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MINISTER OF FINANCE AND ECONOMIC AFFAIRS
OF THE
REPUBLIC OF THE GAMBIA

Acronyms

ACE	Africa Cable to Europe
ACH	Automated Clearing House
AFDB	African Development Bank
AML/CFT	Anti- Money Laundering and Terrorist Financing
ATM	Automated Teller Machines
AU	African Union
BADEA	Bank for Economic Development in Africa
BOP	Balance of Payments
CBG	Central Bank of the Gambia
CPAP	Country Program Action Plan
ECOWAN	ECOWAS Wide Area Network
ECOWAS	Economic Community of West African States
FASDEP	Food Agricultural Security Development Project
FIU	Financial Intelligence Unit
GAFDP	Gambia Artisanal Fisheries Development Project
GAMCEL	Gambia Telecommunication Cellular Company Ltd
GAMTEL	Gambia Telecommunication Company Ltd
GDP	Gross Domestic Product
GNPC	Gambia National Petroleum Company
GOTG	Government of The Gambia
GPE	Global Partnership for Education
GRA	Gambia Revenue Authority
GTB	Gambia Tourism Board
ICT	Information Communication and Telecommunication
IDA	International Development Assistance
IFMIS	Integrated Financial Management Information System
ISP	Internet Service Providers
ISRT	Inter-State Road Transit
ITU	International Telecommunication Union
KFAED	Kuwait Fund for Arab Economic Development
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MFP	Multifunctional Platform Project
MOA	Ministry of Agriculture
MOBSE	Ministry of Basic Education
MOFEA	Ministry of Finance and Economic Affairs
MOHERST	Ministry of Higher Education, Research, Science and Technology
MOHSW	Ministry of Health and Social Welfare
MOTIE	Ministry of Trade, Industry, Regional Integration and Employment

MTEF	Medium Term Expenditure Framework
NAWEC	National Water and Electricity Company
NCPI	National Consumer Price Index
NDB	Net Domestic Borrowing
NEA	National Environment Agency
NEMA	Agricultural Land and Water Management Development Project
NER	Net Enrolment Rate
NICP	National Information and Communication Policy
NRA	New Rice for Africa
OIC	Organisation of Islamic Countries
OMO	Open market Operations
PAGE	Programme for Accelerated Growth and Employment
PFM	Public Financial Management
PMO	Personnel Management Office
PPP	Public Private Partnership
SDG	Sustainable Development Goals
SSS	Security Settlement System
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UTG	University of The Gambia
WAMZ	West African Monetary Zone
WEO	World Economic Outlook
VAT	Value Added Tax

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Honourable Speaker,

I beg to move that “The Bill entitled an Act to provide for the services of The Gambia for the period 1st January 2014 to 31st December 2014 (both dates inclusive) be read a second time.

INTRODUCTION

Honourable Speaker,

1. The Gambia's medium term development plan, 2012-2015 will be in its third year of implementation in 2014. The Programme for Accelerated Growth and Employment (PAGE) aims to accelerate sustainable economic growth and development, and create employment opportunities for Gambians.
2. Although the rate of implementation has been mixed, positive strides have been made in key sectors such as Agriculture, Education, Health, and Water Resources, whilst the desired gains in sectors such as Energy and Infrastructure have been limited by resources constraints. I therefore seize this opportunity to call on our development partners, including and the private sector to continue as partners of Government in pursuit of our development goals.

3. The ongoing gradual implementation of the Medium Term Expenditure Framework (MTEF) through the various Ministries, Departments and Agencies (MDAs) helps to ensure that planning and budgeting are done over a medium term period in a more transparent and participatory process.

4. The 2014 budget will focus on fiscal prudence aimed at minimising the growing deficit being financed by costly domestic borrowing. Therefore the 2014 budget is anchored on containing the Net Domestic Borrowing (NDB) to 2.5 per cent of GDP by end 2014 and to near zero per cent by end 2016. The objective of this policy is to contain inflation, stabilize the Dalasi and to increase domestic savings for program financing.

5. Sustainable agricultural development has and will continue to remain a priority for Government. The Executive under the distinguished leadership of His Excellency, The President, Sheikh, Prof. Alhagie Dr. Yahya A.J.J Jammeh, has made this very apparent given his commitment and popular mantra of "*EAT WHAT YOU GROW AND GROW WHAT YOU EAT.*" The Government under his stewardship and cooperation of its development partners will continue to invest in the agricultural sector. Focus on other productive sectors such as Science

and Technology, Infrastructure and Energy will remain priorities for Government as key platforms to support poverty eradication.

GLOBAL ECONOMIC OUTLOOK

Honourable Speaker,

6. According to the October edition of the International Monetary Fund's World Economic Outlook (WEO), the global economy has entered yet another transitory phase, as growth in advanced economies is gradually strengthening, whilst growth in emerging and developing economies have slowed. The slowdown in emerging and developing economies can be attributed to the stabilization of commodity prices and stricter financial conditions.

7. Global growth has averaged 2.5 per cent in the first half of 2013, largely at par with the growth rate in the corresponding period of 2012. The United States is expected to be the impetus for global growth in 2013, assuming that discretionary fiscal spending is approved and executed in a timely fashion, and that the debt ceiling is raised accordingly.

8. In Sub-Saharan Africa, growth is expected to increase from 5 per cent in 2012 to 6 per cent in 2013, due to stronger domestic demand and a surge in commodity related investments. Continued economic growth in

the region calls for increased effort to rebuild policy buffers, contain inflation and boost potential growth.

DEVELOPMENTS IN THE DOMESTIC ECONOMY

Honourable Speaker,

REAL SECTOR

9. In the domestic front, the real Gross Domestic Product (GDP) at constant market prices for 2013 is estimated to grow by 5.6 per cent compared to 6.1 percent recorded for the previous year.

10. The major contributors to growth in economic activity for 2013 are the Agricultural sector with 9.7 per cent compared to 6 per cent in 2012, followed by the Industry sector with 7.0 per cent compared to 6.4 per cent in 2012 and the Services sector with 3.7 per cent compared to 5.8 per cent in 2012.

11. The growth in the Agriculture sector is mainly driven by increase in crop production, livestock, forestry and fisheries which recorded 14.8, 4.6, 3.4 and 4 per cent respectively, whilst the growth in the Industrial sector is mainly coming from the Construction sub sector. Electricity & Water recorded a growth of 2.2 percent mainly attributed to the expansion in rural electrification. In the services sector growth is projected at 3.7 per

cent in 2013, compared to 5.8 percent in 2012. The lower growth rate in 2013 is as result of decline in International trade.

12. Tourism, Transport, Communication, Financial Services and Real Estate continue to grow by 8.5, 6.0, 3.7, and 3.3 per cent respectively. In terms of contribution to Gross Domestic Product, the Services sector continues to be the major contributor with 57.1 per cent, followed by the Agricultural sector with 22.2 per cent and the Industry sector with 14.8 per cent.

FISCAL DEVELOPMENTS

Honourable Speaker,

13. Total Revenue and Grants for the first nine months of 2013 amounted to D4.9 billion or 14.6 per cent of GDP and by year end, total revenues and grants is estimated at D7.7 billion or 23 per cent of GDP compared to a budget of D7.6 billion or 22.6 Percent of GDP. Total revenue and grants for the corresponding period of 2012 was D6.0 billion or 20.4 per cent of GDP and the actual for the same year was D7.3 billion or 25 per cent of GDP.

14. Total Expenditure and Net Lending for the first nine months of 2013 amounted to D6.6 billion or 19 per cent of GDP compared with a budget of D8.3 billion or 24.7 per cent of GDP. Recurrent expenditure

constitutes about 69 per cent of total expenditure and net lending whilst capital expenditure constitutes 31 per cent. In 2012, total expenditure and net lending amounted to D6.7 billion or 23 per cent of GDP of which 56 per cent was recurrent and 44 per cent was capital.

15. Expenditure on interest payments for the first nine months of the fiscal year 2013 amounted to D940.6 million compared to D951.1 million in the corresponding period a year earlier.

16. The overall balance including grants at the end of the first nine months of 2013 is a deficit of D1.7 billion or 4.9 per cent of GDP compared to a deficit of D733 million or 2.5 per cent of GDP in the corresponding period of 2012. In 2013, the revised deficit is projected at D2.4 billion or 7 per cent of GDP.

MONETARY DEVELOPMENTS

Honourable Speaker,

17. The main objective of monetary policy in 2013 is to maintain price and macroeconomic stability and to achieve this objective, the Central Bank of The Gambia continued to use Open Market Operations (OMO) as the main instrument of liquidity management.

18. In the first eight months of 2013, money supply grew by 4.7 per cent, lower than the 7.8 per cent projected for 2013. This slow pace of growth in money supply is attributed to contraction in net foreign assets of the banking system, which dampened the expansionary effects of growth in domestic credit.

19. On an annualized basis, money supply in August 2013 rose to D16.8 billion or 11.5 per cent compared to the 6.0 per cent growth in the same period last year. This increase in money supply mirrored the increase in both narrow and quasi money.

20. Narrow money, which comprises currency outside banks and demand deposits, totaling D8.2 billion in August 2013, grew by 23.1 per cent relative to 1.4 per cent in 2012. Quasi money, which includes savings and time deposits, increased to D8.7 billion in August 2013 compared to D8.5 billion at end-August 2012. Savings deposits rose to D5.4 billion or by 10.4 per cent while time deposits declined to D3.3 billion or by 8.3 per cent respectively.

21. Net foreign assets of the banking system contracted by 9.7 per cent in August 2013 reflecting a decline in both net foreign assets of deposit money banks and the Central Bank of the Gambia. The net foreign

assets of deposit money banks' decreased significantly by 23.7 per cent to D1.1 billion reflecting the marked increase in their foreign liabilities, which constituted debt obligations from parent companies and other banks abroad. Similarly, the net foreign assets of the Central Bank contracted slightly from D3.1 billion in August 2012 to D3.0 billion in August 2013.

22. Net domestic assets of the banking system, in contrast, rose to D12.6 billion or by 21.0 per cent from a year earlier. Domestic credit grew significantly to D14.6 billion or by 21.6 percent compared to 3.9 per cent in 2012. Net claims on government, grew to D8.0 billion or by 28.3 per cent partly reflecting the mobilization of domestic resources for infrastructural development.

23. The Bank's operating target for reserve money grew by 17.8 per cent compared to 4.3 per cent a year ago. Both currency in circulation and reserves of banks grew by 13.6 per cent and 25.9 per cent respectively.

FOREIGN EXCHANGE MARKET

24. Activity volumes in the domestic FX market for the nine months of 2013 contracted relative to same period in 2012. During the period under

review, the domestic FX market recorded an excess inflow of US\$12.69 million as against US\$17.44 million in 2012.

25. The exchange rate based on mid-market averages indicates that the Dalasi depreciated against all major trading currencies. From end-September 2012 to end-September 2013, the Dalasi depreciated by 1.79 per cent against the US Dollar, 6.05 per cent against the Euro and 5.75 per cent against the pound Sterling. The depreciation of the Dalasi against the US Dollar during the review period has been gradual and partially influenced by policy measures.

FINANCIAL SECTOR DEVELOPMENTS

Honourable Speaker,

BANKING INDUSTRY

26. The number of banks operating in the country dropped from 13 in 2012 to 12 in 2013 following the closure of Prime Bank (G) Ltd. The twelve Banks in operation comprises of eleven conventional banks and one Islamic bank. All the banks met the minimum capital requirement of D200 million by the target date of end-December 2012.

27. The banking industry registered a total asset base of D19.1 billion at end June 2012 rising to D22.4 billion in June 2013, thus increasing by D3.3

billion (14.7 per cent). The non-performing loan ratio of the banking industry improved to 11.3 per cent in June 2013 from 13.7 per cent as at June 2012. Total deposits also rose to D14.3 billion, representing an increase of 11.9 per cent during the same period. Consequently, the liquidity ratio of banks was further strengthened from a level of 73.7 per cent in June of 2012 to 76.6 per cent as at June 2013.

28.To strengthen banking supervision within The Gambia, the Central Bank had introduced electronic data submission system (VRegCoss) with a view to enhancing data integrity and transparency. In the same vein, the Credit Reference Bureau had been upgraded to assist banks to effectively manage their lending portfolio.

29.In a bid to combat money laundering and other economic crimes the authorities enacted the new Anti- Money Laundering and Terrorist Financing (AML/CFT) Act 2012. To support the implementation of the law, an Independent Financial Intelligence Unit (FIU) has been established.

PRICE MOVEMENTS

30.Consumer price inflation as measured by the National Consumer Price Index (NCPI) from the beginning of 2013 reached 6.0 per cent in August

2013 compared to 4.2 per cent a year earlier. This increase is partly attributed to the depreciation of the Dalasi and the rise in global energy prices. Food inflation rose to 7.2 percent in August 2013 from 5.0 per cent in the corresponding period in 2012 while non-food inflation edged marginally from 3.4 per cent in 2012 to 4.3 per cent for the period under review.

PAYMENT SYSTEMS INFRASTRUCTURE

31. From January 2013, all domestic salary payments for Government and Government Projects are processed through the Automated Clearing House (ACH), which saw an increase in transactions from 49,128 transactions in the first quarter of 2012 to 161,346 transactions in the first quarter of 2013.

32. The Security Settlement System (SSS) went live in April 2013 after several months of parallel run. As part of the modernization process of the banking industry in the country, the SSS deals with the recording and management of Gambia Government Securities, Interbank Transactions, Repurchase Obligations, Intra Day liquidity transactions and other Gambia Government Domestic Debt Instruments.

33. A component of the WAMZ Payment Systems Development Project, which is entirely funded by the Central Bank, is the GAMSWITCH

PROJECT. This project actually brings efficiency in the payment system in terms of making it easier for the banking public to access information and to effect transactions through a switching mechanism connecting the ATM's of various Banks.

BALANCE OF PAYMENTS

34. Preliminary Balance of Payment Developments for the first half of 2013 indicate an overall deficit of US\$ 21.30 million in comparison to a deficit of US\$ 38.03 million in the corresponding period of 2012. The current account surplus is projected to improve marginally to US\$ 23.61 million from US\$ 17.35 million in the corresponding period of 2012. Deficit in the goods account is projected to improve to US\$ 29.42 million in the first half of 2013 compared to a deficit of US\$ 89.38 million in the first half of 2012, caused largely by improved export volume.

35. The services account is projected to register a surplus of US\$ 19.68 million in the first half of 2013, showing a decrease from the surplus of US\$ 45.38 million registered in the first half of 2012. Current transfers declined from US\$ 66.88 million in the first half of 2012 to a preliminary estimate of US\$ 35.81 million in the first half of 2013. This is partly due to decline in transfers and remittances during the period under review. The Capital and Financial Account is projected to record a deficit of US\$ 44.91

million, a slight improvement from the US\$ 54.91 million deficit recorded in 2012.

PUBLIC FINANCIAL MANAGEMENT REFORMS

Honourable Speaker,

36. The Medium Term Expenditure Framework (MTEF) is being introduced to ascertain that public resources are strategically allocated to finance government priority areas as articulated in the Government's medium term Plan, as well as ensure operational efficiency by adhering to effective and efficient utilization of public resources.

37. The MTEF is currently piloted at the Ministry of Basic Education (MOBSE) and the Ministry of Finance and Economic Affairs (MOFEA), and will be rolled out to the Ministry of Health and Social Welfare (MOHSW) and the Ministry of Agriculture (MOA) in 2014, with provisions for a full roll out to all MDAs by 2016.

Honourable Speaker,

38. In compliance with one of the ECOWAS harmonization protocols, Government introduced the VAT in January 2013 to replace the Sales Tax. We have already started seeing positive results through increase in Government revenues. This is because the VAT regime is more broad

based compared to the Sales Tax regime. The VAT also helps bring about a more transparent tax administration, reduces tax evasion practices, and encourages exports.

39. Apart from the VAT, Government has embarked on more tax administration reforms such as the development and implementation of a robust tax compliance plan, which has resulted in compliance ratio moving from approximately 38 per cent in 2009, to around 90 per cent in 2013. Another reform embarked upon is the setting up of a Tax tribunal, which is now fully operational, and whose primary mandate is to settle tax collection disputes between citizens and GRA. Additionally Government will harmonize the PAYE tax system across all sectors by 2015 without negative implications on the affected employees.

40. However, in spite of these reforms, recent revelations by tax commissions indicate that although there have been improvements resulting from the reforms, there is still room for further improvement. Therefore I would like to emphasize that there will continue to be Zero tolerance on non-compliance and Government is determined to fully enforce the law.

LET ME NOW DISCUSS DEVELOPMENTS IN THE PRODUCTIVE SECTORS OF THE ECONOMY

AGRICULTURE

Honourable Speaker,

41. Recent times have seen the intensification of investment in this sector evidenced by the scaling up of the agriculture resource envelope from less than 3 per cent of government revenue in 2011 to about its current level of about 8 per cent. 2013/2014 also witnessed the launching of Two Major Development projects namely FASDEP (Food Agricultural Security Development Project) and Agricultural Land and Water Management Development Project (NEMA). The Total investment for the two projects is about \$130 million. The focus now is to transform Agriculture from its current subsistence form of farming to a more commercial based, focusing primarily on value addition. To achieve this goal Government recognizes that more investment needs to be done in Research, Science and Technology.

42. The 2013/2014 farming season is expected to show a remarkable recovery from the draught experienced in 2011/2012 farming season as total cereal production is estimated to be 229,584 metric tones. This represents an increase of about 5.2 per cent compared to last year and higher than the five-year average. However yields for maize and early

millet are expected to drop in NBR and CRR North and South due to the heavy down pours of rain on frequent basis between mid-August to September which caused flooding and sedimentations.

FISHERIES AND WATER RESOURCES

Honourable Speaker,

43. In the area of artisanal fisheries, Government, in collaboration with its development partners, is providing fisheries infrastructure facilities and equipment throughout the country. The Artisanal Fisheries Development Project (GAFDP) co-funded by the Government of The Gambia (GOTG), the Africa Development Bank (ADB) and the Arab Bank for Economic Development in Africa (BADEA) is ending in 2013 with the entire project components satisfactorily implemented.

44. Within the framework of implementation of the GAFDP, the rehabilitation works at Bintang, Tendaba and Albreda fish landing sites are completed and the double surfacing of the 11 kilo metres roads to Tendaba and Bintang have also been completed. This will greatly ease the transportation of fish and fisheries products to markets.

45. The United Nations Development Programme (UNDP) provided funds for the building and rehabilitation of fish smoke houses in Gunjur, Sanyang and Tanji. The facilities have already been handed over to the

beneficiaries and with these facilities, post-harvest losses will be reduced and additional employment created.

46. As member of the Sub-regional Fisheries Commission, Government continues to strengthen ties and cooperation in the area of maritime fisheries at bilateral and sub-regional levels. With the operation of the newly commissioned Fisheries Jetty, industrial operators have started targeting the Gambia as their base and this will greatly enhance exports and quality.

ENERGY

Honourable Speaker,

47. The Ministry of Energy in collaboration with the National Water and Electricity Company (NAWEC) are working to increase the generation, transmission and distribution capacity for better quality and reliability of electricity services to make it more accessible and affordable. Ongoing projects aimed at achieving these objectives include, the Rural Electrification Extension Project, the Multifunctional Platform project (MFP), and Extension of Transmission and Distribution Networks project. As part of measures to put NAWEC on a better financial footing, Government has requested and recently secured a grant to the tune of \$ 32 million from ECOWAS to support NAWEC's operating costs.

PETROLEUM

Honourable Speaker,

48. The Gambia National Petroleum Company, GNPC, has successfully completed the construction of three petroleum service stations in Bundung, Abuko, and Bansang at a total cost of about D50m (fifty million Dalasis). This expansion is to add capacity to existing stations in Kanifing, Banjul, Brikama, Farefenni and Soma making a total of nine (9) stations. In April this year the GNPC signed a D233 million contract with Guangxi International Cooperation, Construction Engineering for the construction of the Petroleum House in Brusubi and construction Works are already in progress.

FORESTRY AND ENVIRONMENT

Honourable Speaker,

49. As we continue to witness the adverse effects of climate change, Government through the National Environment Agency (NEA) continues to promote responsible use of our natural resource for environmental sustainability. The recent draught, coastal erosions, bush fires and the indiscriminate disposal of plastic waste are a cause for concern and require the urgent attention of all.

50. The Government of the Gambia is committed to intensifying efforts towards mitigating environmental challenges and in this regard will

continue to strengthen initiatives such as “Operation Clean the Nation” and the enforcement of the Anti-littering law.

TOURISM

Honourable Speaker,

51. The Tourism sector continues to show robust growth with impressive contribution of 12-15 per cent of GDP. This sector has largely been and continues to be a stabilizing factor for the economy. Tourism arrivals are projected to increase from 125,528 in the 2012/2013 Winter Season to 200,000 in the 2013/2014 Winter Season.

52. This positive development is as a result of robust marketing efforts by the Ministry of Tourism and Culture, through the Gambia Tourism Board. The Ministry is developing strategies to promote the Gambia as an all year round tourist destination. Current challenges facing the sector include the lack of adequate beds especially in the four and five star categories. In this regard, Government calls on the private sector to take advantage of this investment opportunity in the hotel and hospitality business. The establishment of the Gambia Tourism and Hospitality Institute, which is now fully operational as a semi-autonomous institution is providing professional courses and training thereby addressing the gaps that existed in the service levels of the industry.

53. The sector has also embarked on other projects aimed at diversifying our tourism products, which include the redesigning of the “Kunta Kinte” Roots Experience in Juffureh, the completion of the “Kankurang” Cultural educational centre in Janjangbureh and the opening of a new Museum in Fort Bullen.

54. Let me take this opportunity to congratulate the Ministry of Tourism and Culture for the recently concluded Islamic Conference for Tourism Ministers which was held in Banjul from the 4th-6th December 2013. The conferences open new horizons for The Gambia.

TRADE

Honourable Speaker,

55. The Ministry of Trade, Industry, Regional Integration and Employment (MOTIE), continues to pursue and implement trade related programs as defined in the National Trade Policy.

56. The Ministry also continues to partner with UNDP under the UNDP-Gambia Government Country Program Action Plan (CPAP) to support and promote the development of Micro, Small and Medium Size enterprises. Under this program, the Ministry supported a number of groups and private entrepreneurs engaged in value addition activities

to acquire and install equipment and other production inputs to support their operations.

57. On standards and quality, the Gambia Standards Bureau completed the formulation of ten (10) food standards, and all these have now been officially gazetted as national standards effective July 2013. These standards will now enable the development of technical regulations by the Food Safety Authority, which will ensure that food products distributed in the market meet national requirements.

58. In the area of regional integration, MOTIE coordinated the implementation of the ECOWAS protocol on Inter-State Road Transit (ISRT) effective 15th July 2013. The objective of this protocol is to facilitate the movement of transit goods in an efficient, cost effective and transparent manner within the sub-region. Since July 2013, Goods valued at D33.9 million transited through the Port of Banjul under ISRT.

COMMUNICATION AND INFORMATION TECHNOLOGY

Honourable Speaker,

59. Last year saw the launch of the World Bank \$ 35 Million funded ACE project, the Gambia's first submarine cable landing station. The station managed by the Gambia Submarine Cable Company, is a consortium

of Internet Service Providers (ISPs) and Government. The ACE will address high capacity bandwidth requirements and reduce ICT transaction cost.

60. Now that the international gateway infrastructure link is complete, Government through Gamtel in collaboration with the IDB ECOWAN project has embarked on the development and improvement of our national transmission backbone. A contract has been awarded to a reputable international company for works, which will involve the replacement of the South Bank fibre cable and the installation of a new fibre link on the North Bank, creating a complete link around the country.

61. Furthermore, MOICI through funding from the International Telecommunication Union (ITU) and in collaboration with MOBSE has provided ICT centres in three senior secondary schools namely Farafenni, Brikama Ba and Basse.

TRANSPORT, WORKS & INFRASTRUCTURE

Honourable Speaker,

62. Different road projects are on-going at various stages of implementation and to provide transport links throughout the entire country,

Government has made heavy investment in the construction of the South Bank and the North Bank trunk roads. The Mandinaba-Soma road, which links Banjul to Basse on the South Bank, is near completion. Out of five regional roads embarked upon by the Government, all four have been completed and the remaining one, Basse to Velingara (in Senegal) is in progress and work is expected to be completed by the end of this year.

63. The contract for the 25km Birkama-Dimbaya-Darsilami Road Project was signed on 29th October 2013 for a sum of GMD 413 million. Furthermore, Government is resolved to continue road maintenance works across the Greater Banjul Area and related to that, a contract for the Storm Water and Sewage System in the Greater Banjul Area was signed in May 2013 with AAC consulting Engineers. The project is funded by the Kuwait Fund for Arab Economic Development (KFAED). The consultant commenced work in July 2013 and has submitted an inception report for review.

64. The consultant for the AFDB financed Trans-Gambia Bridge has been appointed and the process for the appointment of the contractor is at an advanced stage. Construction works are expected to start in 2014.

SOCIAL SECTORS

BASIC AND SECONDARY EDUCATION

Honourable Speaker,

65. In accordance with its mandate, the Ministry of Basic and Secondary Education continues to provide quality and accessible basic education. There has been considerable increase in enrollment at all levels. Lower Basic schools' enrollment increased from 244,000 in 2012 to 257,000 in 2013 representing increase in Gross Enrollment Ratio from 90.2 per cent to 92.7 per cent. Similarly, upper basic school enrollment increased from 80,685 to 84,895, which translate into increase in gross enrollment ratio from 66.7 per cent to 70.1 per cent while senior secondary school enrollment increased from 40,761 to 45,670 representing an increase in enrollment ratio of 33.7 per cent to 37.7 per cent.

66. To cope with the increased enrollment demand, the number of schools also increased from 893 to 1024 across all levels whilst the number of qualified teachers has also increased from 7,835 to 9,521 or 7.7 per cent. With regard to the provision of education infrastructure, 252 classrooms were constructed from the Global Partnership for Education (GPE) funds from 2010 to 2013 and through funding from the World Bank (IDA), 8 multi grade and 2 full stream basic cycle schools are under construction.

67.To improve the condition of teachers in remote and difficult to reach areas, 35 furnished Staff houses were constructed through funding from the GPE. Still in its quest to widen access and reduce the cost burden on households, Government has abolished all levies in lower basic schools and introduced school grants in September 2013.

68.Additionally, to enhance pupils' access to the nearest lower basic school particularly for the 7-year-old children in certain communities, the Ministry has provided a customized school transport facility to eighty-two communities in regions 2, 3, 4, 5 & 6 and intends to increase it to one hundred and eighty-two communities by 2016. In a similar endeavor, ten school buses have also been provided through the Gambia Transport Service Company with the view to providing students with easy access to transportation at a subsidized rate.

HIGHER EDUCATION, RESEARCH, SCIENCE AND TECHNOLOGY

Honourable Speaker,

69.The Ministry of Higher Education, Research, Science and Technology (MoHERST) continue to work with its local and international partners to provide high quality, accessible and relevant tertiary and higher education responsive to national and global needs.

70. In this regard, focus continues to be placed on producing home trained graduates, with relevant knowledge and skills for full participation in the socio-economic development of The Gambia. This is evidenced by the large number of graduates trained at the University of The Gambia (UTG) since its establishment in 1999, most of whom are now fully engaged in both the public and private sectors. It is gratifying to note that the School of Medicine and Allied Health Sciences of the UTG has produced close to 100 trained medical doctors and presently over 300 Gambian trainee doctors are pursuing courses in Medicine and Allied Health Sciences.

71. Through international cooperation agreements, numerous Gambian students are pursuing various courses abroad. For 2012/2013, the Scholarship Advisory Board awarded 54 overseas scholarships, mainly in the sciences. This excludes awards administered in other public institutions. Given the need to sponsor more students in and outside the country, Government has proposed a 50 percent increment on the current scholarship allocation.

72. In recognition of its significance, Government is decentralizing the provision and delivery of Technical and Vocational Training in the Country through expansion and diversification of TVET programs and institutions, aimed at meeting the needs of the rural population

particularly women and girls. In this regard, the Ndemban Skills Centre is set to be completed this year, the Julangel Skills Training Centre in URR, is being rehabilitated and negotiations are ongoing for funding of some of the components of the Kanilai Institute of Science and Technology.

73. Construction of the Faraba Banta Campus for The University of The Gambia will start in 2014 and as a complement to Government efforts, a number of private universities have expressed interest to establish in the Gambia. Among them, the Mahatma Gandhi University of India, EUCLID University, West Africa Science Service Centre on Climate Change and Adapted Land Use (WASCAL), and the African Virtual University. This will go a long way in turning the country into a knowledge destination.

HEALTH AND SOCIAL WELFARE

Honourable Speaker,

74. The national health policy with the theme "HEALTH IS WEALTH" 2012 - 2020 is focused on "Acceleration of Quality Health Services and Universal Coverage". Within this policy framework, 16 major intervention areas that seek to increase access to basic health care have been outlined as priorities for reaching the MDG-PAGE based objectives.

75. Significant improvements have been registered in the Reproductive and Child Health indicators. For instance, maternal mortality ratio has been reduced to 433 per 100,000 live births (based on the Gambia Demographic and Health Survey preliminary report, 2012) compared to 730 per 100,000 live births in 2001. The infant mortality rate has also reduced to 54 per 1000 live births from 75 per 1000 live births. (based on the Gambia Demographic and Health Survey preliminary report, 2012).

76. The Gambia is the second country in Africa to introduce Pneumococcal Conjugate vaccine into its routine Expanded Program Immunisation (EPI) services, the aim of which is to reduce both morbidity and mortality due to Pneumococcal diseases amongst children under five years of age. The country introduced Measles Second Dose into routine immunization services in August 2012 and presently coverage is above 90 percent. Similarly, Government has recently introduced Rota Vaccine in August 2013 within the national immunization program aimed at further reducing morbidity and mortality.

77. Malaria is on the decline in the Gambia with overall prevalence of 4 per cent as of 2012. The recent Gambia Demographic and Health Survey preliminary results of 2013 indicate a 50 per cent decline to a prevalence rate of 2 per cent. The expansion of the Directly Observed

Treatment Short Course Centers commonly referred to as "DOTS" Centers has resulted to increase in TB case detection rates of at least 64 per cent. The treatment success rate has significantly increased from 86 percent in 2008 to 89 per cent in 2012 exceeding the WHO target of 85 per cent.

SOCIAL WELFARE

Honourable Speaker,

78. In the area of child protection the Department of Social Welfare continues to enhance the protective environment for women and children in difficult circumstance through the setting up of 29 community child protection committees. The Department also continues to provide support for orphans and children in difficult circumstances through the provision of Educational sponsorship packages and psycho-social support.

79. Furthermore, through its family-strengthening program, the Department continues to provide relief assistance and support for vulnerable members of society. It also provides temporary shelter, Medicare, rehabilitation services and livelihood skills training for vulnerable women and children. At least 70 families are being supported under the family strengthening program, with monthly stipends.

PERSONNEL MANAGEMENT

Honourable Speaker,

80.The PMO continues in its quest to equip civil servants with adequate knowledge and skills by providing adequate training both at home and abroad. As part of its retention strategy, the PMO has introduced the Civil Service loan scheme and it is also determined to fulfill its commitment to create Health Insurance Scheme for civil servants.

LET ME NOW DISCUSS DEVELOPMENTS IN CROSS-CUTTING SECTORS OF THE ECONOMY

YOUTH, WOMEN EMPOWERMENT AND POPULATION

Honourable Speaker,

81.The Government remains cognizant of the pivotal role that youth and women play in sustainable economic development, evidenced by their continued interest and participation in agriculture, fisheries and sporting activities. Youth-led farming activities has seen the cultivation of 47 farms totaling 118 hectares which will not only contribute to our food security target but will also provide employment for those involved.

82.The Women's Bureau continues to conduct constructive dialogue at policy and grassroots levels to increase awareness on the content of the Women's Act 2012, and Gender and Empowerment Policy 2010-2020.

To this end, series of sensitizations are being conducted, targeting women, traditional and Religious Leaders, the Police, Child Welfare Officers and Gender Focal Points.

FOREIGN AFFAIRS

Honourable Speaker,

83.The Government will continue to deepen and expand its bilateral and multilateral cooperation, friendship and concord based on mutual respect, national interest and reciprocity. In this regard, the Ministry of Foreign Affairs will undertake a review process to rationalize our Foreign missions and their respective areas of jurisdiction in line with the country's strategic interest and foreign policy objectives.

DEFENCE

Honourable Speaker,

84.Peace and Security is priceless and in this regard, government through the budget and other bilateral assistance will continue to support initiatives in Defense. In 2013, major infrastructure assessments have been geared towards improvement of basic services for the Armed and security Forces. These assessments identified the need to do both rehabilitation and construction works for office building, accommodation facilities and amenities and related services. In the regional and sub-regional context Government will continue to support

peace-keeping missions in line with AU, ECOWAS and UN initiatives and mandate.

PERFORMANCE OF THE PUBLIC ENTERPRISES

Honourable Speaker,

85. It was reported last year that Government commits to ensuring that Public Enterprises remain on a path of increased efficiency and sustainability. Thus Government will continue to work on the necessary reforms to make PEs more effective and efficient.

86. In this regard, I wish to renew Government's commitment by calling on all Public Enterprises to improve on performance and ensure that their obligations to Central Government are met in a timely manner especially as regards taxes and loan repayments. Regarding Government arrears to PEs, the Ministry of Finance and Economic Affairs have recently agreed with the respective PEs on a payment plan to clear such arrears and to avoid their build-up in the future.

FISCAL OUTLOOK FOR THE YEAR 2014

REVENUE

87. Total domestic revenue and grants is estimated at D8.6 billion in 2014 from D7.6 billion in 2013. This represents a growth of 13.5 per cent of GDP, principally due to a 20.5 per cent expected rise in tax revenue and a 32.0 per cent projected increase in non-tax revenue. These forecasts assume that there will be improvements in compliance levels as well as the implementation of new revenue measures. Included in the total revenue projection is a budget support of D313 million from the World Bank and African Development Bank.

EXPENDITURE

88. Total expenditure and net lending is projected at D10.2 billion, up from D8.3 billion in 2013, representing an increase of 22.9 per cent. Recurrent expenditure is projected to increase from D3.6 billion to D4.96 billion representing an increase 38 per cent whilst Capital spending, including externally financed, is estimated to remain at D2.7 billion in 2014. The fiscal deficit is projected at D1.6 billion compared to the revised projected deficit of D2.4 billion for 2013 representing an increase of 33 per cent.

89. Net Domestic Borrowing is projected to be limited to D933.5 million in 2014, which is 2.5 per cent of GDP. External loan disbursements to finance new and ongoing projects is estimated at D2.5 billion whilst the repayments of principals on external loans is programmed at D763 million.

Revenue Measures 2014

90. The following revenue measures will be introduced in 2014:

- Raise specific excise on tobacco products from D5 per pack to D9 per pack and environmental tax rate on tobacco products from D0.20 per pack to D2.10 per pack.
- Raise the specific excise on other tobacco products from D37.50 per kilogram to D150 per kilogram and environmental tax rates on other tobacco products and from D75 per kilogram to D100 per kilogram.
- Increase the presumptive tax base for commercial vehicles and boats.
- Include customs duties and other charges in the base of the excise tax calculation.
- Reduce the corporate tax rate by 1 per cent to 31 per cent in line with Government commitment to lower the corporate tax to regionally competitive level.
- Introduce air transport tax on the sale of air tickets at the rate of 15 per cent. This replaces the sales tax which was abolished in 2012.

CONCLUSION

Honourable Speaker,

91. Despite global and domestic challenges including the international financial crises and the recent draught, The Gambia still remains resilient. Growth is back to its pre-draught level of about 6 per cent of GDP driven mainly by Agriculture and Tourism as the anchor. Therefore, I would like to reiterate that Agriculture remains a priority for this Government under the distinguished, dynamic and visionary leadership of HE The President Sheikh Professor Alhagi Dr. Yahya A.J.J Jammeh.

92. To ensure macroeconomic stability and sustained economic growth, the high level Economic Council (HILEC) set up by HE the President and chaired by Her Excellency the Vice President will continue to monitor budget implementation and macro economic developments.

93. Although the implementation of the PAGE is progressing steadily with challenges, its full and successful implementation remains a commitment for Government. Therefore, let me take this opportunity once again to call on our development partners and the private sector to continue to work with Government in nation building.

94. In the area of PFM, it is important to note that significant progress has been made in terms of reforms and Government will continue on PFM reforms to ensure judicious and optimal mobilization and deployment of public resources. Related to that, Government will continue on procurement reform with the objective of ensuring transparency and effectiveness of the procurement process.

95. It is also noteworthy that we are two years to the end of the MDG programme cycle and new sets of goals are being negotiated that will take into account progress made and emerging challenges, such as climate change. The Post-2015 development agenda will focus on Sustainable Development Goals (SDGs), with technology and financing as major themes.

96. Inclusive growth, fight against inflation, a stable local currency and employment opportunities remains the medium term goal for Government, and this budget is anchored on these parameters.

Honourable Speaker,

I beg to move

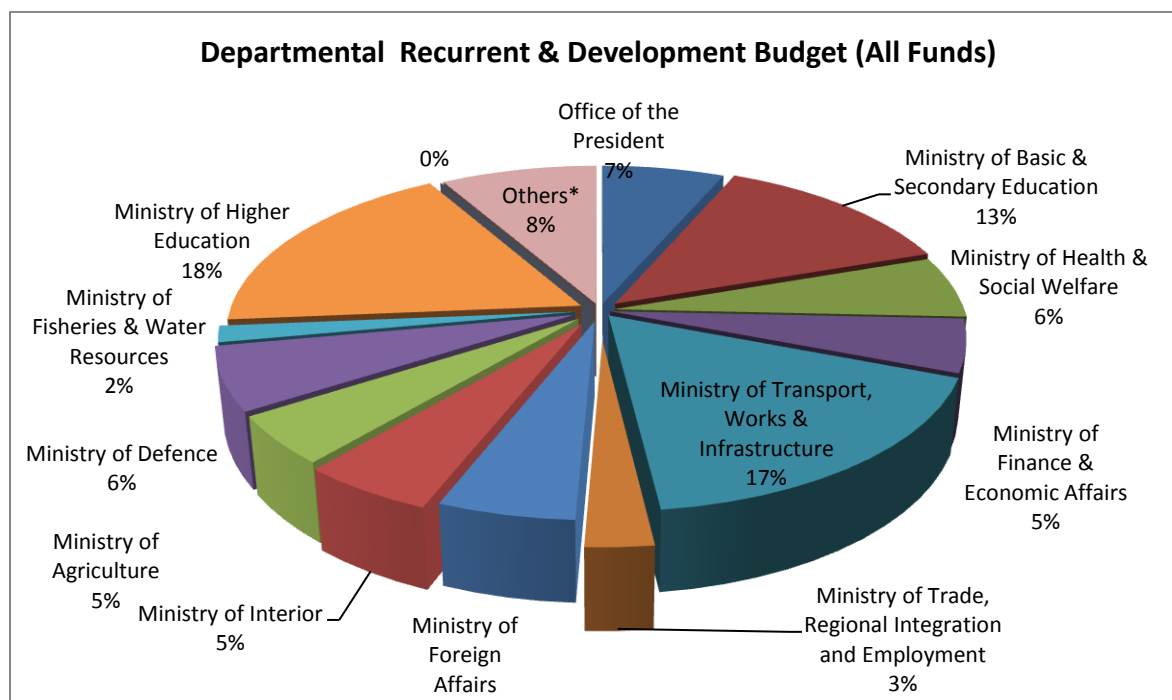
Annex 1

SECTORAL ALLOCATION FOR 2014 BUDGET

Departmental Recurrent & Development Budget (All Funds)

	D' Millions	% of Total
Office of the President	647.45	6.52
Ministry of Basic & Secondary Education	1309.23	13.19
Ministry of Health & Social Welfare	595.75	6.00
Ministry of Finance & Economic Affairs	511.46	5.15
Ministry of Transport, Works & Infrastructure	1708.23	17.21
Ministry of Trade, Regional Integration and Employment	259.25	2.61
Ministry of Foreign Affairs	529.27	5.33
Ministry of Interior	517.23	5.21
Ministry of Agriculture	467.43	4.71
Ministry of Defence	609.32	6.14
Ministry of Fisheries & Water Resources	157.67	1.59
Ministry of Higher Education	1787.16	18.00
Others*	827.12	8.33
Total	9926.57	100.00

*Ministries not listed above



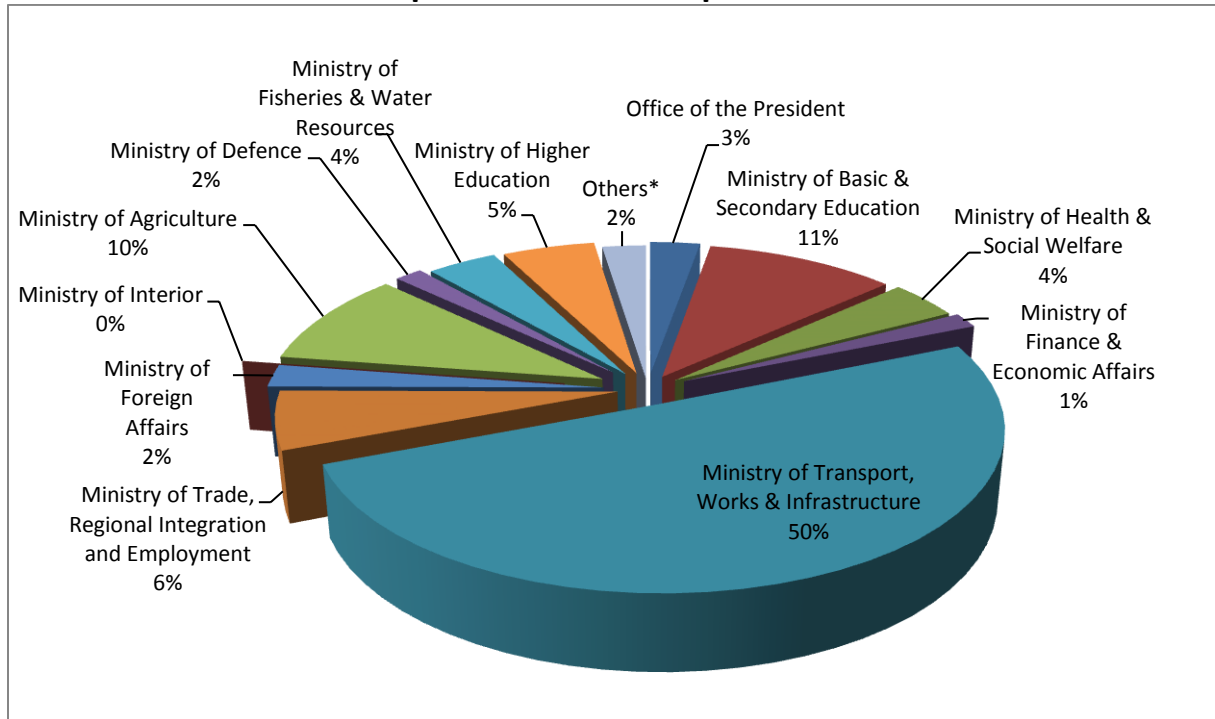
Annex 2

SECTORAL ALLOCATION FOR 2014 BUDGET

Departmental Development Budget (GLF)	D' Millions	% of Total
Office of the President	90.80	2.8
Ministry of Basic & Secondary Education	346.62	10.6
Ministry of Health & Social Welfare	129.31	3.9
Ministry of Finance & Economic Affairs	50.78	1.5
Ministry of Transport, Works & Infrastructure	1,653.09	50.4
Ministry of Trade, Regional Integration and Employment	194.07	5.9
Ministry of Foreign Affairs	74.34	2.3
Ministry of Interior	0.00	0.0
Ministry of Agriculture	316.32	9.6
Ministry of Defence	50.91	1.6
Ministry of Fisheries & Water Resources	127.73	3.9
Ministry of Higher Education	168.26	5.1
Others*	79.24	2.4
Total	3,281.48	100.00

*Ministries not listed above

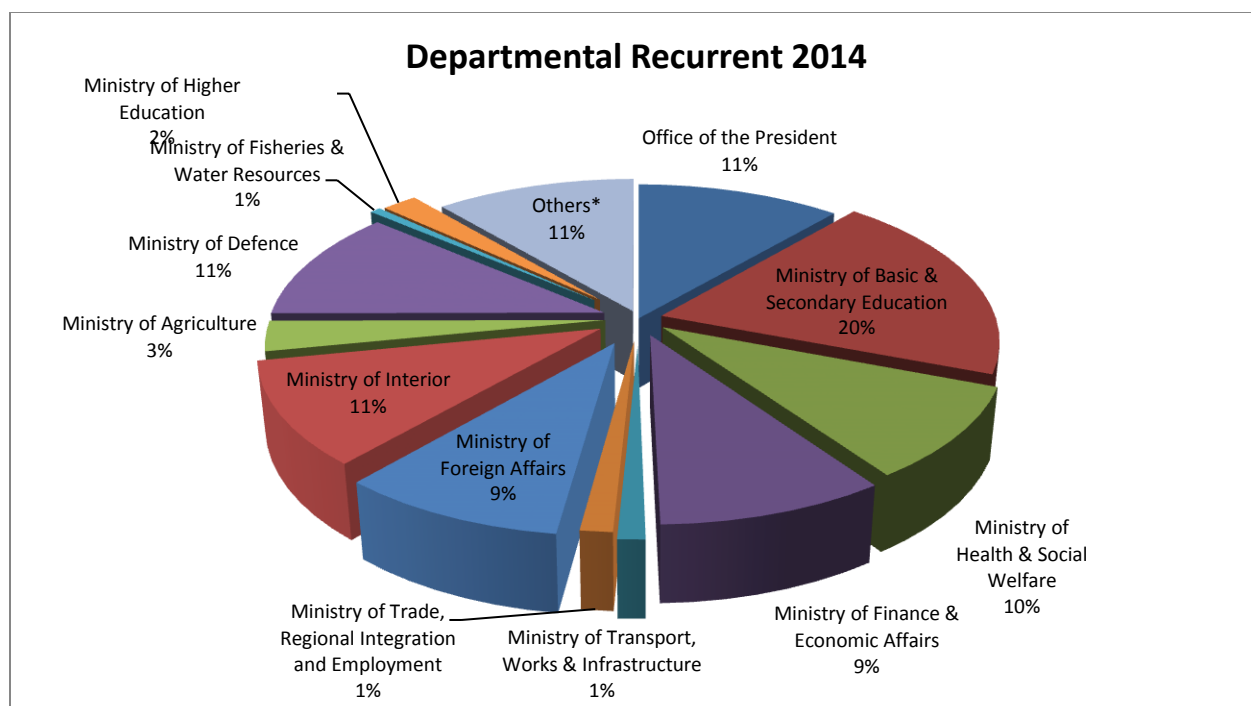
Departmental Development 2014



Annex 3 SECTORAL ALLOCATION FOR 2014 BUDGET

Departmental Recurrent Budget (GLF)	D' Millions	% of Total
Office of the President	556.64	11.3
Ministry of Basic & Secondary Education	962.61	19.5
Ministry of Health & Social Welfare	466.44	9.5
Ministry of Finance & Economic Affairs	460.68	9.4
Ministry of Transport, Works & Infrastructure	55.15	1.1
Ministry of Trade, Regional Integration and Employment	65.18	1.3
Ministry of Foreign Affairs	454.93	9.2
Ministry of Interior	517.23	10.5
Ministry of Agriculture	151.11	3.1
Ministry of Defence	558.41	11.3
Ministry of Fisheries & Water Resources	29.93	0.6
Ministry of Higher Education	97.9	2
Others*	548.08	11.1
Total	4,924.30	100

*Ministries not listed above



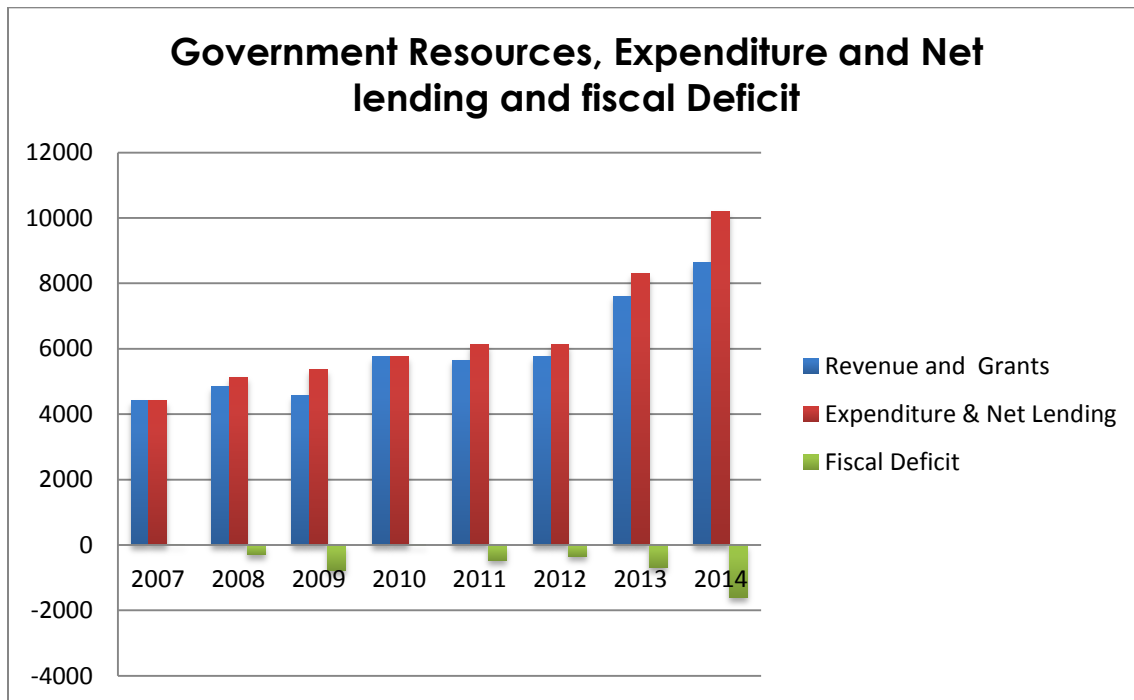
Annex 4

Government Resources, Expenditure and Net Lending and Fiscal Deficit

2007-2014

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	5650.2	6116.5	-466.3
2012	5771.3	6116.5	-345.2
2013	7608.8	8301.5	-692.7
2014	8629.7	10200.0	-1600.0



Annex 5

Public Debt as a Percentage of GDP

	2007	2008	2009	2010	2011	2012	2013	2014
Domestic Public Debt	28.1	25.4	25	29.4	33.2	33.4	35.7	34.2
External Public Debt	46	40	45	40.2	44.1	43.8	47	44.2

