



Practical Information

Capacity Building Workshop

Regulatory auditing and cost Modelling

19-23 August 2013

(Banjul, Gambia)



The Gambia Background:

The Gambia gained its independence from the UK in 1965. Geographically surrounded by Senegal, it formed a short-lived federation of Senegambia between 1982 and 1989. In 1991 the two nations signed a friendship and cooperation treaty, but tensions have flared up intermittently since then. Yahya JAMMEH led a military coup in 1994 that overthrew the president. A new constitution and presidential elections in 1996, followed by parliamentary balloting in 1997, completed a nominal return to civilian rule. JAMMEH has been elected president in all subsequent elections including most recently in late 2011

The Gambian economy has been stable over the last ten years with an average growth rate of 6%. Agriculture, including fisheries, is a dominant activity and contributed about 28.5 percent of GDP in 2009. Groundnuts are the main cash crop and an important earner of foreign exchange. Other crops include rice, millet sorghum, and maize, which are grown largely for domestic consumption. Industry is small, mainly fish and groundnut processing, brewing and soft drinks, soaps, plastics, and tanning. The main sector of the economy is services (mainly distributive trade, tourism, transportation and telecommunication) and accounted for 62.5 percent of GDP in 2009.

Macroeconomic indicators show that the economy is improving since the effects of the drought in 2002. The GDP, driven by the services sector (telecommunications, transport services, distributive trade, tourism, etc), grew at an average annual rate of about 6 percent between 2003 and 2009. Inflation has remained within single digit since 2000 except for 2002 and 2003 when it went beyond 10 percent as a result of the drought

experienced in 2002, but its average rate of 6.5 percent over the period 2003-2009 is still better than the 10.1 percent for sub-Saharan Africa.

The exchange rate regime is a managed float; the Central Bank intervenes only to maintain the required level of reserves and to smooth out volatility. After remaining relatively stable between 2004 and 2006, the exchange rate appreciated significantly in 2007 by 24.4 percent in nominal terms as a result of the increased inflow of foreign direct investment and remittances, but depreciated by 15.1 percent in 2008 as a result of the pass through effects of the global financial crisis. The major trading currency -in the inter-bank foreign exchange market is the US dollar, followed by the Euro and the British Pound.

The financial sector has made significant contribution to the growth of the economy. The number of banks has grown from 6 in 2007 to 14 in 2009. Their branches have raised the level of monetization of the economy, and have increased employment opportunities. Growth in the number of banks has also enhanced competition among the banks and fair trade in the sector, and the creation of the Credit Reference Bureau has contributed to strengthening the sector.

Overall balance of payments position was favourable between 2004 and 2009, even though the trade deficit has been large, but foreign direct investments, transfers and remittances have been large enough to create the surplus which has resulted in the rising level of reserves, which was equivalent to about 5 months of imports of goods and non-factor services in 2009.

The Gambia reached the Heavily Indebted Poor Countries (HIPC) completion point in December 2007 and got a debt relief of US\$140 million in nominal terms. It also benefited from the Multilateral Debt Relief Initiative (MDRI) of the World Bank (WB), the International Monetary Fund (IMF), and the African Development Bank (AfDB). Debt relief under the initiative totaled US\$374 million. As a result of these initiatives, The Gambia's

external debt stock fell from 106.5 percent of the GDP to 45.6 percent in 2007, and domestic debt from 28.9 percent to 25.5 percent of the GDP. In 2007, The Gambia also benefited from an IMF Poverty Reduction and Growth Facility (PRGF) in the amount of US\$21.7 million.

Prospects for the future in The Gambia are good and the Government will continue to focus on stabilization and diversification of the economy as well as adopt appropriate fiscal and monetary policies to attract investment. The country commenced its strategy with the preparation of the Economic Recovery Programme, covering the period 1985-1989, then the Program for Sustained Development (PSD) covering the period 1990 -1996, then the Vision 2020 in 1996, which aims at turning the country into a middle income country by year 2020. Part of the Government's programme to achieve Vision 2020 included the Strategy for Poverty Alleviation (SPA 1) covering the period and the Poverty Reduction Strategy Paper (PRSP I & II) covering the period 2001 – 2005 AND 2007 – 2011, respectively. The main objectives of these

strategies were: macroeconomic stability and effective public sector resource management; promotion of pro-poor growth and increased employment through private sector led development; and improved provision of basic social services. In order to achieve the objectives of Vision 2020 and consolidate the gains of the PRSP II, the Government is preparing a Programme for Accelerated Growth and Employment to cover the period 2012 -2015.

Country Context

- ✚ Small country with one of the highest population densities in Africa
- ✚ Population is mostly urban, young, and has a high growth rate (2.7% per annum)
- ✚ Narrow resource base, and a small domestic market
- ✚ Resilient economy (5% AGR in 2010)
- ✚ Agriculture accounts for 1/3 of the GDP, and employs 70% of the population
- ✚ Poverty is major development challenge but Significant strides have been made toward the MDGs
ICT Development in Gambia (1)
- ✚ ICTs have grown tremendously in past few years

Various policies, plans, and strategies developed

- ✚ NICI policy, Information and Communications Act, Public Utilities Regulatory Act
- ✚ ICT4D, and E-gov. Implementation Strategy Action Plans, E-government project document
- ✚ Liberalization of ICT market
- ✚ Studies have been conducted (e.g. SCAN--ICT study, e-Readiness Assessment Survey)
- ✚ Modernization and expansion of the national fibre optic backbone to Next Generation ALL-IP Network project is ongoing
- ✚ Member of Africa Coast to Europe Submarine Cable System Consortium
- ✚ 4 Mobile Operators and one fixed line operator

Source: ITU, 2012 (<http://www.itu.int/ITU--D/ict/statistics/index.html>)

The Gambia Central Bank Exchange rate as of April 29th 2013:

Currency Rates

USD (GMD)
35.57

INTERBANK-INDICATIVE RATES

Currency	Buying	Selling
▪ USD	▪ 34.30	▪ 35.30
▪ EUR	▪ 43.80	▪ 45.40
▪ GBP	▪ 52.20	▪ 53.80

Other Facts:

Location: Western Africa, bordering the North Atlantic Ocean and Senegal

Geographic coordinates: 13 28 N, 16 34 W

Map references: Africa

Area:*total:* 11,295 sq km [see also: Area - total country ranks] country comparison to the world: 167 *land:* 10,000 sq km *water:* 1,295 sq km

Land boundaries: *total:* 740 km *border countries:* Senegal 740 km [see also: Land boundaries country ranks]

Coastline: 80 km [see also: Coastline country ranks]

Maritime claims: *territorial sea:* 12 nm *contiguous zone:* 18 nm *exclusive fishing zone:* 200 nm *continental shelf:* extent not specified

Climate: tropical; hot, rainy season (June to November); cooler, dry season (November to May)

Terrain: flood plain of the Gambia River flanked by some low hills

Elevation extremes: *lowest point:* Atlantic Ocean 0 m [see also: Elevation extremes - lowest point country ranks] *highest point:* unnamed elevation 53 m

Natural resources: fish, clay, silica sand, titanium (rutile and ilmenite), tin, zircon

Land use: *arable land:* 27.88% [see also: Land use - arable land country ranks] *permanent crops:* 0.44% *other:* 71.68% (2005)

Irrigated land: 20 sq km (2003) [see also: Irrigated land country ranks]

Total renewable water resources: 8 cu km (1982) [see also: Total renewable water resources country ranks]

Freshwater withdrawal (domestic/industrial/agricultural): *total:* 0.03 cu km/yr (23%/12%/65%) [see also: Freshwater withdrawal (domestic/industrial/agricultural) - total country ranks] *per capita:* 20 cu m/yr (2000)

Natural hazards: drought (rainfall has dropped by 30% in the last 30 years)

Environment - current issues: deforestation; desertification; water-borne diseases prevalent

Environment - international agreements: *party to:* Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Ozone Layer Protection, Ship Pollution, Wetlands, Whaling *signed, but not ratified:* none of the selected agreements

Geography - note: almost an enclave of Senegal; smallest country on the continent of Africa