

REPUBLIC OF



THE GAMBIA

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

BUDGET SPEECH 2013

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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
APC	African Petroleum Company
ASSET	Association of Small Scale Enterprises in Tourism
CET	Common External Tariff
CBG	Central Bank of The Gambia
CS-DRMS	Commonwealth Secretariat Debt Recording Management
DNT	Directorate of National Treasury
DOTS	Diagnostic and Treatment Centres
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EIF	Enhanced Integration Framework
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GEAP	Gambia Environment Agency Programme
GIEPA	Gambia Investment and Export Promotion Agency
GPPA	Gambia Public Procurement Act
GPPC	Gambia Printing and Publishing Corporation
GRA	Gambia Revenue Authority
GRTS	Gambia Radio and Television Services
HFEP	Health Facilities Expansion Project
ICT	Information and Communication Technology
IDB	Islamic Development Bank
IFMIS	Integrated Financial Management Information Systems
IMF	International Monetary Fund
MDG	Millennium Development Goals
MFN	Most Favoured Nation
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
NDB	Net Domestic Borrowing
MDG	Millennium Development Goals
NEA	National Environment Agency

NFA	Net Foreign Assets
OPEC	Organization of the Petroleum Exporting Countries
PAGE	Programme for Accelerated Growth and Employment
PAYE	Pay As You Earn
PE	Public Enterprise
PFM	Public Financial Management
PMO	Personnel Management Office
PPP	Public Private Partnership
RTGS	Real Time Gross Settlement
SIC	Special Investment Certificates
STI	Science and Technology Innovation
UNESCO	United Nations Education Scientific Cultural Organization
UNDP	United Nations Development Programme
VAT	Value Added Tax
V-REG COSS	Regulatory Compliance Supervisory System
WARCIP	West African Regional Communications Infrastructure Programme
WEO	World Economic Outlook

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Honourable Speaker,

1. I beg to move that "The Bill entitled an Act to provide for the services of The Gambia for the period 1stJanuary 2013 to 31stDecember 2013 (both dates inclusive) be read a second time.

INTRODUCTION

2. The year 2012 marks the beginning of implementation of the Programme for Accelerated Growth and Employment (PAGE), which is The Gambia's development strategy and investment programme for 2012-2015. The PAGE aims to accelerate and sustain economic growth and development while creating employment opportunities for Gambians in order to improve their socio-economic conditions. The Government of The Gambia aims to achieve this objective through strategic investments in infrastructure, education, agriculture, tourism, health and energy.
3. The 2013 budget will therefore focus on the objectives of the PAGE, while maintaining and encouraging fiscal prudence and placing the country on a sustainable trajectory towards inclusive growth. The PAGE has put in place appropriate mechanisms in terms of monitoring and evaluation of progress made by sectors. The Monitoring and Evaluation techniques are meant to measure whether the PAGE is implemented as planned and how successfully it achieves its intended results.

Honourable Speaker,

4. Fiscal prudence at all levels of government continues to be a top priority for government, as government's fiscal position has weakened in recent years due to growing expenditure demands which have yet to be offset by growth in revenue mobilization.

The shortfalls in revenue have led to fiscal deficits, which have been financed mostly by costly domestic borrowing. A principal objective of government's fiscal policy is to sustain and gradually reduce the domestic debt burden by minimizing government's dependence on domestic borrowing. This would not only ease pressure on interest rates, but also allow for expenditure on development projects.

5. Along these lines, the Government is implementing policies and programmes supported under an Extended Credit Facility (ECF) arrangement approved by the IMF Executive Board in May 2012. The main objective of the current ECF arrangement is the reductions of the current level of Net Domestic Borrowing (NDB) to near zero per cent of GDP by end 2015. This medium term objective will be attained through a gradual approach by reducing the NDB to 2.5 per cent of GDP in 2012, further down to 1 per cent in 2013 and finally to near zero per cent by end 2015. The first review of progress under the programme has just completed and is expected to be presented to the IMF Executive Board as soon as possible.

Global Economic Outlook

Honourable Speaker,

6. The global economic recovery has been encountering major setbacks with fears of another major downturn. Output growth slowed considerably in 2011 and anaemic growth is expected in 2012. The financial uncertainty and sovereign debt crises in a number of European countries escalated in 2012 with heightened concerns of debt defaults in some economies such as Greece, Italy, Portugal and Spain. Unemployment remains

high in advanced economies while incomes have stagnated. The fiscal austerity measures taken by these countries are further weakening growth and employment prospects. The fiscal uncertainty in the United States and the less-than-expected growth in emerging and developing economies are all contributing to the rapidly cooling global economy.

7. The IMF World Economic Outlook projects the global economic growth to be moderate from 3.8 per cent in 2011 to 3.3 per cent in 2012. However, output growth is expected to pick up slightly to 3.8 per cent in 2013.
8. Growth in advanced economies is projected to expand by 1.3 per cent in 2012 down from 1.6 per cent in 2011 before picking up to 1.5 per cent in 2013. The United States economy is expected to grow by 2.2 per cent in 2012, higher than the 1.8 per cent in 2011. In contrast, the United Kingdom and the Euro area are expected to fall into recession in 2012.
9. Emerging and developing economies continue to be the main drivers of global growth. Growth in the region lost steam since 2011 due mainly to the slowdown in China, India and South Africa. Real GDP growth is estimated to decline to 5.3 per cent in 2012 from 6.2 per cent in 2011.
10. In Sub-Saharan Africa economic growth is expected to remain robust in 2012 and 2013 aided mainly by strong domestic demand and favourable commodity prices. However, the near-term outlook for middle income countries in the region, including South Africa, are tepid given those countries' strong trade and

financial links with the developed world. Growth is projected at 5.3 per cent for the region in 2012-13.

11. Global inflation has been slowing as pressures on food and fuel prices eased following a surge during 2011. Consumer price index in advanced economies is expected to decelerate to 1.9 per cent in 2012 from 2.7 per cent in 2011, thanks to lower commodity prices and slack economic activity. Inflation in emerging and developing economies is forecast to fall to 6.1 per cent in 2012 from 7.2 per cent in 2011.
12. Improved climatic conditions in Sub-Saharan Africa in 2012 are expected to be a damper on the region's high demand for imported food products. With the prospect for subdued global commodity prices, inflation in the region is expected to decline from 9.7 per cent in 2011 to 9.1 per cent in 2012 and 7.1 per cent in 2013.

DEVELOPMENTS IN THE DOMESTIC ECONOMY

REAL SECTOR

13. Economic growth in the Gambia during the year under review was largely affected by the recent drought experienced in the agricultural sector, which led to a contraction of agricultural production of about 60 per cent. Consequently, real GDP growth is estimated to decline to 3.9 per cent compared to its initial projection of 5.5 per cent in 2012. With the exception of 2011, economic growth has been quite moderate with a three-year average of about 6 per cent.
14. The industrial sector, which comprises of Mining and Quarrying, Manufacturing, Electricity, Gas and Water Supply, and

Construction, grew by 3.9 per cent in 2011 compared to a growth of 4.7 per cent in 2010, representing a decline of 0.8 per cent. The sector is estimated to further contract in 2013 largely attributed to a significant drop in manufacturing activities of -5.0 per cent and an estimated zero growth in construction in 2012. Electricity, gas and Water Supply activities recorded a revised growth of 1.4 per cent in 2011 against a projected growth of 5.2 per cent in 2012.

15. The services sector is estimated to contract to 0.7 per cent in 2012 down from 9.3 per cent in 2011. Wholesale and Retail Trade is expected to contract to 3.0 per cent from 7.6 per cent a year earlier. Hotels and Restaurants activities are estimated to decline from 34.2 per cent in 2011 to 11.0 per cent in 2012. Transport, Storage and Communication is expected to contract to 5.0 per cent in 2012 down from 17.2 per cent in 2011. Finance and Insurance on the other hand is estimated to grow by 5.0 per cent in 2012 compared to 13.2 per cent in 2011. Overall the services sector remains the second driver of the economy after the Agricultural sector.

16. The Agricultural sector is estimated to grow by 21.8 per cent in 2012 as compared to a contraction of 36.6 per cent in 2011. The estimated rebound in the sector is mainly attributed to the recovery from the drought during the 2011/2012 cropping season. Agricultural subsectors such as Crop production, Livestock, Forestry and Fishing are estimated to grow by 50 per cent, 2.9 per cent, 3.0 per cent and 4.0 per cent respectively in 2012.

FISCAL DEVELOPMENTS

Honourable Speaker

17. Preliminary estimates of government fiscal operations in the first nine months of 2012 showed an improved position compared to the same period last year. During this period, the Government's Net Domestic Borrowing (NDB) was just under one per cent of annual GDP, down from 2.1 per cent during the same period in 2011. For the year 2012 as a whole, NDB is now expected to be limited to D720million, or 2.5 per cent of GDP, compared with 3.4 per cent in 2011.

18. A significant uptick in government revenues has been recorded in 2012, as the Government implemented multiple measures to bolster revenues and tax compliance. Some of these measures include the setting up of a tax commission resulting in an increase in tax collection and compliance, the strengthening of the Large Taxpayers Unit and the graduation of Special Investment Certificates (SIC) holders into the tax net.

19. Total revenue and Grants as at end September 2012 stood at D4.9 billion, or 16.9 per cent of GDP and its end-year estimate is projected at D6.1 billion, or 20.7 per cent of GDP against a budgeted sum of D5.7 billion. Tax revenue as at end-September 2012 stood at D3.2 billion, or 10.8 per cent of GDP with an end year estimate of D4.3 billion or 14.6 per cent of GDP. This represents an over performance of D300 million over the D4.0 billion budgeted for the year 2012.

20. Total expenditure and net lending for 2012 is budgeted at D6.7 billion or 22.8 per cent of GDP against an estimated outturn of D6.9 billion or 23.5 per cent of GDP. Current expenditure composed of Personnel Emoluments and Other Charges is budgeted at D5.8 billion for the year, whilst the estimated outturn is D4.6 billion. Total interest payments for the fiscal year 2012 is budgeted at D960 million while the estimated outturn for end December 2012 is D1.1 billion. Capital Expenditure was budgeted at D1.5 billion against an estimated outturn of D1.7 billion by end December 2012.

21. Fiscal deficit for 2012 is estimated at D950 million or 3.3 per cent of GDP while the actual overall fiscal deficit including grants for end 2011 stood at D1,210.2 million.

MONETARY DEVELOPMENTS

Honourable Speaker,

22. The Central Bank of The Gambia monetary policy in 2012 aimed at containing inflation below 5.0 per cent, maintaining stable exchange rate and building the Bank's foreign reserves to at least five months of import cover. Monetary policy in 2012 was conducted amid challenging domestic and external economic environments. The year 2012 saw slow growth in monetary aggregates reflecting the effects of economic slowdown resulting from the crop failure in 2011. Credit expansion in the economy was sluggish in the first half of the year but started to pick up in the final quarter.

23. Growth in money supply was 7.0 per cent in September 2012 compared to 11.5 per cent in September 2011, with an end year estimate of 8.5 per cent. The growth in money supply reflects the

increase in both the net foreign assets and net domestic assets of the banking system. The net foreign assets of the banking system rose to D4.3 billion in September 2012, thanks to the significant increase in the net foreign assets of the Central Bank, which rose to D3.0 billion compared to a contraction of 5.1 per cent a year earlier. Gross official reserves increased to D6.3 billion while foreign liabilities increased to D3.2 billion.

24. The net domestic assets of the banking system rose to D10.9 billion in September 2012. Growth in domestic credit of 7.6 per cent to D12.3 billion is lower compared to the 22.0 per cent realised a year earlier. Similarly, growth in the banking system's net claims on government continues to decline as the 4.2 per cent growth to D6.3 billion in September 2012 represents a significant decline from the 40.1 per cent growth realised a year earlier.

25. Reserve money, which is the operating target of the Central Bank, contracted by 3.1 per cent in September 2012 due to the substantial decrease in the net domestic assets of the Central Bank. Currency in circulation rose by 7.9 per cent whilst reserves of commercial banks declined by 24.4 per cent during the review period.

FINANCIAL SECTOR DEVELOPMENTS

Honourable Speaker,

26. The Gambia's financial system continues to remain sound as the average risk-weighted capital adequacy ratio of the banking industry stood at 26.4 per cent in September 2012, higher than the minimum requirement of 10.0 per cent. Total industry assets stood at D19.3 billion at end-September 2012 compared to D18.1

billion a year earlier. Loans and advances, which account for 30.0 per cent of total industry assets, rose by 7.1 per cent to D5.8 billion. Loans and advances to all major economic sectors increased with the exception of agriculture, fishing and transportation which declined by 15.0 per cent, 18.8 per cent and 39.1 per cent respectively. Total credit extended to distributive trade, building and construction rose by 9.9 per cent, 13.4 per cent and 21.9 per cent, respectively.

27.Total deposit liabilities increased to D12.8 billion or 6.6 per cent from September 2011. The ratio of non-performing loans to gross loans declined to 12.7 per cent in September 2012 from 13.5 per cent a year earlier.

Honourable Speaker,

28.The second phase of the increase in minimum capital requirement for banks is due by December 31, 2012 when all banks will be required to raise their share capital to D200 million. Let me emphasize that the Central Bank, with the support of Government, will not entertain any request for forbearance from any bank that fails to meet the requirement. The capital augmentation is meant to ensure stability in the banking sector while strengthening banks in their funding of development projects, and is also in line with international developments in the sector.

29.The modernisation of the national payments system has been going on successfully. The Real-Time Gross Settlement System and the Automated Cheque Processing and Clearing House were launched in December 2011, while the Core Banking

Application and Securities Settlement System went live in the first quarter of 2012. Work has progressed on the National Switch, which is expected to be operational by the end of 2012.

30. Furthermore, the Inter-face of government's Integrated Financial Management Information System (IFMIS) with Central Bank's national payment system is now operational. The inter-face will ensure that government spending does not exceed available resources by enabling the Directorate of National Treasury (DNT) to access, in real time, government accounts and the automated Securities Settlement System. Also, in a bid to improve data submission and integrity, the CBG has developed an electronic data submission platform for commercial banks called Regulatory Compliance Supervisory System (V-RegCOSS).

PRICE MOVEMENTS

Honourable Speaker,

31. Inflation in The Gambia has been low and subdued despite elevated and volatile global food and commodity prices. Consumer price inflation, measured by the National Consumer Price Index (NCPI), rose to 4.2 per cent in September 2012 from 4.1 per cent in September 2011. Inflation is expected to remain under control at below 5.0 per cent for the remainder of the year.

32. Consumer food items, which account for more than 50.0 percent of the weight of the basket of goods and services, continue to be the main driver of headline inflation. Food inflation decelerated from 5.5 per cent in September 2011 to 4.9 per cent in September 2012. This decline was on account of the

deceleration in sub-group indices of “bread cereals” and “meat”.

33. Non-food price inflation rose to 3.4 per cent in September 2012 compared to 2.2 per cent in September 2011. The increase was due, mainly to the price increase in housing, water, electricity, gas and other fuels. Furthermore, core inflation, which excludes prices of energy, utilities and volatile food items, rose slightly to 4.3 per cent in September 2012 from 4.2 per cent a year earlier.

EXCHANGE RATE

34. Reflecting the slowdown in global economic activity, the volume of transactions in the foreign exchange market, measured by aggregate sales and purchases of foreign currency, decreased to US\$1.48 billion in the year to end-September 2012 from US\$1.60 billion a year ago. Total sales (indicating demand) amounted to US\$774.8 million in the year to end-September 2012 relative to US\$787.6 million a year ago. Similarly, total purchase (indicating supply) decreased to US\$764.4 million from US\$768.6 million during the review period. The US dollar remains the most traded currency in the domestic foreign exchange market.

35. Food imports rose sharply in 2012 following poor harvest from last year's cropping season. Consequently, demand for foreign currency surged putting immense pressure on the Dalasi. From September 2011 to September 2012, the Dalasi depreciated against the US dollar, Pound sterling and Euro by 13.7 per cent, 15.6 per cent and 6.8 per cent, respectively.

BALANCE OF PAYMENTS

Honourable Speaker,

36. Balance of payments developments for the first half of 2012 indicate an overall deficit of US\$38.03 million compared to a surplus of US\$46.67 million in the first half of 2011. The current account surplus of US\$61.65 million recorded in the first half of 2011 declined to US\$17.35 million in the first half of 2012, reflecting higher deficit in the goods account during the second quarter of 2012.
37. Deficit in the goods account balance worsened to US\$89.38 million in the first half of 2012 compared to US\$62.64 million a year earlier as import volumes increased substantially due to poor harvest from last year's crop season. Imports of goods and services markedly rose to US\$183.95 million or 63.4 per cent while exports of goods and services rose only by 21.3 per cent to US\$92.6 million.
38. The services account during the first half of 2012 registered a surplus of US\$45.38 million, higher than the US\$36.12 million in 2011. Current Transfers declined from US\$94.65 million to US\$66.88 million or by 29.33 per cent. This decline could be partly due to the drastic decline on other transfers and remittances during the period. Stock of official reserves for the first half of 2012 stood at US\$172.29 million and is equivalent to approximately 5 months of import.
39. The capital and financial account recorded a deficit of US\$54.91 million compared to US\$14.98 million mainly reflecting the slowdown in foreign direct investment flows.

PUBLIC FINANCIAL MANAGEMENT REFORMS

Honourable Speaker,

40. As part of on-going public financial management reforms, Government is in the process of implementing a Medium Term Expenditure Framework (MTEF). This will have significant impact on our budget formulation process, given that MTEF integrates policy, planning and budgeting within a medium term perspective and provides a link between ambitious poverty reduction targets and the annual budget priorities of Government. Under MTEF, each line ministry will be required to provide a clear statement of objectives, programs and activities to be funded from the budget.

41. MTEF is scheduled to be piloted in January 2013 at the Ministry of Finance and Economic Affairs and the Ministry of Basic and Secondary Education. It is planned that the MTEF will be rolled out to other Ministries starting 2014 and all sectors are expected to develop their strategic plans in anticipation of this initiative.

42. The Integrated Financial Management Information Systems (IFMIS), which has been rolled out to all MDAs, has now been interfaced with the Central Bank of The Gambia (CBG) platform. This has enabled us to conduct real time reconciliation and clearance of accounts between government and the CBG, thus increasing predictability in public borrowing by providing us with real-time information on cash balances in Government accounts at the CBG.

43. Moving forward, plans are already underway to 1) interface IFMIS with the Commonwealth Secretariat Debt Recording and Management Systems (CS-DRMS) to strengthen debt management, 2) complete the transition in IFMIS to EPICOR 9

(web-based) which is more user friendly and accessible to government offices outside of the greater Banjul area, 3) extend the IFMIS to self-accounting projects, and 4) interface IFMIS with the GRA systems for more robust revenue tracking.

44. In the area of Public Procurement, reforms are already on-going to amend the Gambia Public Procurement Act (GPPA) to separate policy and regulatory (Ex-Ante Review and Post Review) functions of the GPPA; create an Independent Complaints Review Board; and strengthen the definition of sanctions and fines within the Act. In addition to the above, a procurement cadre will be introduced within the civil service, along with a robust capacity building initiative for the cadre.

Honourable Speaker,

45. The Gambia will introduce the Value Added Tax system (VAT) in January 2013, replacing the existing Sales Tax. The aim of introducing the VAT is to simplify the tax system, broaden the tax base and improve compliance. It is anticipated that the introduction of the VAT will help improve our revenue position, however it is not a panacea to our omnipresent fiscal deficit, which is why the need for fiscal prudence cannot be overemphasized.

46. Plans for the introduction of VAT are now at their final stages. Among the steps taken to ensure that we maximize the benefits of VAT introduction include the upgrading of the GRA GAMTAXNET system to ensure that an IT system for the effective and efficient administration of the VAT is in place. GRA has also

increased staffing level to cope with the administrative demands of the VAT.

47. The Authority has also embarked on a massive sensitization campaign using the media to prepare taxpayers and the general public on the planned introduction of the VAT. Seminars and direct taxpayer consultations are also underway to prepare the taxpayers to work on the compliance requirements of the tax.

DEVELOPMENTS IN THE PRODUCTIVE SECTORS

AGRICULTURE

48. Due to poor weather conditions and uneven rains in many parts of the country, key crops (rice, millet, and groundnuts) have suffered losses of 60 per cent during the 2011-12-crop season, compared with production in 2010-11. This led the Government to declare a state of food and seed emergency and requested assistance from development partners and aid agencies. Although the estimated cost of food aid, seeds and fertilizer required to address the emergency of USD 23 million was not fully mobilised, the response from our development partners has been very encouraging. Let me therefore at this stage thank all those that supported the Government and people of The Gambia for their wonderful show of solidarity.

49. Let me also reaffirm the Government of The Gambia's commitment to transforming the agricultural sector into a major food supplier to both local and international market in the medium term. Since His Excellency the President's call for citizens to go back to the land, we have seen an increase in interest in

the agricultural sector. It is against this background, and the fact that the majority of the population is employed by this sector, that agriculture remains the key focus of the PAGE.

50. The Agricultural sector contributes about 29 percent to the GDP, producing about 50 percent of the National Food Supply. Cereal production, particularly coarse grain production is estimated to increase by 32 per cent from 158,909 metric tons in 2011 to 209,800 metric tons in 2012. Groundnut production is estimated to grow by 12 per cent in 2012 from 83,858 metric ton to 94,000 metric ton over the period 2011 to 2012. Maize production is also expected to pick up from its 2011 level of 23,613 metric ton to 32,900 metric ton in 2012. Early and late millet production are projected to increase by 34 per cent and 7 per cent respectively over the period 2011 to 2012. Overall, crop production is expected to increase by 35 per cent between the period 2011 to 2012.

51. To improve agricultural productivity to export levels, the Government has made it a priority to increase investment in this sector to reduce the reliance on rainfall and ensure that the sector is modernized. In this regard, the agriculture and natural resources sector will continue to receive incremental resources from the government budget to gradually reach 10 per cent in line with the Maputo Declaration.

FISHERIES AND WATER RESOURCES

Honourable Speaker,

52. In the area of artisanal fisheries, Government with its development partners is providing fisheries infrastructural

facilities, fishing related equipment and means for fish preservation and distribution within the country. The implementation of the Artisanal Fisheries Development Project co-funded by the Government of The Gambia, the Africa Development Bank and the Arab Bank for Economic Development in Africa is progressing satisfactorily.

53. The construction of the Fisheries Jetty in Banjul is at the completion stage and estimated to be operational in the first quarter of 2013. 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 to full capacity.

54. Under the African Development Bank funded Rural Water Supply and Sanitation Project, the main objective is to increase access to safe drinking water and improved sanitation in the rural areas of The Gambia from the current level of about 70 per cent to 72 per cent for water supply and from 40 per cent to 44 per cent for sanitation by 2015. It will provide safe drinking water and improved sanitation to an additional 65,000 people in rural Gambia.

FORESTRY AND ENVIRONMENT

55. In the area of forestry, the community forestry concept, introduced since 1991, attempts to fully involve the local population in the management and sustainable utilization of their local forest resources by vesting them with legal ownership over land and trees. It is expected that in future most of the

country's natural forests will be owned and managed by the local population in the form of community forests.

56. The environmental pillar, which includes climate change adaptation and mitigation, biodiversity, desertification, land degradation and drought poses serious threats to national development and requires concerted efforts at both national and international level to ensure sustainable development. As part of efforts to effectively address the problems associated with the proliferation of plastic waste in The Gambia, a multi-sectoral taskforce has been set up to look into the issue and come up with appropriate strategies.

57. Similarly, as part of efforts to operationalize the new Wildlife Policy, which calls for private sector involvement in the management of protected areas, plans are underway to restructure the Department of Parks and Wildlife Management into an Autonomous body.

TOURISM

Honourable Speaker,

58. The recent positive developments in terms of Air Access, caused by the return of Condor from Germany, the scheduled Air Europa flight from Madrid and African European Express or Cosmo from Barcelona which replaced the defunct Spanair as well as the advent of Correndon Airlines from Holland, all point to a new era of life for the tourism sector. In effect, the season commenced with the first batch of tourists arriving on 1st October 2012 with Correndon Airlines, a company that is new to the shores of The Gambia.

59. The birth of “Gambia Bird”, a Gambia-based Airline which is the result of German/Gambian collaboration, flying the West African route as well as the United Kingdom with plans to reach other destinations in Africa and beyond, is a significant development in the air transport sector. This landmark development, complementing the traditional chartered flights of Thomas Cook, TUI and Monarch, is being translated into higher tourist arrivals in The Gambia. While tourism arrival figures increased by 51 per cent in 2011 compared to 2010 figures, the positive developments that have been registered in solving the air access problem will translate into further increases in arrivals in 2012 and 2013.

60. The change in marketing strategy by the Gambia Tourism Board, using e-marketing, direct face to face contacts with the executives of Tour operator companies, running an interactive website and the engagement of PR and advertising companies, coupled with joint promotional campaigns with Tour Operators supported by the World Bank through the Gambia Growth and Competitiveness Project continue to show good signs for a buoyant 2012/2013 season. This is being consolidated through further diversification of our source markets particularly in the Eastern European countries such as Poland, Czech Republic and Russia, as well as vigorous promotion in the sub-region.

61. In terms of human resource development, the Gambia Hotel School is being transformed into a Gambia Tourism and Hospitality Institute, which as of 2013, will begin to offer courses in tourism and hospitality to the levels of Diploma and Higher National Diploma. This will provide graduates from the Institute the opportunity to gain entry into the University of The Gambia

to pursue undergraduate or postgraduate degree courses in tourism.

62. In the Arts and Culture domain, the conservation of our National Heritage Sites some of which have been acknowledged as World Heritage Sites by virtue of their inscription in UNESCO's prestigious World Heritage List, continue to impinge positively as added value to our tourism product. By mid 2013, a new Museum is expected to be opened at Fort Bullen in Barra thanks to assistance provided by the British High Commission.

TRADE

Honourable Speaker,

63. With the support of the West African Quality Programme, the drafting of a National Consumer Protection Bill and a Legal Metrology Bill was initiated in 2012. These two legislations will enhance the protection of consumers and ensure a fair trading environment. A National Quality Policy is also being drafted to ensure that goods and services imported into or exported from The Gambia are designed, manufactured and supplied in a manner that meets the set standards. The Policy will also aim at raising quality awareness amongst both the suppliers and the consumers.

64. The Gambia Standards Bureau is now fully operational and has completed work on ten National Standards in the area of food, which are being prepared for publication. Work on the establishment of a modern metrology laboratory for the Bureau is near completion, with the building completed and the equipment for the lab provided by the West African Quality Programme in September 2012.

65. The formulation of the Gambia Investment and Export Promotion Agency (GIEPA) Regulations has been completed in 2012 to ease the implementation of the GIEPA Act 2010 particularly in relation to the award of fiscal incentives and monitoring of beneficiary projects. An Investment Monitoring Committee has been established and Special Investment Certificates have been awarded to projects in Manufacturing, ICT, Agriculture and aviation. Also, the development of the Gambia National Export Strategy 2013-2017 has been completed.
66. In the area of regional integration, the negotiations for the ECOWAS Common External Tariff (CET) are near completion. Negotiations on an Economic Partnership Agreement between the EU and ECOWAS are still on-going with agreement yet to be reached on some key issues including the MFN clause, the non-execution clause, financing of the EPA development programme.
67. Through the Enhanced Integrated Framework (EIF) Programme, USD2.3 million was secured from the EIF Trust Fund in February 2012 for a three-year Sector Competitiveness Project. This will provide specific support for cashew, groundnuts and sesame sub-sectors through product diversification, value-addition and quality enhancement.
68. Under the Growth and Competitiveness Project, progress is being made towards establishing a single window for business registration as well as improves tax administration to reduce cost and delays in starting up businesses in The Gambia. To this effect, the contract for the design of a business and collateral registry system has been awarded. The Project will also provide matching grant support to qualifying MSMEs and eligible private

firms as well as support targeted investments in public goods to enhance the competitiveness of Gambian private sector.

COMMUNICATION AND INFORMATION TECHNOLOGY

69. The Africa Coast to Europe (ACE) project, which seeks to provide high-capacity and reliable bandwidth by delivering direct connectivity to the information super highway, is effectively completed and The Gambia will host the international launching of the ACE Submarine Cable System on 19th December, 2012. The System Acceptance Certificate has been duly signed, after the requisite testing by the Alcatel contractor.

70. In the same vein, the Government of The Gambia under the ECOWAN Project has started the process towards the modernization and expansion of the national telecommunications infrastructure backbone. This project will address critical connectivity gaps by complementing the ACE infrastructure and strengthening the e-government infrastructure for improved access to government services and information, especially in sectors relating to finance, trade, customs and border control.

WORKS, CONSTRUCTION & INFRASTRUCTURE

71. In its efforts to ensure sustained economic growth and employment generation, the Government continues to ensure safe and reliable road network in The Gambia, thus facilitating the free movement of people and goods throughout the country.

72. With the heavy investments made in the construction of roads, the Mandinaba-Soma road, when completed, will link Banjul to Basse on the South Bank, while on the North Bank, the Laminkoto-Passimus road is the only section holding up the entire linking of the North Bank stretch. A feasibility study and detailed design of this road has already been done and Government is seeking funds from funding agencies for the construction works to commence. On a separate but related note, detailed terms of reference for feasibility and design studies for a railway system have been finalized and the study will commence as soon as funding is secured.

73. Out of the five regional roads in the EC funded regional road project, four have been completed and the remaining road, Basse to Velingara (Senegal) section is in progress and work is expected to be completed in 2013. On the construction of the Darsilami-Marakissa-Dimbaya road, a supervision consultant has been recruited and the Civil Works contract was signed in October 2012. The Contractor is currently mobilizing and work is expected to commence by January 2013.

74. The Grant Agreement for financing the construction of the Trans-Gambia Bridge and associated facilities, including Joint Border Posts, was signed between Government and the African Development Bank in June 2012. This project, when completed will unlock many economic opportunities and facilitate movement of goods and persons within the spirit of regional integration. An African Development Bank Mission visited The Gambia in July 2012 to carry out project launching activities. The process of recruiting a Consultant for the project has since commenced.

HUMAN CAPITAL FORMATION

BASIC EDUCATION

75. In terms of access to and equity within basic education, there has been a visible level of improvement from 2011 to 2012 with an increase in enrolment in lower basic schools from 228,495 to 238,576 and the upper basic schools from 77,408 to 78,901. The number of schools for all levels correspondingly increased from 877 to 904 in order to respond to demand in growth centres; and provide schools closer to the doorsteps of deprived communities.

76. The provision of hardship allowances to teachers willing to serve in deprived communities of regions 3, 4, 5 and 6 was initiated so that the proportion of qualified teachers in hardship schools in any of these regions will be pitched at the level of the regional average. In this regard, the year under review has witnessed an increase of qualified teachers from 607 to 855 from 2005 when the initiative was launched representing a percentage increase in the proportion of qualified teachers from 54.8 per cent to 60.7 per cent.

77. From 2011 to 2012, the national assessment tests results for grade three indicate an increase in students' pass rates in English and Mathematics from 35.5 per cent to 52.1 per cent and 36.9 per cent to 41.1 per cent respectively. Similarly, the Gambia Basic Education Certificate Examination (GABECE) shows an increase in the number of candidates with aggregate 6 to 24 from 1,480 in 2011 to 1702 in 2012. The West African School Certificate Examination (WASCCE) results also show improvement in terms of number of students with University entrance requirement increasing from 281 in 2011 to 394 in 2012.

78. In the area of quality, the national languages pilot scheme will be scaled up in 2012/2013 from 125 classes to 250 classes in 100 schools while the monitoring of teaching and learning, the training of teachers on early grade literacy, content knowledge and the teaching of Mathematics and Physics will be intensified. The Bilingual Education Project supported by the Islamic Development Bank will contribute to the Education Strategy aimed at improving access, quality and relevance of Madrassah education through the promotion and strengthening of bilingual education.

HIGHER EDUCATION

79. Following H.E. the President's declaration of 2012 as Year of Science, Technology and Innovation (STI) in The Gambia, which is as a result of the realization of the significance of STI in national development, a number of activities to commemorate the year have been embarked upon, all of which should contribute ultimately to leveraging STI for productivity and economic growth. An expected outcome of this declaration is a strategic plan that will be linked to the National STI Policy as well as the Higher and Tertiary Education Policy, both of which are at an advanced stage.

80. After successfully completing the construction of the University Village project funded by the Venezuelan Government, the facility will now serve as the UTG Science Technology and Innovation Park equipped with computer labs and other science equipment to house Science-based programmes. The relocated Science Programmes at the new site will improve the Quality of the teaching and learning of Science, particularly scientific research and experiments.

81. In a bid to improve efficient and effective service delivery, increase access to quality and relevant higher and tertiary education, appropriate reforms will be undertaken within the Higher Education sector starting from the 2013 fiscal year. These reforms include restructuring of the Technical Vocational Education and Training (TVET) Sector, establishment of an Accreditation and Quality Assurance Regulatory Body that will be responsible for the registration and accreditation of institutions of higher learning in the country. The vision is to build a credible and sustainable higher education system that is responsive to the needs and aspirations of the Gambian people.

82. The construction of the Technical and Vocational Education and Training Centre in Ndemban, funded in partnership with Taiwan-ICDF, has progressed significantly. The first phase of the project, to be completed by mid-December 2012, entails the construction of the Administrative Block, the Perimeter fence and bore hole.

HEALTH

83. Notable improvements in physical access to health care have been realised thanks to the rapid expansion of health services to the communities all over the country. The health sector is still expanding its services and this expansion has enormous implication for resources particularly human resources for health. As well-motivated staff is a prerequisite for effective service delivery, the sector plans to build new staff quarters and refurbish existing ones, to improve the working and living conditions of health staff. Also efforts are being made to secure funds for the construction of a new Ministry of Health and Social welfare Office complex in Kotu where a site has already been identified.

84. Reproductive and Child Health indicators over the years have improved steadily. Equally, antenatal care coverage is almost universal with over 96 per cent of Gambian women making at least one antenatal care visit during pregnancy. With free of charge availability of contraceptive care and services, contraceptive prevalence rates have also significantly increased.

85. The Gambia has one of the best immunization records in the sub region. A cost effective strategy for the control of communicable diseases has helped maintain over 90 per cent immunization coverage for all antigens for children under five. This is a very significant gain as we have over the years witnessed a marked reduction in the incidence of childhood diseases.

86. The control of epidemic prone diseases continues to be a priority. Disease surveillance is strengthened to detect epidemics early and act quickly to contain their spread in the communities. The Gambia experienced an epidemic of Meningitis this year, which was contained in Upper River Region and Central River Region, while emergency vaccines were provided for all regions. Also, TB Diagnostic and Treatment Centres (DOTS Centres) have been expanded from 11 in 2005 to 35 centres in 2012, thus enhancing access to TB Services resulting in the increase in TB case detection.

PERSONNEL MANAGEMENT AND LOCAL GOVERNANCE

Honourable Speaker,

87. As part of efforts to enhance the efficiency of the Civil Service, a medium-term Civil Service Reform Programme 2012–2015 has

been developed with the key objective to ensure at all times, a civil service that is highly motivated, professional, dedicated, effective, efficient, and responsive to national development goals and objectives. A Civil Service Induction manual has been developed and ready for use; while the Review and update of Schemes of Service and Job Descriptions across the civil service is on-going. A Civil Servants Loan Scheme has been approved and D25 million budgeted to kick-start the scheme in 2013.

88. While working to consolidate on the above gains, in 2013 the key focus will be on building the capacities of Ministries and Departments to deliver on their mandate for the effective realization of the PAGE, finalizing the Pay and Grading Review in order to help boost attraction and retention strategies, finalizing the Pension Actuarial Study to establish an appropriate benchmark for the civil service pension reform and providing systems, tools and processes for improved service delivery.

89. In terms of local governance and decentralization, notable improvements in service delivery to the nation have been realized in recent years, especially with the flagship Community Driven Development Project (CDDP). This project, widely acclaimed by beneficiaries, has from November 2007 to date implemented 1,117 projects in 600 communities in all Regions of the country. Also, the Community Initiative and Livelihood Infrastructure Project (CILIP), which is anchored on the policy of empowering communities to take charge of their own developmental aspirations using bottom up participatory approaches will further lead to enhancing skills and capacities of the poor, especially the vulnerable groups, including women and the groups at risk (destitute, widows and the physically challenged).

OTHER SECTORS

ENERGY AND PETROLEUM RESOURCES

Honourable Speaker,

90. The Government of The Gambia has for the last two decades been pre-occupied by ways and means of solving the current energy inadequacies given the important role energy plays in our Economy. In this regard, Government intends to enact a Renewable Energy law that will set a level playing field for investors in this subsector and help to increase access to electricity services particularly in rural areas.

91. The promotion of renewable energy is necessitated by the fact that it is more sustainable than conventional energy, which is compounded by rising costs of Heavy Fuel Oils and Light Fuel Oils. In this regard, Government is piloting a project on solar energy streetlights using solar trackers. The project, which is at an advanced stage, is meant to demonstrate the technical and economic viability of this new technology, and if successful, the Government intends to replace conventional streetlights to solar energy streetlights in the future.

92. In addition, a draft Electricity Strategy and Action Plan have been developed and when finalized would set the roadmap for further development and expansion of the electricity sub sector. A standard Power Purchase Agreement and Feed-in-Tariff have also been developed as important legal documents that would ensure security on investments for both investors and off-takers.

93. The Government of the Gambia continues to promote petroleum exploration, development and production. Currently two new petroleum offshore licenses (A2 and A5) were signed

with CAMAC Energy in May 2012, thus bringing the total number of offshore blocks licensed to four. Meanwhile Government continues to closely work with and facilitate the implementation of the A1 and A4 licenses awarded to African Petroleum Company (APC).

FOREIGN AFFAIRS, PEACE AND SECURITY

94. The Gambia continues to champion the principle of good neighbourliness and remains an active player in the global, regional and sub regional political arena. In this regard, His Excellency the President of the Republic continues to play a pivotal role in the negotiations and maintenance of peace within the sub-region in particular.

95. Our international engagements continue to be guided by the principles of the Charter of the United Nations, the African Union, ECOWAS and other international instruments that we have signed and ratified. The Gambia through its dedicated and highly competent armed and security forces continues to be actively involved in regional and international peacekeeping missions and operations.

96. At the domestic front, the peace and security that The Gambia has been known for will not be compromised for any reason. In this regard, the fight against organized crime, child trafficking, money laundering, corruption and drugs will be intensified, as existing legislations are revamped and new agencies including the Anti-Corruption Commission, are being established.

97. The Government also remains committed to improving the welfare of Gambians and is cognisant of the roles that Gambians

in the Diaspora have been playing in the country's development. It is in this regard that measures have been spearheaded towards giving prominence to the country's citizens abroad, including the organisation of the First Consultative Meeting with Gambians in the Diaspora in January 2012 in Banjul.

WOMEN EMPOWERMENT, POPULATION AND YOUTH

98. There is a growing recognition by Government of the importance of macroeconomic policy in shaping women's living standards and their prospects for economic empowerment. In this regard, the formulation and implementation of the Gender and Women Empowerment Policy 2012-2020 and the drafting of a National Action Plan on Gender Based Violence as well as Sexual Offence and Domestic Violence Bills will contribute largely in the realization of the objectives of the fifth Pillar of the PAGE.

99. The Gambia will in 2013, conduct a Population and Housing Census as well as a Demographic and Health Survey. Preparatory work for both started this year and we call on our partners to support these important exercises. Both national enquiries will provide gender disaggregated data which are vital in addressing gender imbalances and inequities.

100. Government's efforts to mobilize the positive energies of the youth is already bearing fruit with youth participating effectively in agriculture and picking up heightened interest in fisheries, which will contribute significantly to reducing poverty and unemployment. Similarly, efforts are being intensified to refurbish the Independence Stadium running tracks as well as exploring options to rejuvenate the Friendship Hostel in

partnership with private entrepreneurs to enable the facility generate adequate revenue to ensure continuous viability and growth. Furthermore, noting that the availability of essential infrastructure in the regions will help greatly in promoting sports development, local stakeholders are urged to participate in the prioritization and implementation of sports infrastructure development in the regions.

PERFORMANCE OF PUBLIC ENTERPRISES

101. Public enterprises are created with specific mandates and charged with responsibility of executing specific development projects for which government intervenes to source development financing. They are expected to generate adequate income to sustain their operations, meet the cost of servicing development finance loans, and eventually pay dividends to Government.

102. However, this is not the case for most of our public enterprises today. Instead, some of them are becoming a drain on Government, a situation which is not sustainable. It is even more worrisome when public enterprises continue to accumulate arrears on personal income tax, corporate tax, social security contributions and sales tax. It is the responsibility of the management of PEs to ensure that these monies that are deducted from source are remitted accordingly and on time. I therefore call on the management of various public enterprises to assume their responsibilities fully.

103. The Government has made clear intention of introducing Public Private Partnership (PPP) arrangements to bridge the gap between the public and private sector and facilitate the realisation of the PAGE. A PPP framework is being established and this will go a long way in helping Government address the ailing state of some of these PEs.

FISCAL OUTLOOK FOR THE YEAR 2013

REVENUE

104. The 2013 budget is prepared on the basis of various macroeconomic assumptions, real GDP at 10.7 per cent, inflation at 6.0 per cent while overall budget deficit and current account balance excluding budget support are projected at 2.1 per cent of GDP and 15.6 per cent of GDP respectively. The exchange rate is estimated to slightly appreciate against the major international trading currencies during the fiscal year 2013. Gross international reserves are projected at US\$192.8 million, representing 5.0 months of imports cover.

105. Total revenue and grants for 2013 is projected at D7,608.8 million (22.6 per cent of GDP) against a total of D5,771.3 million (19.6 per cent of GDP) in 2012. Tax revenue is estimated to register D4,787.2 million (14.2 per cent of GDP) in 2013 compared to D4,042.7 million (13.7 per cent of GDP) in 2012. Grants are projected at D2,222.9 million (6.6 per cent of GDP) in 2013 against D1,157.4 million (3.9 per cent of GDP) in 2012. Similarly, Non-tax revenue is forecast to grow to D598.7 million in 2013 from D571.2 million in 2012.

EXPENDITURE

106. Expenditure and net lending is estimated at D8,301.5 million or (24.7 per cent of GDP) for 2013 compared to an estimated figure of D6,722.8 million or (22.8 per cent of GDP) in 2012. Current expenditure, which is made up of Personnel emoluments, Interest payment and other charges for 2013 is estimated at D5,204.7 million and projected to be D5,230.7 million in 2012. Capital expenditure and net lending is estimated to increase to D2,781.5 million in 2013 up from an estimated D1,492.1 million for the current fiscal year.

107. The fiscal deficit for 2013 is estimated at D692.7 million or (2.1 per cent of GDP) compared to an estimate of D951.4 million or (3.2 per cent of GDP) for 2012. This will be funded through domestic and external borrowing. The reduction of the fiscal deficit is a sign of the Government's commitment to reducing and containing Net Domestic Borrowing and eventually reducing the high interest rates.

108. The public debt to GDP ratio is estimated to decline from 78.9 per cent in 2012 to 70.8 per cent during the fiscal year 2013. This decline is expected to further strengthen government's efforts in reducing the stock of public debt to a sustainable level in the medium and long term.

REVENUE AND POLICY MEASURES

Reform of the Personal Income Tax

109. Following "An Assessment of the implications of Alternative Personal Income Tax Structures on Tax Revenue and the

Distribution of the Tax Burden to the Gambian Taxpayers”, the tax on personal income (PAYE)(First Schedule of the Income and Value Added Tax Act, 2012) will be revised as follows:

110. The tax free threshold will be raised from D7,500 to D18,000 representing an increase of about 140 per cent. It will be recalled that the existing threshold was adopted in 1991, thus the proposed increase is justifiable based on the increase in the prices of essential goods and services over the years.
111. The maximum PAYE rate will be reduced from 35 per cent to 30 per cent and the new income tax rates will be 0, 5, 10, 15, 20, 30 per cent while the current income tax brackets consisting of 6 slabs and income range of D10,000 will be maintained.
112. With this reform, all taxpayers will experience an increase in take home pay with effect from January 2013. A taxpayer with annual taxable earnings of D20,000 who currently pays PAYE of D1,375 per year will now pay only D100 per year. This represents a decline in tax burden of 93 per cent and an increase in disposable income of D1,275. Similarly, a taxpayer with taxable annual earnings of D47,500 who currently pays PAYE of D7,000 per year will now pay D2,925 only. This represents a 58per cent decline in tax burden and an increase in disposable income of D4,075. From the assessment done, the revenue loss from this measure will be minimal as PAYE constitute a very small portion of personal income tax revenue.

Simplified Tax Procedures for Small Taxpayers

113. In line with best practice, the GRA will introduce a simplified presumptive tax regime for the small and micro

taxpayers in 2013. This new reform measure will reduce the compliance burden of small taxpayers by getting them to keep simplified records of their daily sales. Small taxpayers shall be required to charge a tax rate of 3 per cent on their total monthly turnover to be paid quarterly. The tax is a final tax meaning that no deduction shall be allowed for business expenses. It is expected that the lower tax rate and the simplification of the processes and procedures will significantly reduce the cost of compliance thus increasing compliance for these taxpayers. The presumptive tax regime will be applied on taxpayers with an annual turnover of less than D0.5 million.

Revenue Neutral Tax Measures

114. With the introduction of the VAT to replace Sales Tax, in January 2013, there is need to realign certain tax items, which will not increase the cost of those goods, including but not limited to the following:

- Rice, which used to be duty free with a sales tax of 5 per cent will be zero-rated under VAT and will attract a duty of 5 per cent.
- Sugar, Flour and Cooking Oil which attract 5 per cent duty and 15 per cent sales tax, will all be zero-rated under VAT and attract 20 per cent duty.
- Onions and potatoes, which attract 20 per cent duty and 15 per cent sales tax, will be zero-rated under VAT and will attract the same 20 per cent duty and a 15 per cent excise tax on CIF Value.

- Telecommunications, which attracts 20 per cent sales tax, will now attract a VAT of 15 per cent and an excise tax of 5 per cent.
- To meet Government's obligations to ECOWAS institutions, the ECOWAS levy of 0.5 per cent will be temporarily adjusted to 1 per cent.

Taxation of Tobacco Products

115. Following interactions with the WHO-Framework Convention on Tobacco Control (WHO-FCTC) in September 2012 it was agreed that basing specific excise taxes on weight is less effective for a government with the dual objective of controlling tobacco consumption and maximizing revenue collection from the product. In order to address this problem we wish to move from a weight based specific tax to one based on the number of cigarettes as follows:

- A D5/pack excise tax on cigarette from 2013 and increasing to D7/pack in 2015
- An excise tax of D37.50/kilogram on the rest of the other non-cigarette tobacco products that are not in packs

CONCLUSION

116. In Conclusion, Honourable Speaker, the Government of The Gambia remains committed to maintaining and improving the socio-economic condition of all citizens. As we are only 3 years away from the 2015 MDG target date, special attention will be paid by government to ensure that investments are scaled up

in the areas that are still major challenges for The Gambia namely: the health and poverty targets. The Gambia has already been rated as one of the good performers in terms of progress towards achieving the MDG targets and Government will continue to build upon these achievements.

117. Resource mobilization efforts to finance the PAGE are still ongoing, and I would like to seize this opportunity to call on our partners and private sector operators here and abroad to come forward and invest in infrastructure, education, agriculture, tourism, health and energy. As the Government recognises the efforts of all citizens in nation building, we continue to urge Gambians to redouble their efforts in order to speed up the country's national development aspirations aimed at achieving all our medium and long-term objectives.

118. The Government of the Gambia continues to explore avenues to improve its domestic revenue mobilization efforts. The introduction of the Value Added Tax in 2013 aims to broaden the tax base and the Gambia Revenue Authority is hereby tasked to work assiduously towards improving the compliance rate of taxpayers. With the significant improvements already recorded in tax collection over the years and 2012 in particular, there is no turning back.

119. Finally, fiscal prudence at all levels of government must be adhered to if we are to meet the top government priority of reducing domestic borrowing levels and create the necessary fiscal space for further investments. All sectors are therefore called upon to operate within their approved budgets. The onus lies with the accounting officers in government ministries,

departments and agencies to ensure that government resources are effectively utilised.

On this note Honourable Speaker, I beg to move.

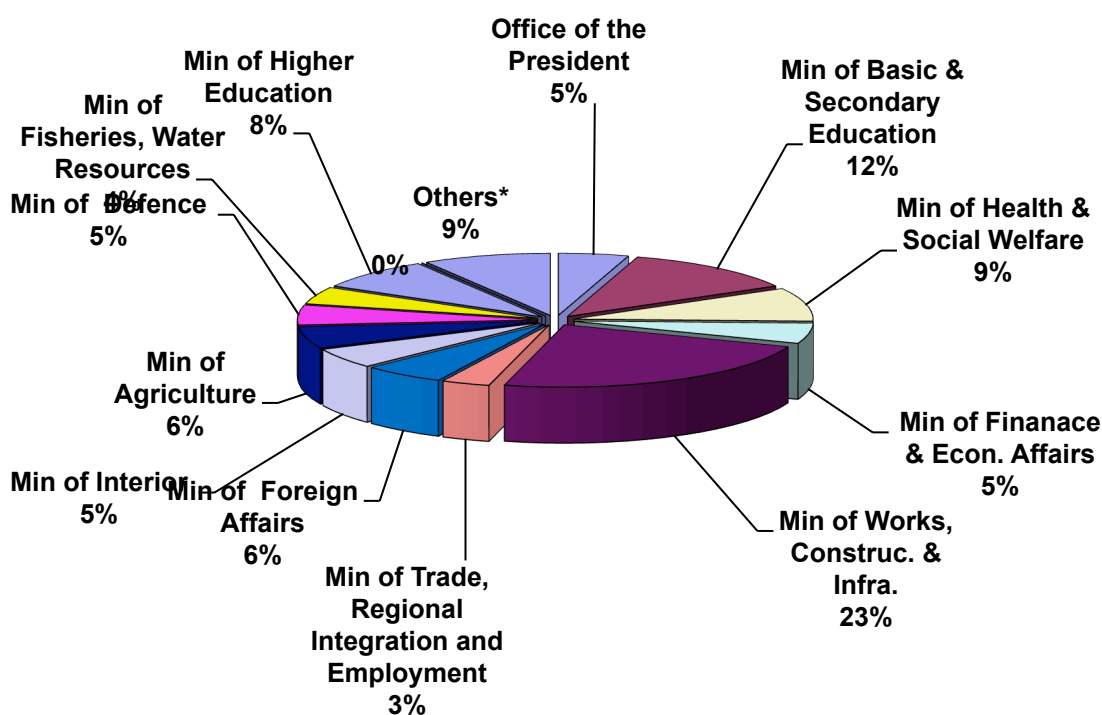
Annex 1

SECTORAL ALLOCATION FOR 2013 BUDGET

Departmental Recurrent & Development Budget (All Funds)	D' Millions	% of Total
Office of the President	345.00	4.74
Min of Basic & Secondary Education	881.97	12.12
Min of Health & Social Welfare	630.75	8.67
Min of Finance & Econ. Affairs	381.65	5.24
Min of Works, Construc. & Infra.	1693.03	23.26
Min of Trade, Regional Integration and Employment	237.03	3.26
Min of Foreign Affairs	403.03	5.54
Min of Interior	378.31	5.20
Min of Agriculture	413.26	5.68
Min of Defence	372.31	5.11
Min of Fisheries, Water Resources	323.11	4.44
Min of Higher Education	588.58	8.09
Others*	631.17	8.67
Total	7279.20	100.00

*Others: Ministries not listed above

Departmental Recurrent & Development Budget 2013 (All Funds)



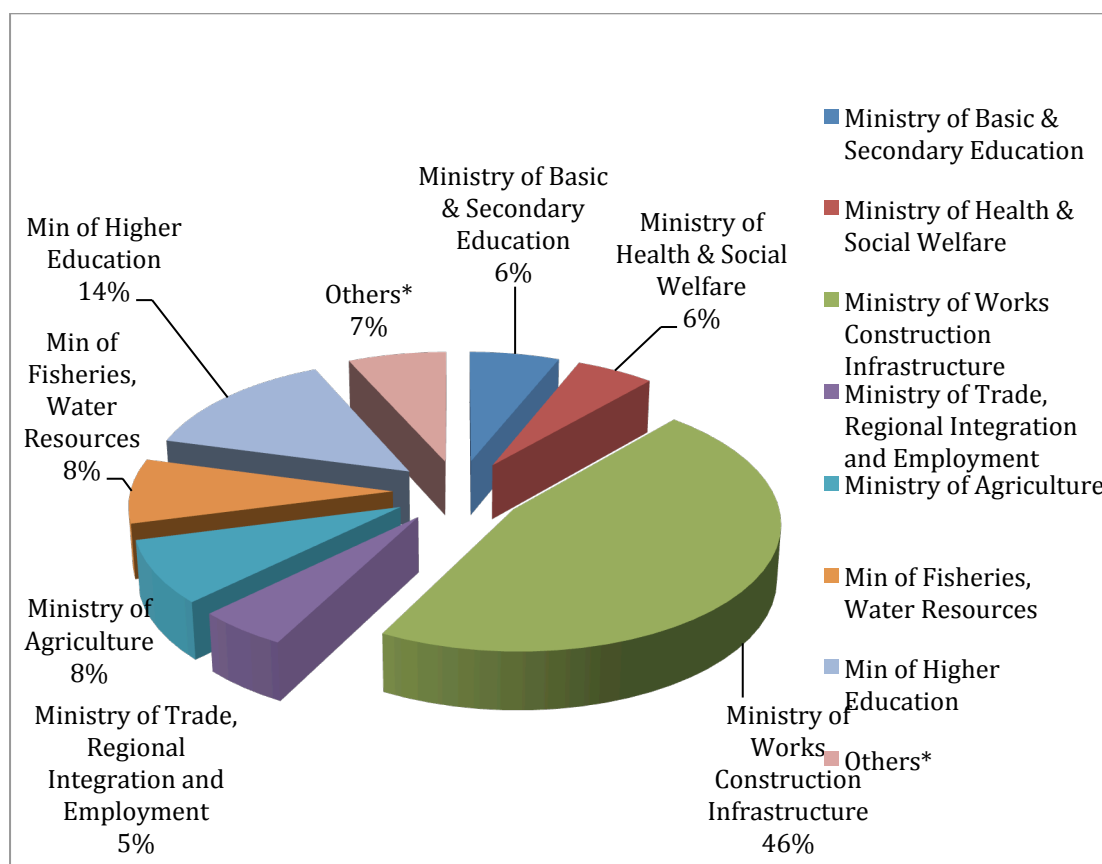
Annex 2

SECTORAL ALLOCATION FOR 2013 BUDGET

Departmental Development Budget (GLF)	D' Million	% of Total
Ministry of Basic & Secondary Education	221.85	6.1
Ministry of Health & Social Welfare	193.75	5.4
Ministry of Works Construction Infrastructure	1,670.00	46.2
Ministry of Trade, Regional Integration and Employment	181.85	5.0
Ministry of Agriculture	294.66	8.2
Min of Fisheries, Water Resources	298.16	8.3
Min of Higher Education	508.40	14.1
Others*	243.00	6.7
Total	3,612.67	100.0

*Ministries not listed above

Departmental Development 2013



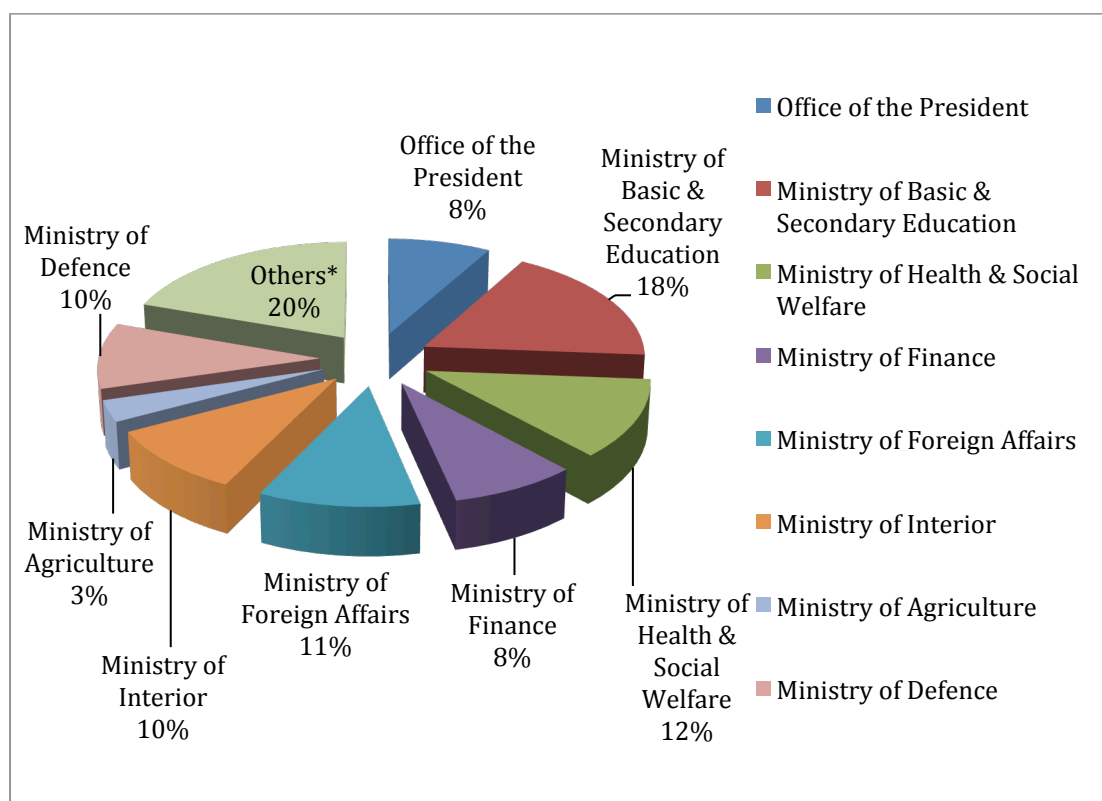
Annex 3

SECTORAL ALLOCATION FOR 2013 BUDGET

Departmental Recurrent Budget(GLF)	D' Million	% of Total
Office of the President	300.81	8.2
Ministry of Basic & Secondary Education	660.12	18.0
Ministry of Health & Social Welfare	437.00	11.9
Ministry of Finance	309.89	8.5
Ministry of Foreign Affairs	393.03	10.7
Ministry of Interior	364.66	9.9
Ministry of Agriculture	118.61	3.2
Ministry of Defence	362.31	9.9
Others*	720.12	19.64
Total	3,666.54	100.00

*Ministries not listed above

Departmental Recurrent 2013



Annex 4

Government Revenue, Expenditure and Net Lending and Fiscal Deficit 2007-2013

Values in D' Millions

	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	5597.2	6807.4	-1210.2
2012	5771.3	6722.7	-951.4
2013	7608.8	8301.5	-692.7

