

REPUBLIC OF



THE GAMBIA

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

# BUDGET SPEECH 2012

BY

HON. MAMBURY NJIE

Minister of Finance and Economic Affairs

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**HONOURABLE MAMBURY NJIE  
MINISTER OF FINANCE AND ECONOMIC AFFAIRS  
OF THE REPUBLIC OF THE GAMBIA**

## Acronyms

ACE	Africa Coast to Europe
ACP	Automated Cheque Processing
ACH	Automated Clearing House
AGDI	African Gender and Development Index
ASSET	Association of Small Scale Enterprises in Tourism
GMD	Gambian Dalasi
DHIS	District Health Information System
ECF	Extended Credit Facility
ECOWAN	ECOWAS Wide Area Network
ECOWAS	Economic Community of West African States
ELF	Enhanced Integration Framework
FAO	Food and Agriculture Organization
GCAA	Gambia Civil Aviation Authority
GDP	Gross Domestic Product
GEAP	Gambia Environment Agency
GIEPA	Gambia Investment and Export Promotion Agency
GPPC	Gambia Printing and Publishing Corporation
GRA	Gambia Revenue Authority
GRTS	Gambia Radio and Television Services
HFEP	Health Facilities Expansion Project
ICAO	International Civil Aviation Organisation
ICT	Information and Communication Technology
IDB	Islamic Development Bank
IFMIS	Integrated Financial Management Information Systems
IMF	International Monetary Fund
MEFP	Memorandum of Economic and Financial Policies
MOFEA	Ministry Of Finance and Economic Affairs
MOICI	Ministry of Information and Communications
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
NAWEC	National Water and Electricity Company
NCAC	National Centre for Arts and Culture
NCPI	National Consumer Price Index
NDA	Net Domestic Assets
MDG	Millennium Development Goals
NEA	National Environment Agency
NFA	Net Foreign Assets
OIC	Organization of the Islamic Conference
OPEC	Organization of the Petroleum Exporting Countries

PAGE	Programme for Accelerated Growth and Employment
PFM	Public Financial Management
PMO	Personnel Management Office
PRSP	Poverty Reduction Strategy Paper
RTGS	Real Time Gross Settlement
SEN	State Enrolled Nurses
SSS	Securities and Settlement Systems
STI	Science and Technology Innovation
UNDP	United Nations Development Programme
VAT	Value Added Tax
WAMZ	West African Monetary Zone
WARCIP	West African Regional Communications Infrastructure Programme
WEO	World Economic Outlook

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*A nation poised to boost and sustain growth and create employment  
aimed at eradicating poverty and achieving the MDGs.*

**Honorable Speaker,**

1. I beg to move that “The Bill entitled an Act to provide for the services of the Gambia for the period 1st January, 2012 to 31st December, 2012 (both dates inclusive) be read a second time.

**Introduction**

2. Despite the recent global economic crisis, the Gambian economy has managed to consistently register and sustain significant growth with low inflation over the past three years. Real GDP growth averaged around [6] percent for the past three years attributed mainly to growth in Agriculture and the Services sector. During the global financial crisis, Tourism and remittances were hardest hit but have rebounded in the fourth quarter of 2011. However, growth in the agricultural sector is expected to slow down due to variable weather conditions across the country. Inflation has come down to [4.1] percent as at end-September 2011 and is projected to end the year below 5 percent.
3. The government’s fiscal position has weakened in recent years marked by significant drop in government revenues as a ratio to GDP, contributing to the tight resource constraint. The shortfalls in revenue have led to large fiscal deficits, which have been financed mostly by costly domestic borrowing through PRSP II implementation. Under these challenges, the Government of the Gambia is preparing to launch the Programme for Accelerated Growth and Employment (PAGE), for the period 2012-2015.
4. The Programme for Accelerated Growth and Employment (PAGE) is the Gambia’s development strategy and investment programme for 2012 to 2015 for the medium term and it succeeds the Poverty Reduction Strategy Programme II (PRSP II).

5. The PAGE draws on lessons learned from the execution of past strategies to strengthen The Gambia's achievements. The PAGE is based on Vision 2020 and various sector strategies, and is the execution template for the government's long-term vision. Consistent with the Paris Declaration's Resolutions on Aid Effectiveness, PAGE will act as the main interface between the Gambia and her development partners. The PAGE is fully aligned with the Millennium Development Goals (MDGs). The main objective of the PAGE is to accelerate growth and create employment in order to consolidate and sustain recent economic achievements and reinforce gains in welfare over the past five years.
6. The Government of The Gambia will continue in its quest to accelerate growth and reduce poverty, by promoting inclusive growth to create opportunities for its citizens. In addition, inclusive growth will address the issue of inequality, and also make the poverty reduction efforts more effective by explicitly creating opportunities for the poor and vulnerable sections of the society.
1. The Government of The Gambia will negotiate a new three-year Enhanced Credit Facility (ECF) arrangement with International Monetary Fund (IMF) Board by early next year. The first round of discussions took place in October 2012. The IMF also conducted an Article IV mission to the Gambia in November on Economic, Financial and Exchange Rate policies of the Gambia. At the end of the mission, The Gambia was commended for robust economic growth and strong fiscal discipline in 2011 despite the prolonged global economic crisis. We will continue to nurture the relationship we have with the Fund and are looking forward to a new programme with them.
2. Agriculture is the most pro-poor sector in the country's economy, accounting for over 70 percent of employment in 2010. The Agriculture Sector is responsible for generating farmers' incomes, improving food security, increasing foreign exchange earnings and boosting tax revenue. It is also the country's main source of income and acts as a catalyst in reducing poverty. The sector has faced a lot of challenges over the years and has yet to reach its full potential; as a result, The Government through the PAGE has renewed its commitment to give agriculture the priority it deserves.

3. The Government's vision for the Agriculture Sector is to transform The Gambia into a major supplier of agricultural products to local and international markets between 2012 and 2015. Investments in Agriculture will mainly be in the provisions of inputs, irrigation, facilities as well as expanding the acreage under cultivation.
4. Tourism is a key driver of the economy and the country's most significant earner of foreign exchange. Tourism contributed [14.7] percent of GDP in 2009 and [12] percent of The Gambia's real GDP in 2010. Tourism is one of the country's main sources of employment, providing more than 16, 000 formal and informal jobs. In its drive to increase employment, the country plans to exploit the potential inherent in linking Tourism to Agriculture and Natural Resources Sector, to Industry, and to the Arts and Culture.
5. Government is endeavoring to create new opportunities for businesses and to help businesses become more efficient; the government will continue to support the development of information and communication technology and will continue to seek to reduce communication costs. The Government's investment in the Africa Coast to Europe (ACE) submarine cable project will greatly ease some of these constraints by significantly changing the landscape of telecommunications in the Gambia. Government, in collaboration with the private sector, will also focus on boosting investment in Energy and Roads to ensure a viable and Sustainable Economic Development.
6. To compete and maintain the country's presence in global markets, Government will boost the human capital endowments of its labour force, whose citizens need both access to new knowledge and continual training in new processes and the operation of the latest technologies.



## World Economic Outlook (WEO)

7. As per the latest IMF World Economic Outlook Publication, projections indicate that global growth will moderate to about 4 per cent through 2012, from over 5 per cent in 2010. Real GDP in advanced economies is expected to grow at an anemic pace of about 1.5 per cent in 2011 and 2 per cent in 2012. Growth in the emerging and developing economies is projected around 6 per cent in 2012.
8. U.S. economic activity lost steam. Growth slowed from an annual rate of 2  $\frac{3}{4}$  percent in the second half of 2010 to 1 percent in the first half of 2011. Economic growth is expected to average 1  $\frac{1}{2}$  to 1  $\frac{3}{4}$  percent in 2011-12. Real GDP growth in the euro zone is expected to slow down from an annual rate of 2 percent in the first half of 2011 to  $\frac{1}{4}$  in the second half, before rising to 1 percent in 2012. The ongoing financial turbulence will be a drag on economic activities through lower consumer confidence and financing, even as the negative effects of temporary factors such as high commodity prices and supply disruptions, from the Japanese earthquake, diminished.
9. Activity in Asia remained solid but stabilized somehow in the first half of 2011 due to the temporary disruption in supply from the Japanese earthquake and tsunami. Growth is projected to decelerate but remain strong and self-sustained, with weaker external demand being offset by solid domestic demand. The Latin America and Caribbean region is projected to expand by 4  $\frac{1}{2}$  percent in 2011, stabilizing at about 4 percent in 2012, with output remaining above potential.
10. Real activity in the Sub Saharan Africa region expanded strongly in 2010, and so far in 2011. Real GDP growth in the SSA region is projected to average 5  $\frac{1}{4}$  to 5  $\frac{3}{4}$  percent in 2011-12, with variations across regions. Growth in the low income and oil exporting countries is projected at 6 percent and 3  $\frac{1}{2}$  percent in middle-income countries. A further deterioration of the global economic environment could have significant spillovers to the SSA region. A faltering US or European recovery could undermine prospects for exports, remittances, official aid, and private capital flows.

11. Headline inflation is projected to recede as food and energy prices stabilize, underlying inflation pressure may well rise further mainly in emerging and developing economies. In advanced economies, headline inflation is projected to be about 2.5 per cent in 2011, and then recede to 1.5 per cent in 2012. In emerging and developing economies, headline inflation is expected to settle at 6 per cent in 2012, down from 7.5 per cent in 2011, as demand pressures raise core inflation.

**HONOURABLE SPEAKER, LET ME NOW DISCUSS  
DEVELOPMENTS ON THE DOMESTIC ECONOMY**

**DOMESTIC ECONOMY**

**Real Sector**

**Honourable Speaker,**

12. Economic growth in The Gambia continues to be robust despite the recent global economic and financial crisis. This growth has been attributed by consistent as well as solid growth in agriculture and telecommunication services among others. Real Gross Domestic Product (GDP) for the past three years averaged [6] percent

13. For the year 2011, Gross Domestic Product (GDP at 2004 constant market prices) grew by about 5.4 percent per annum compared to the 5.5 percent of 2010. This revision is mainly due to the revised figures for crop production and fishing activities.

14. The Industrial Sector, which comprises of Mining and Quarrying, Manufacturing, Electricity, Gas and Water Supply, and Construction, is estimated to grow by 1.3 percent in 2011 resulting from decline in productivity in Construction activities.

Electricity, Gas & Water supply activities registered growth of 1.4 percent as against the growth of 7.7 percent recorded in 2010.

15. The Services Sector is estimated to grow by 8.5 percent in 2011 compared to the 1.1 percent growth in 2010. Wholesale & Retail Trade is expected to grow in 2011 by 9.7 percent compared to a decline of 0.4 percent in the previous year. For the Hotels and Restaurants subsector economic activities have increased significantly by 7.9 percent this year compared to a decline of about 35.7 percent in 2010. This is as a result of revitalization of the Tourism industry that is reflected in the increase in tourist arrival figures.
16. The Transport, Storage & Communication and Financial & Insurance Sector continue to grow by about 10.2 and 7.0 percent respectively. These industrial activities are becoming primary movers of our economy, thus further rendering our economy a service oriented one.
17. In 2011 the Agriculture Sector is expected to grow by only 4.0 percent compared to the growth of 12.1 percent in 2010. Crop production, Livestock, Forestry and Fishing activities are expected to grow by 3.0, 6.3, 3.5, and 2.1 percent respectively. These developments resulted from late and reduced rainfall in some regions of the country, despite the overall increase in area under cultivation especially rice.
18. Tourism continues to play a dominant role in the services sector contributing to about [12] percent of GDP in 2010, and is projected at [14] percent of GDP by the end of 2011. It remains the leading foreign exchange earner in the economy, as a result Government will continue to invest and support the Tourism Sub-sector in collaboration with the World Bank through the Growth and Competitiveness Project.

**Honourable Speaker,**

## Fiscal Developments

19. There has been significant drop in revenues as a percentage to GDP from [17.5] percent in 2007 to about [14] percent in 2011. This has led to large fiscal deficits prompting government to engage in a series of tax administration reforms and expenditure controls.
20. The Government of The Gambia in the past five years has introduced a number of Public Financial Management (PFM) reforms. These reforms are expected to promote macroeconomic stability, improve revenue mobilization, and promote efficiency in resource allocation.
21. Government's Revenue and Grants as at end October 2011 stood at D4273.19 million (13.5 percent of GDP) and its end-year estimate stands at D5466 million (17.2 percent of GDP) against a budgeted sum of D5650.2 million (17.8 percent of GDP).
22. Tax revenue up to the end of fourth quarter is budgeted at D4068.7 million (or 12.8 percent of GDP) against an estimated outturn of D3633.9 million representing an under-performance of 11 per cent against the budgeted figure. Non-tax revenue is projected at D521.6 million up to end-fourth quarter 2011. However, actual collection to end-year is estimated at D519.7 million.
23. Total Expenditure and Net lending is budgeted at D6116.5 million (19.3 percent of GDP) during the year 2011 against an estimated outturn of D6206.5 million (19.6 percent of GDP).
24. Current Expenditure composed of Personnel Emoluments and Other Charges is budgeted at D3930.3 million for the year, whilst the estimated outturn for the year is projected at D4461.1 million, representing a 14.3 percent increment year-on-year.

25. Total interest payment for the period of 2011 is budgeted at D918.6 million whilst the estimated outturn to end-December 2011 is D862.3 million. This expected decline is aligned to Government's efforts in curbing the huge government borrowing as well as declining yields in treasury bills.
26. Capital Expenditure for the current fiscal year was budgeted at D1243.6 million against an estimated outturn of D1745.3 million.
27. Fiscal deficit as at end-year 2011 is budgeted at D466.3 million (1.5 percent of GDP) whilst the estimated outturn for the same period is D740.5 million (2.3 percent of GDP).

## **Public Financial Management**

28. Over the years, the Government has embarked on major reforms in Public Financial Management (PFM) aimed at supporting its goal of reducing poverty through the attainment of a stable macroeconomic environment and good governance. The Integrated Financial Management Information Systems (IFMIS), which was originally piloted to 6 sites, is now fully rolled out to all Ministries, effective January 2011.
29. In order to enhance accountability, the Internal Audit Unit at the Ministry of Finance and Economic Affairs (MOFEA) has been revitalized with the view to providing an independent and objective evaluation of Government's financial position. Capacity building for its personnel is currently ongoing, and a successful study tour to Uganda was undertaken to learn best practices.
30. Government has also embarked on budgetary reforms aimed at introducing a medium-term horizon in our planning and budgeting systems. The Medium Term Expenditure Framework (MTEF) will constitute budget planning framework that provides incentives for policy makers and budget planners to formulate medium-term budget plans by: Linking planning and policy

formulation with budget allocations; aligning the annual budget decisions with medium term macro-fiscal strategy; restricting expenditures within realistic resource envelope, and improving monitoring and tracking of budget performance.

31. The Value-Added Tax (VAT) will be introduced in 2013 to help expand the tax base and improve tax collection. Tax exemptions will also be streamlined in order to minimize tax expenditures.

### **Revenue Administration**

32. Gambia Revenue Authority (GRA) continues to receive Government support as part of the broader fiscal reforms introduced by Government to increase the capacity for domestic resource mobilization to fund national development projects and programmes.

33. In a bid to facilitate both tax compliance and ease payment, GRA in 2011 launched the initiative to involve commercial banks in accepting payments on behalf of the Authority from taxpayers. In addition to the mandate given to GRA to collect motor vehicle taxes and fees, the Authority will with effect from January 2012 be responsible for issuing the license and road tax discs to vehicle owners.

34. GRA registered an annual revenue growth of about 2 percent as at October 31<sup>st</sup>, 2011. GRA has since its creation been growing its revenues annually in nominal terms. However, revenues have slowly been declining relative to GDP due to the structure of the economy with agriculture not contributing to tax revenues despite its significant influence in annual GDP growth; tax exemptions given by government under our revenue laws and other laws such as the Gambia Investment and Export Promotion Agency (GIEPA) Act; and subsidies provided by government on fuel prices due to the related social and economic ramifications.

35. To deal with the aforesaid revenue challenges, GRA continues to put in a lot of effort in enforcing tax compliance particularly among larger businesses. To

guarantee a sustainable increase in revenues, GRA intends to effectively enforce tax compliance in the informal sector and rental income so as to broaden the tax base and ensure a fairer tax system. Consequently, a Section has been created within the Department of Domestic Taxes to be located at the newly opened Brusubi Tax Office with responsibility for the administration of the rental income tax for both commercial and residential properties.

**Honourable Speaker,**

### **Developments in Monetary and Financial Sectors**

36. Monetary policy in 2011 focused on sustaining the disinflationary process, maintaining exchange rate stability, and a viable external position. Policy was conducted in a highly challenging global economic environment including larger-than expected rise in commodity prices in the first half of 2011. Nonetheless, the monetary authorities were able to maintain a subdued inflationary environment as well as a stable exchange rate with a comfortable level of international reserves. This created room for the Monetary Policy Committee (MPC) to relax monetary policy to permit a further reduction in interest rates in the later part of the year. The Central Bank's policy rate was reduced by one percentage point to 14 percent.
37. Growth in money supply declined to 11.5 percent in September 2011 from 20.1 percent a year ago. The growth in money supply was due both to the increase in net foreign assets and net domestic assets of the banking system. Similarly, growth in both narrow money and quasi money in the twelve months to end-September 2011, increased robustly with narrow money growing at a faster pace.
38. The Net Foreign Assets (NFA) of the banking system increased significantly to D4.1 billion or 16.9 percent mainly on account of the significant increase in the NFA of deposit money banks. The net foreign assets of deposit money banks increased to D1.3 billion from D0.6 billion, mirroring the significant decline in foreign liabilities and increase in their balances held with other banks abroad. In contrast, the net foreign assets of the Central Bank declined by 5.1 percent to

D2.7 billion due mainly to growth in liabilities and payment of external obligations.

39. The Net Domestic Assets (NDA) of the banking system rose to D10.2 billion or 9.5 percent mainly due to the increase in domestic credit, which rose to D11.5 billion or by 22.3 percent compared to the 35.3 percent growth recorded in September 2010. Credit extended to the public sector increased significantly to D773.1 million or by 17.0 percent relative to a contraction of 24.9 percent in the preceding year. Credit to private sector, which constitute 40.2 percent of total credit, increased by 5.1 percent to D4.6 billion in the twelve months to end-September 2011. Furthermore, net claims on government increased to D6.1 billion or by 41.0 percent due to increased borrowing from the domestic economy to finance government operations.

40. The minimum capital requirement of banks was raised in two fold to meet the challenges of the growing number of financial institutions in the country and to ensure solvency in the industry. The industry is characterized by increased competition and expansion in the form of branches and agencies across the country. Such expansion has increased access to banking products and services nationwide.

41. Furthermore, in response to the need for fundamental financial sector advancement and the need for a well-functioning financial system, installation of new payments system infrastructure is well advanced. The Central Bank has also initiated an electronic reporting system for commercial banks for increased efficiency in intermediation in line with international best practice, reduction in transaction costs, strengthening credit governance and supervision, among others.

42. The Banking Industry total assets rose to D18.1 billion in September 2011. Gross loans and advances to the major sectors of the economy accounting for 30.0 percent of total assets, increased by 6.5 percent to D5.4 billion in 2011. Deposit liabilities continued to increase and totaled D11.9 billion, or an increase of 10.2



percent compared to 2010. The ratio of non-performing loans to gross loans declined to 13.0 percent in September, an improvement from the 16.2 percent recorded a year ago.

43. In essence, the Banking Industry remains sound and adequately capitalized to absorb shocks with a risk-weighted capital adequacy ratio of 27.1 percent, significantly higher than the minimum requirement of 10.0 percent.

### **Payment Systems Development Project**

44. The Central Bank of the Gambia and the West African Monetary Zone (WAMZ) are now at an advanced stage in developing a new payment system for the Gambia. This is part of a broader initiative of the WAMZ Payment System Development Project with the aim of upgrading and ultimately harmonizing the payment systems of member countries.

45. Funded by the African Development Bank, the project will standardize the payment systems of The Gambia, Sierra Leone and Guinea towards a quicker and more efficient method of payments and settlements using Automated Cheque Processing/Automated Clearing House stream. The central Bank of the Gambia has already provided commercial banks with the new sort codes to be issued to their customers. The new sort codes are necessary for the efficiency in the system, and both Central Bank and Commercial bank staff are being trained by the solution providers.

46. Under the new project, large transactions will now be handled by a more secured Real Time Gross Settlement/Securities and settlement systems program. This application is expected to reduce to bare minimum risks involved in large transactions using cash and other payment methods.

## **Prices Movements**

47. During the year under review, Inflation has been on a downward trend. Consumer Price Inflation (CPI), measured by the National Consumer Price Index (NCPI), declined to 4.1 percent in September 2011 from 6.1 percent at end-September 2010 and 5.8 percent in December 2010. The decline in headline inflation is due, mainly, to a 3-percentage point fall in food prices index.
48. Food inflation decreased to 5.5 percent in September 2011 compared to 8.4 percent in the corresponding period last year. Major sub-group indices that contributed to the decline in food inflation are “meat”, “vegetables, root crops and tubers and sugar”, “jam, honey and sweets”, “fish”, and “milk, cheese and eggs”.
49. In contrast, increases were recorded in the consumer price inflation of “bread cereals”, “oils and fats”, “fruits and nuts” and “other food products”. Consumer price inflation of non-alcoholic beverages increased moderately to 3 percent at end-September 2011 from 2.6 percent in the preceding year.
50. For non-food group, the consumer price indices of “clothing, textiles and footwear”, ‘health’, ‘transport’, ‘communication’, ‘hotels, cafes and restaurants’ and ‘miscellaneous goods and services’ declined whilst the consumer price inflation of ‘housing, water, electricity, gas and other fuels’ and ‘recreation and culture’ increased during the review period. As a result, consumer price inflation of ‘non-food products and services’ declined to 2.2 percent in September 2011 from 2.9 percent at end-September 2010.

## **Exchange Rate**

51. The Dalasi remains resilient vis-à-vis major international currencies traded in the domestic foreign exchange market, albeit with gradual but tolerable margins of depreciation during the course of the year. The unexpected hike in international commodity prices in the first half of 2011 increased the value of the country’s

import bill and correspondingly increased the demand for foreign currency, putting a depreciating pressure on the Dalasi.

52. From end-September 2010 to end-September 2011, the Dalasi depreciated against the major trading currencies in the domestic foreign exchange market. Against the US Dollar, it depreciated by 4.67 percent, Pound Sterling (0.95 percent), Euro (6.58 percent) and CFA (3.81 percent).

53. Volume of transactions in the domestic foreign exchange market, measured by aggregate purchases and sales of foreign currency, contracted marginally to US\$1.56 billion in September, 2011 from US\$1.68 billion a year earlier. The demand side of the activity volume from October 2010 to end-September 2011, totaled US\$0.79 billion relative to US\$0.84 billion in the same period last year. The supply side for the same period was US\$0.77 billion relative to US\$0.83 billion in the preceding year. The major sources of foreign exchange are Exports, Tourism, Remittances and Foreign Direct Investments (FDI).

**Honourable Speaker,**

### **Balance of Payments**

54. The overall Balance of Payments (BOP) is projected to improve from a revised deficit of US \$25.7 million in 2010 to a surplus of US \$7.6 million in 2011. This is mainly on account of the expected increase in private capital and official inflows.

55. The merchandise trade deficit is expected to widen slightly to US \$216.3 million from US \$215 million in 2010. Exports, including re-exports are projected to increase by 12.6 percent to US \$110.6 million in 2011. Imports, on the other hand, is projected to increase to US \$327 million in 2011 from US \$313.1 million in 2010 with food and fuel imports accounting for the bulk of the increase.

56. The services account balance is projected at a surplus of US \$51.1 million in 2011 compared to US \$37 million in 2010. Tourism income is projected to improve to

US \$77.2 million compared to US \$71 million in the preceding year, on account of recovery in the country's main source market, The United Kingdom.

57. The capital and financial account surplus is expected to increase to US \$154.4 million compared to US \$137.2 million in 2010.

**LET ME NOW DISCUSS DEVELOPMENTS IN THE PRODUCTIVE SECTORS OF THE ECONOMY – AGRICULTURE AND NATURAL RESOURCES, TOURISM, TRADE AND INFRASTRUCTURE.**

**PRODUCTIVE SECTORS**

**AGRICULTURE**

58. The Government's vision for the Agriculture Sector is to transform The Gambia into a major supplier of agricultural products to local and international markets between 2012 and 2015. To achieve this vision, the Government intends to (I) Increase food security and boost the income-generating capacity and the nutritional status of farmers, especially women and youth, (II) Transform the agricultural sector from a traditional subsistence economy to a modern market-oriented commercial sector (III) Increase and sustain agricultural production and productivity through all year round irrigation (IV) Enhance beneficiaries' productive capacity through supervision, coordination, regulation and advice.

59. The Cultivated area of early millet is expected to increase from 127,000 ha in 2010 to 132,100 ha in 2011. Similarly production may also increase from 126,000 metric tons in 2010 to 130,700 metric tons this year representing a 3.6 percent increment. Groundnut production is projected to decrease by 11.3 percent from 115100Mt in 2010 to 103400 Mt in 2011.

60. The overall area cultivated for rice production has been increasing over the years. Various interventions by his Excellency The President such as his Back to the

Land initiatives and his personal intervention and involvement in farming activities has contributed to the improvement in agricultural productivity.

## **FISHERIES AND WATER RESOURCES**

61. The Ministry of Fisheries, Water Resources and National Assembly Matters (MoFWRNAM) continues to implement development projects and programmes aimed at achieving the MDGs and Vision 2020, through effective and sustainable development and management of the fisheries resources.
62. In the area of artisanal fisheries, Government with the assistance of development partners is providing the Ministry with infrastructural facilities, and means for fish preservation and distribution within the country.
63. The construction of the Fisheries Jetty in Banjul is at an advance stage and estimated to be operational by early 2012. The Fisheries Jetty when completed will enable licensed industrial fishing vessels to land their catches in the Gambia. This will create employment, increase fish landings and enable local fishing companies to operate at full capacity. With the help of Food Agricultural Organisation (FAO), aquaculture i.e. fish ponds have been established in the SAPU areas and the 2012 budget envisages the replication of these fish ponds to all the divisions of the country.

## **FORESTRY AND ENVIRONMENT**

64. The Gambia's Community Forestry Policy, put in place with support from FAO has won silver in the 2011 Future Forest Policy Awards as one of the world's most inspiring and innovative forest policies.
65. The country, with the support of FAO and other development partners, has developed and implemented the first policy and legislation in Africa to provide local populations with secured and permanent forest ownership rights. Transferring forest tenure from state ownership to management by local

communities has significantly contributed to the reduction of illegal logging and forest fires. It has enabled a slowdown in the rate of desertification and enhanced the benefit from using forest products.

## **HONOURABLE SPEAKER ON TOURISM&TRADE POLICIES**

### **TOURISM**

66. Tourism continues to be a major economic activity in the Gambia despite domestic and international challenges. Tourist arrivals for the first eight months of 2011 stood at 65621. This represents a 12.5 percent increase from tourist arrivals in the corresponding period of 2010.
67. The Ministry of Tourism and Culture has recently established a new entity called the Gambia Tourism Board replacing the Gambia Tourism Authority (GTA). The new outfit will therefore put more focus and resources on destination marketing, product development and diversification while ensuring the commitment of hotels and other tourism facilities to uphold quality service standards, all of which are key to successfully marketing The Gambia as an ideal and highly competitive destination.
68. Indeed the expectant resumption of the Condor flights from Germany during the 2011/12 winter season as well as inroads that are expected into the Italian, Polish and Russian markets, complemented by vigorous destination marketing at the sub-regional level, particularly Nigeria, constitute the premise on which a new spirit of optimism are built for the optimum realization of our dreams of making the Gambia an all year round tourism haven.
69. In the area of culture, the Ministry of Tourism and Culture concluded a strategic planning workshop for the National Centre for Arts and Culture (NCAC), with a view to placing culture at the central axis of our development agenda. A five year strategic plan (2011-2015) is being finalized, and will make the NCAC more

proactive and responsive to the needs of the cultural sector in terms of training, cultural marketing and development.

## TRADE

70. The Ministry of Trade, Regional Integration and Employment (MOTRIE), as part of the effort to enhance the mainstreaming of trade into the country's development agenda and global multilateral trading arrangements, has formulated and validated the Medium Term Plan (MTP). The MTP is a comprehensive framework for implementing the recommendations of the National Trade Policy 2011 Study while providing an input into the formulation of the Programme for Accelerated Growth and Employment (PAGE).

### **Enhanced Integrated Framework (EIF)**

71. Following the approval of tier 1 projects, the EIF has provided support to various sectors as part of its mandate to mainstream trade into the relevant sectors. Some of its support between 2010 and 2011 was geared towards the National Codex Committee, tourism sector, ASSET; Gambia is Good, Association of Gambian Manufacturers, amongst others. The EIF has developed three Tier 2 project proposals: The Building of a cargo complex and installation of a baggage scanner project for the Gambia International Airlines (US\$ 2.3 million); Installation of 3 wind mills and building of fish service centres in Tanji, Brufut and Gunjur project under the Fisheries Department (US\$3.2 million); and Sector Competitiveness and Export Diversification Project (US\$2.3 million).

72. The Sector Competitiveness and Export Diversification Project have already been submitted for approval to the EIF Board and is awaiting approval. Additionally, The EIF project procured standard equipment for the weights and measures bureau to help them expand their work of monitoring the use of proper measurement of goods.

## INFRASTRUCTURE

### **Telecommunication**

73. Recognizing the potentials of leveraging Information and Communications Technology (ICT) in Government processes and procedures for efficient service delivery and to make The Gambia visible in cyberspace, the Ministry of Information and Communication Infrastructure (MOICI) is effectively implementing its e-government strategy as well as the following projects:

### **West Africa Regional Communications Infrastructure Programme (WARCIP)**

74. The Government of The Gambia under WARCIP received a grant of US\$35M for the construction of a submarine cable landing station (ACE) among other things. The ACE project will provide high-capacity and reliable bandwidth by providing direct connectivity to the Information Superhighway. Following the implementation of this project, a new company was established based on Public-Private-Partnership –The Gambia Submarine Cable Company will operate and manage The Gambia Submarine Cable.

### **ECOWAS Wide Area Network (ECOWAN) Project**

75. The Government of The Gambia under the ECOWAN Project has secured financing from the Islamic Development Bank to the tune of US\$27.32M for the modernization and expansion of the national telecommunications infrastructure. This project will address critical connectivity gaps by extending Communications and Internet Services and provide regional e-governance platform for interconnecting ECOWAS local offices, Member States and Institutions.

76.

## WORKS, CONSTRUCTION & INFRASTRUCTURE

77. The Government has made substantial investment in the road sector during the course of this year. This has been manifested through the rehabilitation of the two major heavily used trunk roads being the South Bank and the North Bank regions.



78. On the South Bank, the rehabilitation of the Banjul-Serrekunda Highway which was funded by the Taiwanese Government has been completed. The rehabilitation of the Serrekunda-Mandinaba Road Project has also been completed and the Mandinaba-Soma Road is in progress.

79. The feasibility study and detailed design has been conducted on the Laminkoto-Passimus road, Basse–Fatoto and Fatoto–Koina roads. Government is still in the process of soliciting funds for the implementation of these roads. Whilst Funding has been secured for the Construction of the Brikama-Marakissa-Darsilami-Dimbaya Road project and works on the road is expected to commence by March 2012.

#### **The New National Assembly Building**

80. Work on the New National Assembly building is steadily progressing. The Ministry of Works, Construction and Infrastructure is working to ensure that the Project is completed according to schedule with minimal cost overruns, despite the initial delays at the commencement of the work and arrivals of basic material supplies. Follow-ups are being done on the request for additional funds from the Indian Government, which is crucial for the completion of the Project.

### **HONOURABLE SPEAKER I WILL NOW MOVE ON TO THE HUMAN CAPITAL DEVELOPMENT, LOCAL GOVERNMENT AND LANDS AND FOREIGN AFFAIRS.**

## **HUMAN CAPITAL DEVELOPMENT**

### **BASIC EDUCATION**

81. There has been an increase in enrolments at all education levels since 2005. Enrolment at the lower basic increased from 181,835 in 2000/2001 to 227,668 in 2009/2010 registering an average annual growth rate of only 2 percent while the upper basic increased from 41,493 to 75,613 during the same period with an annual average growth rate of 3 percent.

82. Enrolments at senior secondary more than doubled from 15,554 to 36,141 with an average annual growth rate of 3 percent between 2000/01 and 2009/10 due mainly to the expansion of Madrassas, which showed an encouraging average annual growth rate of 13 percent between 2005/06 and 2009/10. Recognizing the encouraging trends in the enrollment in the Madrassas, the Ministry has since intensified its support to the Madrassas through classroom construction, teacher training and monitoring teaching and learning.

83. In view of the need to maximally utilize existing physical facilities and teachers within the framework of double-shifting and multi-grading, the current policy of intensifying the double-shifting of classrooms, the gradual phase-out of double-shifting of teachers and the employment of multi-grade teaching strategy for a combined class size not exceeding 40 will be vigorously pursued. In order to efficiently and effectively execute the second and third strategies, teachers will continue to receive training with a view to improving their pedagogical skills sufficient to cope with the demands of such strategies.

## HIGHER EDUCATION

84. The Ministry of Higher Education, Research, Science and Technology (MOHERST) continues to build the human capacity stock of the nation through the promotion of science, technology and innovation, capacity building of students and lecturers in various fields, and improvement of research and information communication technology (ICT) in education for sustainable socio-economic development.

85. Along these lines, the Ministry has outlined three programmes as its medium term plan for the period witnessing the implementation of Programme for Accelerated Growth and Employment (PAGE), which have also been carefully aligned with the on-going programmes: the civil works at the Kanilai Institute of Science and Technology is almost complete. Already, state-of-the-art quarters for

the staff and students have been built through arrangements with Social Security and Housing Finance Corporation.

86. Funds are available for the development of a national policy on Science and Technology Institute (STI). As part of the activities in the mentioned programme, the Ministry is declaring 2012 as the 'Year of STI', and a paper for cabinet approval is being prepared.

87. The construction of the University Village at Faraba Banta by the Army Engineering Corps has been satisfactorily completed at a cost of two million US Dollars (US \$2 million). The Project is funded by the Venezuelan Government.

88. An amount of US\$53 million has been secured by the government of The Gambia for the first phase of the construction of the Faraba Banta Campus – University of The Gambia. Thanks to our donor partners such as Islamic Development Bank (IBD), Organization of the Petroleum Exporting Countries (OPEC) and Saudi Fund. It is hoped that when this project is completed, there will be increased access to higher education and improved learning environment.

#### **PERSONNEL MANAGEMENT OFFICE (PMO)**

89. The PMO has set itself on a path to reform the Civil Service. In the fiscal year 2011 the Personnel Management Office made significant achievements in enhancing the efficiency of the Civil Service. To reflect on commitments made last year, a number of achievements have been made among others like Development of strategic plans; trainings conducted in different fields to address critical capacity gaps and the development of a long term Civil Service Reform Programme 2012 – 2015 aligned to the Programmed for Accelerated Growth and Employment (PAGE).

## HEALTH

90. The Ministry of Health and Social Welfare is committed to the attainment of the Health Policy goals and objectives, which are in line with the PAGE and MDG Targets.
91. Currently, the Project Co-ordinating Unit of MoH&SW is implementing two Islamic Development Bank (IDB) Projects, which are jointly funded by the Government of The Gambia and Islamic Development Bank. These include the Health Facilities Expansion Project (HFEP) and the IDB Support to the Malaria Prevention and Control Project.
92. The objective of the Project is to improve access to health services for the population in rural areas through the extension of seven health centres and the construction of two new ones, the upgrading of Farafenni General Hospital, the extension of a State Enrolled Nurses' (SEN) Training School, training of Technicians in maintenance of medical equipment's and the construction of three Community Medical Schools together with other accompanying measures.
93. The Ministry through the Turkish-Gambian Trade and Industry Company Limited (TurkGam) initiated the following three projects for funding by the Organization of the Islamic Conference (OIC) amounting to D32 million (thirty two million dalasis). These projects include the upgrading of the Royal Victoria Teaching Hospital, Construction of a new School of Nursing in Bansang/Brikama and support to strengthening the Health System.
94. The Ministry of Health and Social Welfare continues to consolidate its achievements in the areas of communicable diseases control and elimination. Generally disease control in the Gambia is improving significantly. In 2011, there has been no outbreak of Notifiable or Reportable diseases in the country.
95. The Health Management Information System was transformed in 2011 to provide credible and reliable data for planning and decision-making. District

Health Information System Version 2 (DHIS 2) database has been customized and implemented as the national health database which has been integrated with other databases like the Logistics Management Information System, Geography Information System and Human Resource Information System. Presently all the health data collection tools are integrated harmonized, and gender mainstreamed.

## **FOREIGN AFFAIRS**

96. The Government of The Gambia's foreign policy remains guided by the purposes and principles of the Charters of the United Nations and the African Union, on the basis of mutual respect for the sovereignty, equality, independence, and territorial integrity of states. It also continues to be in tandem with the quest for the maintenance of international peace and security for development, and the promotion of friendly relations and cooperation among nations.

97. The Government of the Republic of The Gambia and the Government of the Republic of Senegal have taken concrete steps to make sure that the Senegalo-Gambian Permanent Secretariat commences operations within the first quarter of 2012. In line with this, the Government of The Gambia has budgeted fifteen million Dalasi (D15 million) for 2012 earmarked as contribution by the Gambian Side for the commencement of the operations of the Secretariat.

## **WOMEN'S BUREAU**

98. Women's Bureau under the Office of the Vice President implemented activities related to gender mainstreaming. Key among those activities is the formulation of a domestic Violence and Sexual Offence bill and the development of a national plan of action for Gender Based Violence funded by the UNDP. The Bureau equally conducted capacity building training for gender focal points within line ministries and did an intensive national study based on the African Gender and Development Index (AGDI). This study when completed will provide the Bureau and national planning institutions with relevant Gender disaggregated data.

99. With regards to women empowerment, the Bureau through the National Women's Federation has embarked upon the construction of Phase one of the Women's Multi Purpose Market Complex with support from Government and other development partners. The objective of the multipurpose market complex is to provide and enhance women access to markets and increase their income through development of storage facilities and processing plants.

## **I WILL NOW DISCUSS THE PERFORMANCE OF THE PUBLIC ENTERPRISES.**

### **FINANCIAL PERFORMANCE OF PUBLIC ENTERPRISES**

#### **Gamtel**

100. In line with its objective to provide universal access, Gamtel successfully upgraded from 2.5G to 3G Internet connection in early 2011. This project is currently piloted in the Greater Banjul Area and is to provide wider capacity and improved quality service. Plans are underway to expand the network to all major provincial towns, in the very near future.

101. The 2011 Expenditure is forecast to be D1.2 billion whilst the 2010 expenditure was D1.1 billion; the increase in the expenditure forecast is to cater for rising trend in global fuel and telecommunications related prices. The forecast after tax profit for 2010 is therefore D19.7 million.

#### **GRTS**

102. The Digital Satellite Project continues to be the main preoccupation of GRTS and work is in progress on these project sites: Basse, Kudang, Kanilai and Abuko. GRTS finally has joined modern broadcasters on the web, which facilitates access to live GRTS broadcasts by both the listening and viewing audiences abroad.

103. For the year ended December 2010 the audited account of the company shows that it recorded a total income of D54.32 million, with total expenditure of D65.92 million resulting in a net loss of D11.57 million.

## **NAWEC**

104. Over the past years, NAWEC has seen tremendous increase in the number of Electricity and Water Projects initiated by the Government to improve the lives of Gambians. Consequently, operations and maintenance activities of the company have also increased significantly to meet consumers demand for Water and Electricity.

105. In July 2011, NAWEC installed and commissioned a 9 MW engine at the Brikama Power Station to augment the generation capacity. This increase in the generation capacity has also enabled NAWEC to shut down some engines for routine maintenance and major overhauls.

106. The Gunjur Water supply Project is US\$4.7 million Project funded by the IDB for the provision of safe and adequate drinking for the people of Gunjur. Contract for construction has already been awarded.

107. With respect to the finance of the company, turnover for 2011 is projected to increase to D1.573 billion from D1.406 billion in 2010. However, the operating costs are also projected to increase from D1.386 billion in 2010 to D1.474 billion by the end of the year 2011.

## **SSHFC**

108. The year 2010 was marked by a sense of cautious optimism about prospects of global economic recovery. The timely diagnosis of the global financial crisis at an early stage enabled management to respond quickly which led to a strategic direction to ensure effective management of resources.

109. The following financial results were achieved during the year ended 31st December 2010.

Consolidated gross income less contribution recorded for the year increased by 15 percent from D425.8million in 2009 to D489.8million. Recurrent Expenditure increased by 48 percent from D169.2million in 2009 to D251million.

110. The Corporation recorded a consolidated net surplus of D59.3million, which compares unfavorably with D90.3million recorded in 2009. Total Net Assets grew by 13 percent from D3.9billion in 2009 to D4.4billion in December 2010. Members' Fund grew by 13 percent to D3.6billion during the year under review.

## **GPA**

111. The Gambia Ports Authority continues to register landmark improvements both in its core function as a maritime transport agent and in the Socio-economic development of The Gambia.

112. The Gambia Ports Authority's financial performance for the year ending 2010 continues to surge in a positive direction. Turnover decreased from D500 million in 2009 to D427 million in 2010 representing a decline of 14.6 percent.

113. Operating profit decreased from D111 million in 2009 to D47 million in 2010 representing a decline of 58 percent. Net profit after tax decreased from D36.6 million in 2009 to D26.4 million in 2010 representing a 28 percent decline.

## **AMRC**

114. The Corporation turnover as at 31st December 2010 is D9.73 million compared to the sum of D179.78 million in the previous year. Total expenses as at end-December 2010 recorded a sum of D17.6 million compared to D182.62 million in the previous year.

115. The Corporation recorded a deficit of D1.77 million for the year 2010 compared to surplus of D3.07 million in the previous year. The equity and reserve portfolio stood at D46 million compared to D47.67 million in the previous year.



## GPPC

116. During the 2010 fiscal year, GPPC registered some improvement in its overall performance. In order to cope with the demand of Central Government as well as diversify into more Private Sector printing, the Corporation strived to improve on both its human resources capacity by training its staff in various areas of need as well as upgrading and improving its equipment for enhanced operation and quality service delivery.

117. The corporation's unaudited financial statements as at end December 2010 showed a total revenue of D24.49 million, total expenditure of D19 million with a retained profit of D2.90 million.

## Gampost

118. Gampost has an estimated budget income of D28 million and expenses projected at D24.2 million in the fiscal year 2011 translating into a profit of D3.8 million compared to the previous financial year, representing 21 percent increase in income and 5 percent decrease in budget expenditure. The budget income estimate for financial year 2012 is D23, 891,719 representing 18 percent decline on 2011 budget income. The corresponding expenditure budget is estimated at D23, 133,701 (lower than 2011 by 5 percent).

## GCAA

119. The Authority will improve its infrastructure and acquire new assets in order to maintain its position in the aviation industry. With improved financial position of the authority, efforts will be made to ensure that International Civil Aviation Organisation (ICAO) standards are maintained and other recommended standards be implemented. This will enable the authority to continue working towards making Banjul International airport a hub for all major carriers in West Africa.

120. The overall turnover as per the audited accounts for the period 31<sup>st</sup> December 2010 amounted to D158million compared to D144million in 2009.

This is an increase of D34.6million on turnover which represent 10 percent over the 2009 figures. The Authority made a loss of D35.8million in the financial year 2010 compared to a gain of D0.586 million in 2009. The loss is due to high exchange rate of the loan for the construction of the new terminal building and the depreciation charge from the asset transferred from the Banjul International Airport Project.

**HONOURABLE SPEAKER,**

### **FISCAL OUTLOOK FOR THE YEAR 2012**

121. The fiscal outlook for 2012 marks the beginning of the PAGE implementation, the successor program of PRSP II. The primary objective of the Government has been committed to alleviating poverty, accelerating growth and improving the well being of its population.

122. The PAGE is expected to be funded by domestic resources, traditional donors and non-traditional donors; it is based on Vision 2020 and various sector strategies, and is the execution template for the government's long-term vision. Consistent with the Paris Declaration's resolutions on aid efficiency and the ownership of development, PAGE acts as the main interface between the government and its development partners. It is fully aligned with the Millennium Development Goals (MDGs).

### **Revenue**

123. Given the gloomy picture of the WEO characterized by threats of double dip recession in some developed countries the fiscal outlook for the Gambia has been cautiously projected.

124. The 2012 budget is prepared on the basis of the following key macroeconomic assumptions; to sustain real GDP at 5.5 percent, inflation at 5 percent, the overall budget deficit is projected at 3 percent, current account balance excluding budget

support at 15.3 percent. The exchange rate has been relatively stable, with gross official reserves projected at D185.9 million or 5 months of import cover.

125. Total revenue and grants for 2012 is projected at D5771.3million (17.6 percent of GDP)as against a total of D5650.2 million (17.8 per cent of GDP) a year earlier. Tax revenue is forecasted at D4613.9 million in 2012 increasing by D23.6 million from its previous year level of D4590.3 million. In the fiscal year 2012, grants are projected at D1157.3 million against D1059.9 million in 2011 indicating a 9.2 percent increase.

## Expenditure

126. Total Expenditure and Net lending for the year ending 2011 is D6116.5million (19.3 per cent of GDP). During the course of the year 2012 total expenditure and net lending is projected at D6722.8 million or 10 percent increase by D606.3 million from its 2011 level. This is mainly due to higher than expected increase in external resources.

127. Other charges for the year ending 2011 are D2.2 million. This figure is projected to increase slightly in 2012 to D2.5 million constituting 7.76 per cent of total expenditure and net lending compared to 7.13 per cent in 2011.

128. The fiscal deficit for the year ending 2011 is D466.6 (1.47 per cent of GDP). The deficit for 2012 is projected at D951.4 million (2.9 per cent of GDP). The deficit will be fully financed through domestic and external borrowing. The net-external financing is estimated at D405 million while the domestic financing is projected at D541 million.

129. The public debt is relatively high and stood at 69.2 percent of GDP as at end-December 2010 of which domestic debt represents 29.3 percent. The concern is on domestic debt as it is costly and is more of a burden to the budget than external debt, which is highly concessional.

## **Revenue Measures**

130. In its effort to mobilize resources, The Gambia Government will introduce measures to help boost its revenue geared towards the funding of development programmes. As previously mentioned, tax revenue to GDP ratio has been declining constantly over the past three years, resulting in less than desirable implementation of its developmental objectives. For this reason we are proposing the following measures:

- Implementation of a quota system on Duty exemptions on fuel for diplomatic missions.
- Expand excise tax coverage through the collection of excise taxes on domestically produce goods.
- Holders of Special Investment Certificate (SIC) whose certificate has expired to be brought into the tax net.
- Remove the protection on sugar and cement, as the protection has not made any difference in the market price.
- Increase the revenue tax on laundry soap from D5 per kilo to D7.5 per kilo.
- To remove the fuel concession given to Gambia Ports Authority (GPA).

## **Conclusions**

131. In conclusion I would like to mention that despite the global economic meltdown, and fears of double dip recession faced by developed countries, The Gambia's economy still remains resilient with growth estimated to be at 5.5 percent in 2012. However caution must be exercised as despite the economy's resolute characteristic, the contagion effect of some developed economies especially those in Europe, who are our main trading partners could derail our efforts of sustained economic development.

132. The implementation of the country's medium term plan the PAGE will go a long way in helping the country meet its MDGs and Vision 2020 objectives. Although strides have been made toward achieving the MDGs, a lot remains to

be done, but with strong leadership and a realistic strategic plan in the form of the PAGE, we assure you that we can meet the country's objectives and therefore be a force to be reckoned with.

133. The Government of The Gambia under the tutelage of its indomitable leader Sheikh Professor Doctor AlhajiYahya A.J.J Jammeh intends to accelerate its investment in the growth enhancing sectors such as Agriculture, Tourism and Infrastructure. The recent donations of tractors and other agricultural inputs by H. E. The President and the sustained peace experienced by the country has created the right environment for growth, thus with the right investment, we believe that growth will be accelerated and poverty reduced and consequently eliminated.

134. The Government has also embarked on a series of public sector reforms such as the introduction of VAT in 2013, the Medium Term Expenditure Framework (MTEF) and deepened Procurement Reforms. The reforms when instituted are expected to broaden the revenue base and thus improve revenue mobilization. Further aligning planning with budgeting will help promote greater efficiency in resource allocation. The upgrading of the Asycuda 2.7 to Asycuda ++ will also greatly improve tax assessments and boost revenue collections.

135. Furthermore, fiscal reforms will also include a comprehensive tax reform with broad objectives of making the tax system much simpler, transparent and investment friendly by reviewing higher tax rates as well as broadening the tax base to make tax payments less burdensome. Government has engaged the IMF and once finalized will implement this comprehensive tax reforms.

136. We are therefore calling on all Gambians especially the youths and those in the Diaspora, to be more proactive in national development. As Agriculture is given its deserved focus in National Planning and Policy, we urge all Gambians and the Private Sector to return to the land to ensure that the country is food self-sufficient alleviate poverty and boost exportation.

137. The Gambia has been challenged on all fronts and is still standing. This is because although we work together as a government and a people, the bond is stronger when faced with hardships. With the help of our traditional donors and International Financial Institutions (IFIs) we will overcome, the PAGE will be implemented and we will achieve our long-term development objectives.

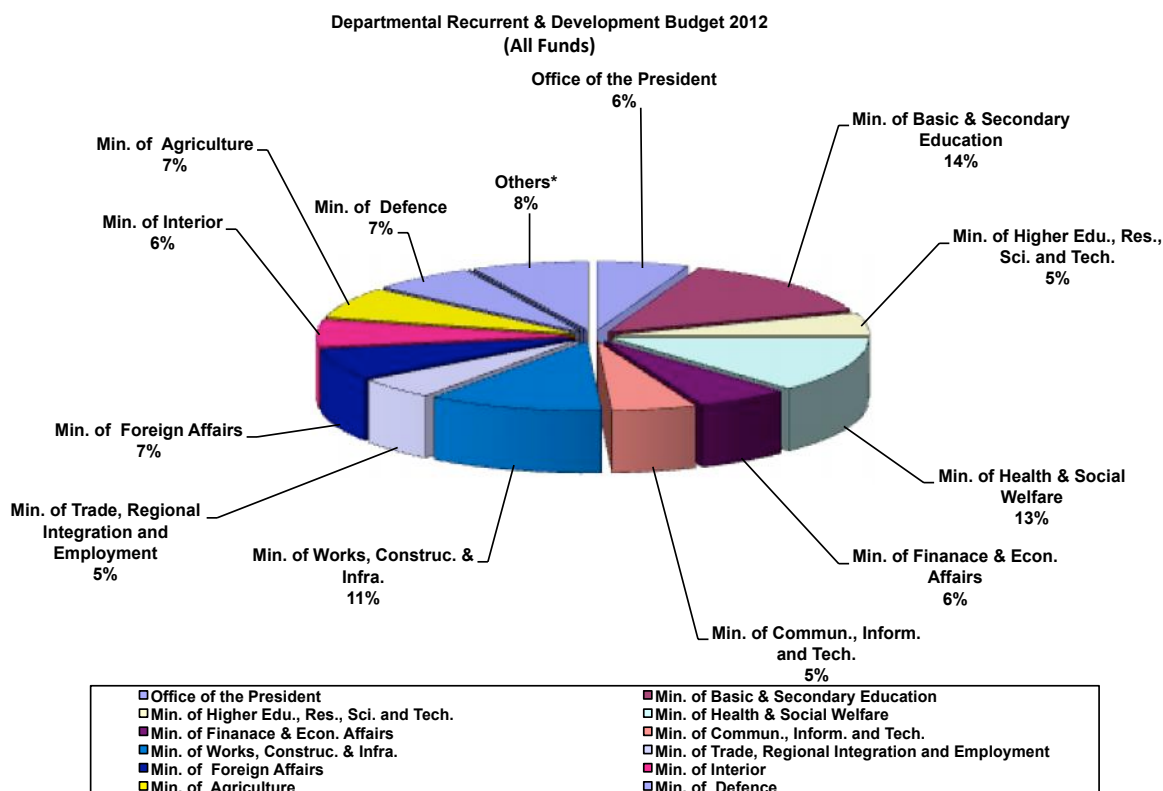
**Honourable Speaker**  
**I beg to move**

# ANNEX 1

## SECTORAL ALLOCATION FOR 2012 BUDGET

Departmental Recurrent & Development Budget (All Funds)	D' Millions	% of Total
Office of the President	318.60	5.80
Min. of Basic & Secondary Education	767.50	13.97
Min. of Higher Edu., Res., Sci. and Tech.	287.29	5.23
Min. of Health & Social Welfare	710.65	12.94
Min. of Finance & Econ. Affairs	321.16	5.85
Min. of Commun., Inform. and Tech.	292.47	5.32
Min. of Works, Construc. & Infra.	605.10	11.02
Min. of Trade, Regional Integration and Employment	278.89	5.08
Min. of Foreign Affairs	397.10	7.23
Min. of Interior	349.65	6.37
Min. of Agriculture	399.70	7.28
Min. of Defence	358.40	6.53
Others*	406.03	7.39
<b>Total</b>	<b>5492.54</b>	<b>100.00</b>

\*Others: Ministries not listed above



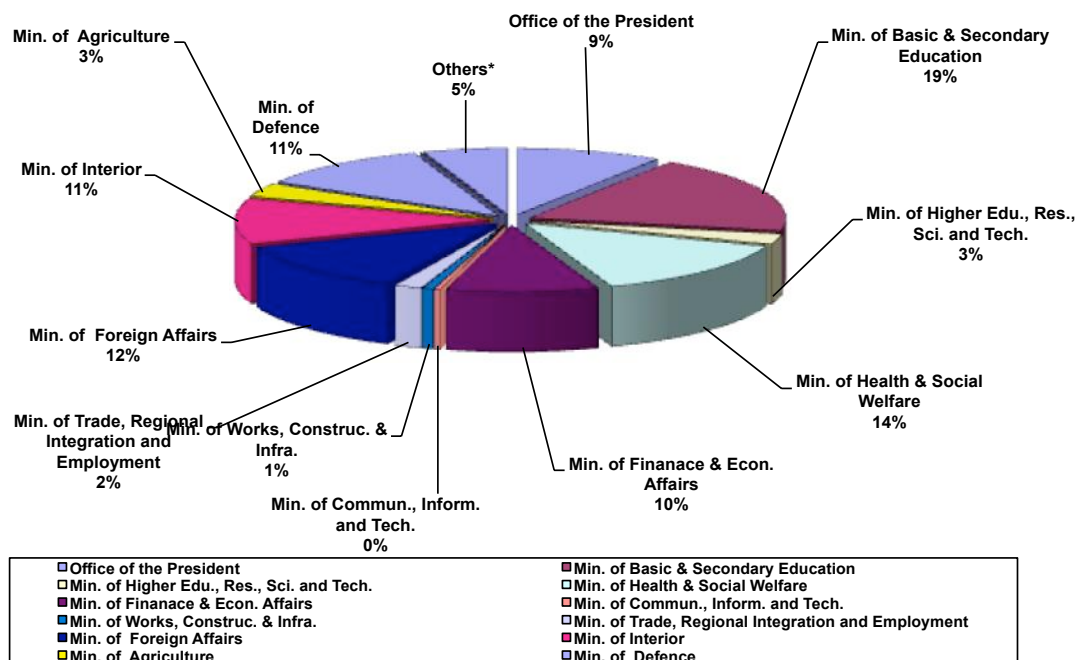
## ANNEX 2

### SECTORAL ALLOCATION FOR 2012 BUDGET

Departmental Recurrent (GLF)	D' Millions	% of Total
Office of the President	288.61	9.24
Min. of Basic & Secondary Education	588.77	18.84
Min. of Higher Edu., Res., Sci. and Tech.	77.79	2.49
Min. of Health & Social Welfare	436.39	13.97
Min. of Finance & Econ. Affairs	299.59	9.59
Min. of Commun., Inform. and Tech.	11.67	0.37
Min. of Works, Construc. & Infra.	22.08	0.71
Min. of Trade, Regional Integration and Employment	54.48	1.74
Min. of Foreign Affairs	382.08	12.23
Min. of Interior	345.79	11.07
Min. of Agriculture	101.85	3.26
Min. of Defence	348.35	11.15
Others*	167.02	5.35
<b>Total</b>	<b>3124.47</b>	<b>100.00</b>

\*Others: Ministries not listed above

### Departmental Recurrent 2012 (GLF)





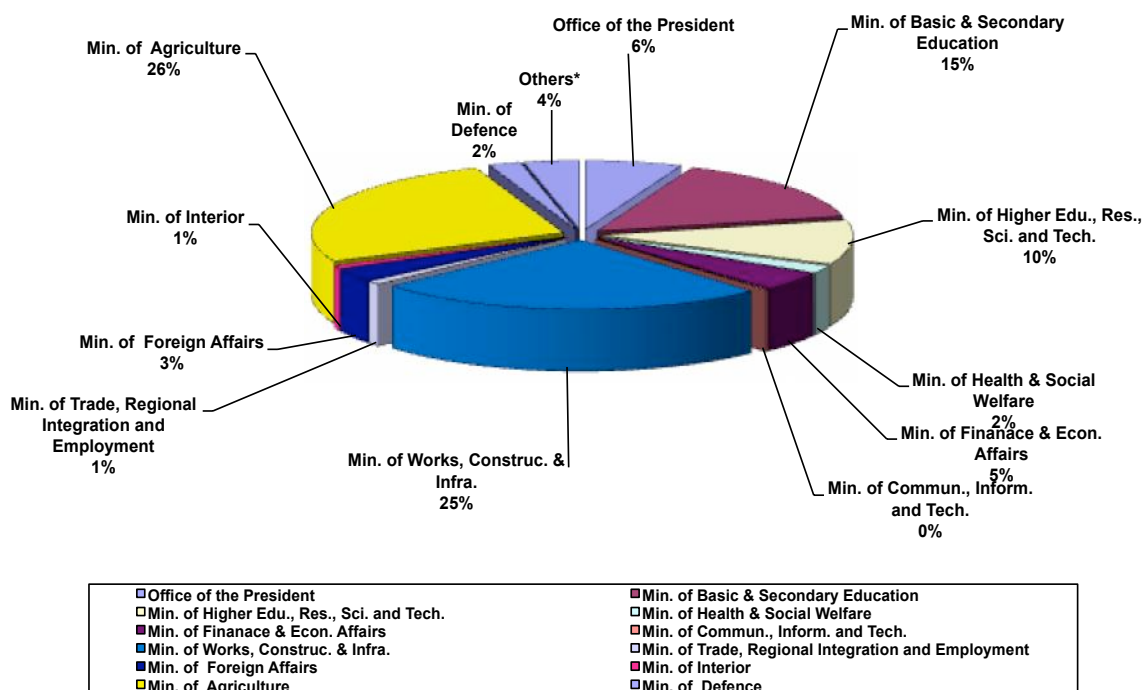
## ANNEX 3

### SECTORAL ALLOCATION FOR 2012 BUDGET

Departmental Development (GLF)	D' Millions	% of Total
Office of the President	30.00	6.21
Min. of Basic & Secondary Education	73.77	15.27
Min. of Higher Edu., Res., Sci. and Tech.	50.00	10.35
Min. of Health & Social Welfare	8.65	1.79
Min. of Finance & Econ. Affairs	21.17	4.38
Min. of Commun., Inform. and Tech.	0.80	0.17
Min. of Works, Construc. & Infra.	122.00	25.26
Min. of Trade, Regional Integration and Employment	4.20	0.87
Min. of Foreign Affairs	15.00	3.11
Min. of Interior	3.85	0.80
Min. of Agriculture	126.43	26.17
Min. of Defence	10.00	2.07
Others*	17.18	3.56
<b>Total</b>	<b>483.05</b>	<b>100.00</b>

\*Others: Ministries not listed above

### Departmental Development 2012 (GLF)



ANNEX 4

**Government Resources, Expenditures and Fiscal Deficit**

	Revenue and Grants	Expenditure & Net Lending	Fiscal Deficit
2007	4422.7	4408.3	14.4
2008	4831.6	5134.3	-302.8
2009	4582.2	5362.8	-780.6
2010	5747.1	5772.8	-25.7
2011	5650.2	6116.5	-466.3
2012	5771.3	6116.5	-345.2

Source: MoFEA

