liquidity/required liquid assets (percent)	153.2	167.3	41.1	70.1	86.1	61.6	59.8	40.3	8.2
Required cash reserves	188.0	236.0	291.2	596.1	684.2	792.4	872.7	960.9	885.7
Excess cash reserves[3]	-79.5	-61.7	-214.4	449.8	674.5	677.4	1,036.2	585.7	159.0
Excess cash reserves/required cash reserves (percent)	-42.3	-26.1	-73.6	75.5	98.6	85.5	118.7	61.0	18.0
Required reserves/total deposits (in percent)	14.0	14.0	14.0	18.0	18.0	18.0	16.0	16.0	14.0

Source: Central Bank of The Gambia.

[1]Based on statutory requirements of 30 percent of total liabilities to the public.
[2]Liquid assets less statutory requirement.
[3]Actual reserves less required reserves.

Table 27. The Gambia: Commercial Banks, December 2007
(Millions of dalasis, unless otherwise specified)

	Year of Establishment	Shareholders[1]		Capital and Reserves	Total Deposits	Total Loans	Number of Branches	Minimum Deposits[3]
		Public	Private[2]					
Standard Chartered Bank (Gambia)	1895	0	100	224	2,058	335	5	3,000
International Bank for Commerce and Industry	1968	0	100	162	436	102	4	1,000
Trust Bank Limited	1997	0	100	275	2,017	1,038	11	200
Arab Gambia Islamic Bank	1996	0	100	91	398	231	3	200
First International Bank	1999	0	100	76	272	166	5	500
Guaranty Trust Bank (Gambia) Limited	2002	0	100	118	830	405	6	200
International Commercial Bank	2005	0	100	64	163	91	3	300
Access Bank	2006	0	100	85	363	247	3	500
Eco Bank	2007	0	100	50	47	30	1	500

Source: Central Bank of The Gambia.

[1]In percent.
[2]Including Social Security and Housing Finance Corporation (SSHFC).
[3]In dalasis.

Table 28. The Gambia: Distribution of Outstanding Government Securities, 2000–June 2008
(Millions of dalasis, unless otherwise indicated; end of period)

	2000	2001	2002	2003	2004	2005	2006	2007	2008 Jun.
Government treasury bills	1,564.0	1,919.5	2,117.6	1,948.1	3,018.5	3,809.0	4,174.3	4,296.8	4,410.7
(percent of total government securities)	92.4	93.7	94.2	93.8	96.4	100.0	100.0	100.0	100.0
Central bank	2.4	30.7	197.1	192.2	80.9	110.3	88.9	121.8	0.0
Commercial banks	814.2	1,073.4	908.1	648.5	1,190.1	1,762.2	2,127.4	2,483.8	2,835.3
Nonbanks	747.3	815.4	1,012.4	1,107.5	1,747.5	1,936.6	1,958.0	1,691.2	1,575.5
Of which: public enterprises	625.3	692.2	848.8	881.5	1,098.0	1,156.0	1,083.6	854.0	839.1
Government development stocks	23.2	23.2	23.2	23.2	23.2	0.0	0.0	0.0	0.0
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	5.5	5.5	5.5	5.5	5.5	0.0	0.0	0.0	0.0
Nonbanks	17.7	17.7	17.7	17.7	17.7	0.0	0.0	0.0	0.0
Of which: public enterprises	17.7	17.7	17.7	17.2	17.2	0.0	0.0	0.0	0.0
Government discount note series	106.3	106.3	106.3	106.3	90.8	0.0	0.0	0.0	0.0
Central bank	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
Nonbanks	106.3	106.3	106.3	106.3	90.8	0.0	0.0	0.0	0.0
Of which: public enterprises	102.4	102.4	102.4	102.4	88.0	0.0	0.0	0.0	0.0
Total government securities	1,693.5	2,049.0	2,247.1	2,077.6	3,132.4	3,809.0	4,174.3	4,296.8	4,410.7
Central bank	2.4	30.7	197.1	192.2	80.9	110.3	88.9	121.8	0.0
Commercial banks	819.7	1,078.9	913.6	654.0	1,195.6	1,762.2	2,127.4	2,483.8	2,835.3
Nonbanks	871.4	939.4	1,136.4	1,231.5	1,855.9	1,936.6	1,958.0	1,691.2	1,575.5
Of which: public enterprises	745.4	812.3	968.8	1,001.1	1,203.2	1,156.0	1,083.6	854.0	839.1
Percent of total government securities (percent)									
Central bank	0.1	1.5	8.8	9.3	2.6	2.9	2.1	2.8	0.0
Commercial banks	48.4	52.7	40.7	31.5	38.2	46.3	51.0	57.8	64.3
Nonbanks	51.5	45.8	50.6	59.3	59.2	50.8	46.9	39.4	35.7
Of which: public enterprises	44.0	39.6	43.1	48.2	38.4	30.3	26.0	19.9	19.0
Percent of GDP (percent)	31.5	31.3	30.5	20.7	26.0	28.9	29.3	26.8	24.6

Sources: Gambian authorities; and IMF staff estimates.

Table 29. The Gambia: Balance of Payments, 2000–07
(Millions of U.S. dollars, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007
Trade balance	-63.3	-50.0	-62.4	-60.0	-105.9	-142.6	-138.1	-171.5
Exports, f.o.b.	126.6	102.1	109.3	101.0	96.8	80.9	84.0	91.4
Groundnuts/groundnut products	13.7	18.0	24.0	9.1	16.9	2.0	10.2	5.8
Other domestic exports	7.4	8.3	7.1	8.4	9.0	5.2	7.2	6.7
Reexports	105.4	75.8	78.2	83.5	71.0	73.7	66.6	78.9
Imports, c.i.f.	-189.9	-152.1	-171.6	-161.0	-202.8	-223.4	-222.2	-262.9
For domestic use	-113.6	-96.2	-114.0	-100.2	-131.8	-149.7	-155.5	-184.1
Of which: oil products	-22.6	-9.2	-16.7	-16.0	-23.2	-29.8	-16.1	-28.5
For reexport	-76.3	-55.9	-57.7	-60.7	-71.0	-73.7	-66.6	-78.9
Factor services (net)	-20.5	-23.1	-22.4	-19.1	-35.0	-43.5	-48.0	-46.8
Nonfactor services	28.7	27.4	31.6	27.4	21.8	37.6	50.6	66.3
Of which: travel income	47.7	47.9	47.7	51.1	53.1	67.5	75.4	84.0
Private unrequited transfers (net)	10.6	3.5	3.6	3.7	8.0	7.4	9.3	11.5
Official unrequited transfers (net)	31.3	31.4	39.2	30.0	34.2	23.7	16.3	7.8
Current account balance								
Excluding official transfers	-44.5	-42.2	-49.6	-48.0	-58.8	-93.3	-74.6	-88.1
Including official transfers	-13.2	-10.8	-10.4	-18.0	-24.6	-69.6	-58.3	-80.3
Capital account	6.0	22.8	9.9	6.7	48.0	103.1	77.5	-263.6
Official loans (net)	6.6	8.4	18.9	16.1	23.0	25.5	26.9	6.4
Project related	20.7	24.8	47.4	26.5	37.3	39.8	43.9	23.6
Amortization	-14.1	-16.4	-29.7	-10.3	-14.4	-14.4	-17.0	-17.2
Private capital inflow								
Foreign direct investment (net)	15.8	10.2	12.9	12.7	56.6	61.2	74.2	80.6
Other investment (net)	-16.4	4.3	-22.0	-22.1	-31.6	16.4	-23.7	11.9
Unaccounted-for loss in official reserves	0.0	-28.5	0.5	0.0	0.0	0.0	0.0	0.0
Errors and omissions	17.4	-39.6	-0.1	6.3	7.9	-20.5	5.2	-1.6
Overall balance	10.1	-56.1	-0.1	-4.9	31.3	13.0	24.4	31.9
Financing	-10.1	56.1	0.1	4.9	-31.3	-13.0	-24.4	-31.9
Change in gross official reserves (increase = -)	-16.9	47.1	-4.2	4.2	-21.7	-12.6	-22.0	-22.9
Of which								
Repurchases/repayments (IMF)	-1.6	-0.2	0.0	0.0	-11.2	-2.0	-4.0	-17.1
Purchases/loans (IMF)	9.1	8.7	3.7	0.0	0.0	0.0	0.0	6.0
Exceptional financing 1/	0.0	0.0	0.4	0.0	1.6	1.6	1.6	2.1
Memorandum items:								
Gross official reserves (end of period)								
In millions of U.S. dollars	111.4	63.0	67.2	62.3	84.0	96.6	118.6	141.5
In months of imports, c.i.f.	7.0	5.0	4.7	4.6	4.3	4.5	5.5	5.5
External debt-service ratio 2/								
Including the Fund	19.6	16.8	23.9	11.1	17.7	17.7	16.5	19.5
Excluding the Fund	17.7	15.7	22.6	10.1	7.3	15.7	13.3	17.3

Sources: Gambian authorities; and IMF staff estimates.

1/ Includes debt relief by Paris Club; interim relief by multilaterals is treated as grants.
2/ In percent of exports and nonfactor services.

Table 30. The Gambia: Balance of Payments, 2000–07
(Percent of GDP, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007
Trade balance	-15.0	-12.0	-16.9	-17.0	-26.4	-30.9	-27.2	-26.7
Exports, f.o.b.	30.1	24.4	29.6	28.6	24.1	17.5	16.6	14.2
Groundnuts/groundnut products	3.3	4.3	6.5	2.6	4.2	0.4	2.0	0.9
Other domestic exports	1.8	2.0	1.9	2.4	2.2	1.1	1.4	1.0
Reexports	25.1	18.1	21.1	23.6	17.7	16.0	13.1	12.3
Imports, c.i.f.	-45.1	-36.4	-46.4	-45.6	-50.6	-48.4	-43.8	-40.9
For domestic use	-27.0	-23.0	-30.8	-28.4	-32.9	-32.5	-30.6	-28.6
Of which: oil products	-5.4	-2.2	-4.5	-4.5	-5.8	-6.5	-3.2	-4.4
For reexport	-18.1	-13.4	-15.6	-17.2	-17.7	-16.0	-13.1	-12.3
Factor services (net)	-4.9	-5.5	-6.0	-5.4	-8.7	-9.4	-9.5	-7.3
Nonfactor services	6.8	6.6	8.5	7.7	5.4	8.2	10.0	10.3
Of which: travel income	11.3	11.5	12.9	14.5	13.2	14.6	14.8	13.0
Private unrequited transfers (net)	2.5	0.8	1.0	1.1	2.0	1.6	1.8	1.8
Official unrequited transfers (net)	7.4	7.5	10.6	8.5	8.5	5.1	3.2	1.2
Current account balance								
Excluding official transfers	-10.6	-10.1	-13.4	-13.6	-14.7	-20.2	-14.7	-13.7
Including official transfers	-3.1	-2.6	-2.8	-5.1	-6.1	-15.1	-11.5	-12.5
Capital account	1.4	5.5	2.7	1.9	12.0	22.3	15.3	-41.0
Official loans (net)	1.6	2.0	5.1	4.6	5.7	5.5	5.3	1.0
Project related	4.9	5.9	12.8	7.5	9.3	8.6	8.6	3.7
Amortization	-3.4	-3.9	-8.0	-2.9	-3.6	-3.1	-3.3	-2.7
Private capital inflow								
Foreign direct investment (net)	3.8	2.4	3.5	3.6	14.1	13.3	14.6	12.5
Other investment (net)	-3.9	1.0	-5.9	-6.3	-7.9	3.6	-4.7	1.8
Unaccounted-for loss in official reserves	0.0	-6.8	0.1	0.0	0.0	0.0	0.0	0.0
Errors and omissions	4.1	-9.5	0.0	1.8	2.0	-4.4	1.0	-0.3
Overall balance	2.4	-13.4	0.0	-1.4	7.8	2.8	4.8	5.0
Financing	-2.4	13.4	0.0	1.4	-7.8	-2.8	-4.8	-5.0
Change in gross official reserves (increase = -)	-4.0	11.3	-1.1	1.2	-5.4	-2.7	-4.3	-3.6
Of which								
Repurchases/repayments (IMF)	-0.4	-0.1	0.0	0.0	-2.8	-0.4	-0.8	-2.7
Purchases/loans (IMF)	2.2	2.1	1.0	0.0	0.0	0.0	0.0	0.9
Exceptional financing 1/	0.0	0.0	0.1	0.0	0.4	0.3	0.3	0.3

Sources: Gambian authorities; and IMF staff estimates.

1/ Includes debt relief by Paris Club; interim relief by multilaterals is treated as grants.
2/ For 1998-2001, as a percentage of exports of goods and travel income; and from 2002 onward, as a percentage of exports of goods and nonfactor services, after interim debt relief and HIPC Initiative grants. Excludes any accumulation of external arrears.

Table 31. The Gambia: Direction of Trade, 2000–07[1]
(In percent of total)

	2000	2001	2002	2003	2004	2005	2006	2007
Exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Industrial countries	68.2	76.6	68.2	47.9	55.2	29.7	37.9	28.8
Of which								
United States	0.6	2.0	0.9	0.0	1.2	1.0	0.5	0.2
Japan	7.1	2.0	0.5	1.6	2.2	2.3	1.9	2.4
EU-25	60.0	65.0	66.7	45.8	51.5	26.1	35.2	25.8
Developing countries	31.8	23.4	31.8	52.1	44.8	70.3	62.1	71.2
Of which								
Africa	18.0	10.3	7.4	8.4	10.1	12.6	7.0	7.9
Of which								
Ghana	0.4	0.7	0.6	1.4	0.9	1.4	1.3	1.2
Guinea	0.2	0.1	0.1	0.4	0.6	1.0	0.9	0.9
Guinea Bissau	0.6	1.1	1.0	2.2	1.4	2.2	2.0	1.9
Senegal	0.3	0.0	0.5	0.1	3.7	4.7	0.1	0.1
South Africa	3.3	3.9	0.3	0.2	0.9	0.2	0.1	1.6
Asia	5.7	9.8	23.3	40.5	33.4	55.2	53.4	61.9
Of which								
China	0.0	0.0	0.0	7.7	0.3	0.6	1.1	16.4
Hong Kong SAR	1.6	0.9	0.8	1.9	0.3	0.6	0.3	0.7
India	0.6	1.1	10.3	19.5	22.9	41.0	38.6	35.4
Indonesia	0.1	0.2	0.0	0.0	0.0	8.4	7.9	7.6
Thailand	0.7	3.0	0.6	3.2	5.7	3.7	1.3	0.4
Other	8.1	3.2	1.0	3.3	1.3	2.5	1.8	1.4
Imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Industrial countries	35.1	39.1	35.9	35.1	29.1	28.9	24.6	21.9
Of which								
United States	2.5	2.3	2.5	5.8	4.4	5.3	3.3	2.6
Japan	2.0	1.3	1.6	1.1	0.6	0.6	0.7	0.6
EU-25	30.1	35.2	30.8	27.9	23.9	22.1	20.5	18.9
Developing countries	64.9	60.9	64.1	64.9	70.9	71.1	75.4	78.1
Of which								
Africa	17.1	14.2	17.0	15.9	19.7	23.6	23.8	24.0
Of which								
Côte d'Ivoire	3.9	3.3	4.9	3.4	3.3	8.5	8.1	8.4
Guinea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Senegal	10.9	7.4	9.0	9.1	12.4	11.4	11.3	11.7
Asia	38.3	34.3	34.8	36.4	35.2	33.8	36.6	38.0
Of which								
China	20.3	20.0	21.9	25.3	23.7	21.5	25.2	24.0
Hong Kong SAR	8.6	4.3	3.4	3.0	2.3	1.5	1.0	0.8
India	5.1	4.7	3.7	3.0	2.7	2.9	3.2	3.3
Malaysia	0.1	0.2	1.0	1.9	2.9	2.7	2.7	3.9
Thailand	1.0	2.1	1.3	0.8	1.0	2.5	1.2	2.6
Other	9.5	12.3	12.3	12.5	16.0	13.7	15.0	16.0

Source: IMF, *Direction of Trade Statistics.*

[1] Based on The Gambia's trading partners' data.

Table 32. The Gambia: Public External Debt Outstanding and Debt Service, 2000–07
(Millions of U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007
External public debt	465.6	490.4	528.8	555.2	587.6	621.4	676.7	299.4
Medium- and long-term	447.5	464.5	496.8	520.3	562.8	600.6	658.9	293.1
IMF	18.1	25.9	31.9	34.9	24.8	20.8	17.8	6.3
External public debt service[1]	22.1	18.3	27.3	11.5	19.4	19.4	22.0	22.2
Principal	17.1	13.3	22.3	6.5	14.4	14.4	17.0	17.2
Medium- and long-term	15.6	13.0	22.3	6.5	3.2	12.3	13.0	15.0
IMF repayments	1.6	0.2	0.0	0.0	11.2	2.0	4.0	2.2
Interest	5.0	4.9	4.6	6.0	8.2	8.8	8.6	9.3
Medium- and long-term	4.4	3.9	3.1	4.9	8.0	8.6	8.3	9.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF interest	0.6	1.0	1.5	1.0	0.2	0.2	0.3	0.3
IMF	2.2	1.2	1.5	1.0	11.4	2.2	4.3	2.5
Others	20.0	17.0	25.4	11.4	11.1	21.0	21.3	24.0
Memorandum items:								
External public debt (in percent of GDP)	110.6	117.3	143.0	157.3	146.5	134.7	133.6	46.5
Debt service (in percent of GDP)	5.3	4.3	7.3	3.5	5.6	5.0	5.1	4.1
Debt-service ratio[2]	19.6	16.8	23.9	11.1	17.7	17.7	16.5	19.5
IMF	1.9	1.1	1.3	1.0	10.5	2.0	3.3	2.2
Others	17.7	15.7	22.6	10.1	7.3	15.7	13.3	17.3
IMF repayments and interest								
(in percent of total debt-service payments)	9.8	6.6	5.4	9.0	59.0	11.5	19.7	11.4
(in percent of gross international reserves)	2.0	1.9	2.2	1.6	13.6	2.3	3.7	1.8

Sources: Staff estimates based on 1999 debt-stock data at decision point; and submissions by the authorities on subsequent disbursements and debt-servicing.

[1]Debt service presented on a commitment basis and includes payments to Alimenta; principal excludes debt forgiveness.

[2] In percent of exports and nonfactor servcies.

Table 33. The Gambia: Exchange Rate Indicators, 2000–June 2008

(Period average)

	Market Rate: Dalasis per U.S. Dollar	Market Rate: Dalasis per Pound Sterling	Market Rate: Dalasis per Euro	Nominal Effective Exchange Rate (2000=100)	Real Effective Exchange Rate (2000=100)
2000	12.79	19.80	…	100.00	100.00
2001	15.69	22.36	…	85.65	86.88
2002	19.92	29.16	18.36	66.46	71.66
2003	28.53	45.25	31.19	42.27	51.83
2004	30.03	53.81	36.37	37.48	51.23
2005	28.58	51.84	35.58	39.07	54.45
2006	28.07	51.08	34.87	39.27	54.28
2007	24.88	49.16	33.72	42.25	60.10
2006					
January	28.14	49.72	33.88	40.05	55.88
February	28.15	49.45	33.81	40.27	55.90
March	28.16	49.30	33.76	40.13	55.80
April	28.10	49.36	33.96	39.73	55.04
May	28.06	50.97	34.95	38.83	53.77
June	28.05	51.31	35.09	39.22	54.26
July	28.01	51.16	35.05	39.22	54.16
August	28.01	51.75	35.30	38.93	53.62
September	28.04	52.26	35.51	38.98	53.67
October	28.00	52.03	35.39	39.19	54.01
November	28.04	52.03	35.54	38.60	53.13
December	28.01	53.64	36.21	38.03	52.15
2007					
January	27.97	53.84	36.20	38.42	53.25
February	27.92	53.60	36.16	38.34	52.86
March	27.70	53.47	36.16	38.37	54.12
April	27.55	53.68	36.39	38.05	54.42
May	27.40	53.41	36.42	38.21	54.77
June	26.81	52.90	36.03	39.02	55.68
July	25.90	52.47	35.56	39.84	56.58
August	24.16	49.27	33.52	42.88	61.14
September	20.81	41.62	29.27	49.19	70.44
October	19.15	39.02	27.38	52.65	75.60
November	20.95	42.42	29.99	47.25	67.81
December	22.24	44.28	31.60	44.72	64.38
2008					
January	22.62	44.46	33.15	43.97	63.43
February	22.10	43.57	32.48	44.73	64.58
March	20.20	41.47	31.24	47.44	68.64
April	19.62	38.88	31.04	47.10	68.40
May	20.49	40.12	31.98	…	…
June	20.73	40.55	31.97	…	…

Sources: Central Bank of The Gambia; and IMF, *International Financial Statistics.*

Table 34. The Gambia: Summary of Tax System
(As of July 1, 2008)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on net income and profits			
1.1 Taxes on companies and Corporations (Company tax)	Tax on companies having income accruing in, derived from, brought into, or received in the Gambia. “Company” is defined as: (a) a company or corporation incorporated or registered in The Gambia or elsewhere, (b) a foreign association of persons, whether incorporated or not, which the Commissioner has, by general or special order, declared to be a company for the purposes of this Act; or (c)any other legal person which is not an individual, partnership, body of persons, trust, government, political subdivision of a government, or public international organizations	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 non-resident 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	The rate of income tax imposed on the chargeable income of a company or partnership is thirty-five percent (35%). The rate of income tax payable by a trustee is – (a) in the case of the first two years of administration of a deceased estate or trustee of an incapacitated person , the rates of tax applicable under paragraph 1; or (b) in any other case, thirty-five percent (35%). There is a minimum tax of 2% on turnover of audited accounts or 3% of un-audited accounts payable quarterly.

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Tax	Nature of Tax	Exemptions and Deductions	Rates
		approved pension or provident society fund. Deductions allowed include: depreciation by wear and tear of, plant, machinery, or fixtures arising from their use in a trade, business, profession, vacation, or employment.	The depreciation rates are: (i) an initial allowance of 20 percent of the total cost and (ii) an annual allowance of (a) 40% for Motor vehicles; buses and minibuses with a seating capacity of less than 30 passengers; goods vehicles with a load capacity of less than 7 tons; computers and data handling equipment; and construction equipment and earthmoving equipment, (b) 30% for Buses with a seating capacity of 30 or more passengers; goods vehicles designed to carry or pull loads of more than 7 tons; specialized trucks; tractors; trailers and trailer-mounted containers; and plant and machinery used in manufacturing, mining, or farming operations, (c) 20% for Vessels, barges, tugs, and similar water transportation equipment; aircraft; specialized public utility plant, equipment, and machinery; office furniture, fixtures, and equipment; any depreciable asset not included in another category and (d) 5% for Buildings.

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2 Taxes on individuals			
1.2.1 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. 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, (c) dividends, interest, or discounts For residential properties, a withholding tax of 10 percent of gross rents is applied. “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.	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 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 non-citizens under an agreement with another government, organisation, etc., (h) income from employment, trade, business, or profession exercised outside The Gambia and received	Either (a) Income range — Tax Rate Percent 0 to D7500 — 0 D7,501 – 17500 — 10 D17501-27,500 — 15 D27,501-37,500 — 20 D37,501 – 47,500 — 25 Over D47,500 — 35 Or (b) 3 percent of turnover or gross receipts, whichever is the higher

Tax	Nature of Tax	Exemptions and Deductions	Rates
		therein	
	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 against assessable income up to a maximum of six years, but only by the person who incurred the loss, and for the same business. Tax is levied for the year of assessment ending December 31 upon the income of the same calendar year,		
1.2.2 Withholding at source	(a) Monthly deductions from emoluments of employees (b) Withholding from contract payments to supply materials or services. (c) Withholding of tax from payments of interests, dividends and royalties		(a) Use of deduction table (b) 10% (c) 15%
1.2.3 Capital gains tax	Tax on net capital gains arising from transfer capital asset means – (a) in the case of a resident person -	Capital losses can be offset against capital gains in the same year of assessment. The tax is exempt on: (a) a capital gain on	Gains of D7500 and below are exempt. Rates of tax; companies, 25 percent of net gains or 10 percent of selling

Tax	Nature of Tax	Exemptions and Deductions	Rates
	(i) any land, building, or other structural improvement to land; (ii) any share, security, or other financial asset; (iii) any interest in a partnership; or (iv) any right, title, or interest in an asset referred to in sub-paragraph (i), (ii), or (iii); or (b) in the case of a non-resident person–(i) any land in The Gambia, or any building or other structural improvement to land located in The Gambia; (ii) any share, security, or other financial asset issued by a resident person; (iii)any interest in a resident partnership; or (iv) any right, title, or interest in an asset referred to in sub-paragraph (i), (ii), or (iii), but does not include a depreciable asset or stock-in-trade.	disposal of a capital asset by any person if the amount of the gain does not exceed seven thousand five hundred dalasis (D7,500); (b) a capital gain derived by a local authority, district authority, Government institution, or non-profit organization;(c)a capital gain on disposal of a private residence to the extent provided (i) in the two years immediately preceding the disposal, the building was used by the person or a parent of the person mainly as a private residence; and that the person has within one year after the disposal, purchased a new private residence of the person; or within two years after the disposal, constructed a private residence of the person. Or (d) a capital gain on disposal of agricultural land to the extent provided (i) in the two years immediately preceding the disposal, the land was used by the person or a parent of the person for agricultural purposes; and (ii) the person has within two years after the disposal, purchased new land for agricultural purposes.	price; individuals, 15 percent of net gains or 5 percent of selling price.

Tax	Nature of Tax	Exemptions and Deductions	Rates
2. Payroll tax	Fixed annual levy on expatriate employees payable by the employer.	Expatriates in the public service, international organisations, and charitable institutions are exempt.	D40,000 per person, effective May, 2008.
3. Taxes on goods and services			
3.1 Sales tax	Tax imposed on the sale price of all goods manufactured or imported and on services such as (a) telecommunications services; (b) insurance services; (c) air transport services; (d) the provision of board, lodging, meals, beverages, or any other facility supplied in carrying on the business of a hotel operator; (e) the provision of meals, beverages, or any other facility supplied in carrying on the business of restaurant, bar, or night club operator; (f) services provided by a regulated tourist enterprise under the Tourist Industry Licensing Act, 1974; (g) services provided by casinos and gaming houses; (h) services provided by builders, lawyers, accountants, laundry and dry cleaners, surveyors, engineers, architects, and hairdressers; (i) video hire; (j) printing and publishing of commercial	A supply of books and equipment to an educational institution for the institution's own use and not for resale is an exempt supply of goods.	15 percent for imports. 15 percent for domestic manufacturing and services, except for 20 percent for telecommunication services (GAMTEL and others)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	newspapers; (k) newspaper advertising; and (l) recording studio services;		
3.2. Business registration fee			Annual fees are set at D500 for local companies and partnerships, D250 for restaurants and service providers and D200 for other local businesses.
3.3.Fringe benefits tax	A fringe benefits tax is imposed for each tax year on every employer who has a taxable fringe benefits amount for the year. “Fringe benefit” means a housing fringe benefit, motor vehicle fringe benefit, household personnel fringe benefit, loan fringe benefit, debt waiver fringe benefit, property fringe benefit, medical fringe benefit, life insurance fringe benefit, entertainment fringe benefit, and residual fringe benefit.	The fringe benefits tax paid by an employer in a tax year is allowed as a deduction in computing the chargeable income of the employer for the tax year.	The tax imposed on an employer is thirty-five percent (35%) of the employer’s taxable fringe benefits amount for the year.
4. Taxes on international trade and transactions			
4.1. Import duties 4.1.1 Customs duties	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	General exemptions include goods in transit; goods for use as aircraft’s or ship’s stores; advertising material having no commercial value as such;	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 charged an excise tax,

Tax	Nature of Tax	Exemptions and Deductions	Rates
	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. 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.	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.	in addition to the maximum duty rate. These commodities include liquor, cigarettes, new vehicles, canned fruit and laundry soap. Excise Taxes are charged at: Beer - D75/litre Wine - D100/litre Spirit - D150/litre Cigarette - 150/kg net New vehicle - 25% of CIF Used vehicle - 15% of CIF Canned fruit - 5% of CIF Soft Drinks - D5/litre Laundry soap - D5/kg Wheelbarrows - 5% of CIF Onions/Potatoes - D5/kg Mineral water - D5/litre An environmental tax is charged on un-manufactured tobacco at 13.06/kg, cigarettes at D10/kg and at D1000.00 for each used motor vehicle excluding vans or public commercial vehicles.