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TRADE POLICY REVIEW

THE GAMBIA

Report by the Government

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by the Government of The Gambia is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the meeting of the Trade Policy Review Body on The Gambia.

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I. THE ECONOMIC ENVIRONMENT

(1) ECONOMIC OVERVIEW

1. Since Independence in 1965, The Gambia enjoyed a relatively steady growth of its economy, based on groundnut production and processing. The early and mid-seventies brought in their wake the first major economic challenges resulting from oil shocks and declining world market prices for its basic export commodity. One of the key lessons learnt from this early post-independence crisis was the need to diversify the country's export base away from groundnut cultivation. The first five-year development plan therefore promoted the cultivation of cotton as a second cash crop alongside rice production (the staple food in the Gambia).

2. Continued deteriorating economic performance under adverse terms of trade led to significant borrowing in the late seventies. This situation had been preceded by a steady decline in rice output, leading to a growing domestic demand for imported rice. In reaction to this changing global situation, the second and third five-year development plans saw an increase in government intervention in allocating credit and promoting economic development, primarily in the agricultural sector. A number of relatively large-scale agricultural projects characterized this period, in an attempt to maintain growth in rural agricultural output.

3. Nonetheless, agricultural output for both cash crops and food crops declined during this period, due to significant climatic instability, as well as a number of economic, social and institutional shortcomings in the design and implementation of development policy. Notable among the economic shortcomings was the urban bias in public investment for infrastructure, an implicit taxation of agricultural products through an over-valued exchange rate, a noted preference for promotion of cash crops over food crops and input subsidies.

4. Costly agricultural extension services, itself an indicator of inappropriate institutional arrangements, provided little support to the drive to enhance productivity in agriculture. The resulting failure of five-year development plans to reverse the downward spiral in agricultural productivity led inexorably to the design of recovery program in the late eighties.

5. The Gambia's export earnings today depend on three key sectors, namely agriculture, tourism and the re-export trade all of which have been severely bruised by world market prices, deteriorating infrastructure, regional insecurity as well as improved performance of neighboring countries. High inflation and exchange rate fluctuations have, in the past, severely affected household incomes particularly in rural areas.

(2) EXPECTED OUTLOOK OF THE GAMBIA ECONOMY

6. Since the approval of the 2003 budget, economic conditions have deteriorated, notably the continuous depreciation of the exchange rate, increases in world oil prices and acceleration of domestic inflation. These factors put additional pressure on the spending and require a monetary policy response, which will raise government debt service and the expenditure.

7. For 2003, real GDP growth is projected at about 8% based on a partial recovery in agricultural production. Positive growth is envisaged in all other sectors despite poor crop performance attributed to low rainfall in the past two years.

8. Manufacturing is expected to grow marginally by 4.7% with relatively lower expansion in small-scale undertakings of about 4% compared to 5% growth in large-scale activities. The growth in

small-scale manufacturing is attributed mainly to increased demand for constructing intermediate inputs, whilst growth in large-scale manufacturing is accounted for by increased production of soap, plastic, soft drink and foam materials.

9. Electricity and Water Sector's contribution to GDP will register a further growth of 6.6%, while the building and construction industry is forecasted to maintain its growth by 3.6% from 2001. The distributive trade industry is expected to expand by 10% in terms of its annual contribution to GDP.

10. Tourism is expected to increase by 8.2% due to an expected benefit from increased charter flights, the upgrading of hotels and other facilities, and the expected effort to promote The Gambia as a tourist destination. Telecommunication is expected to grow by 10%. Transport will also record growth of 7.5% resulting mainly from increases in the national road transport fleet, especially privately owned commercial vehicles.

11. Real estate and business services are expected to improve from a 2.2% growth in 2001 to 4.2% in 2002 whilst growth in other services industry is also estimated at 4.2%. As a result of projected growth rates in these sectors, revenues are projected to increase to 18.75% of GDP in 2003 from 17% in 2002.

12. Gross domestic investment (GDI) is projected to increase from 18% of GDP to 22%, in order to catch up with the regional average; beyond 2004, consistent with the Gambia's aspiration to become a middle-income country, GDI should gradually evolve towards the 25% of GDP observed in middle-income countries.

(i) Exports and imports

13. Total exports are provisionally valued at D417.5million, with groundnut and groundnut products accounting for 70.1 percent of the total exports. Fish and fish preparations exports increased by about 7.6 percent whilst exports of fruits and vegetables remained at the same level as that of last year. Export and re-export trade will benefit from the Gateway project, and, over time, from The Gambia's eligibility under the US Africa Growth and Opportunity Act (AGOA).

14. For 2002, imports are provisionally valued at around D2, 947.6 billion. The trade balance is D-2.5 billion (deficit). For 2001, the corresponding trade balance was D-2.0 billion. Total imports CIF for the current fiscal year is estimated at D2.9 billion compared to D2.1 billion in 2001 and D2.4 billion for 2000 fiscal year. This is an increase of D840.7million or 39 percent over the year 2001.

15. The Consumer Price Index (base year 1974) for the low-income population in Banjul and Kombo St. Mary shows a projected annual inflation rate of 10% at the end of the year with the expected recovery in agriculture and tightened financial policies. The 'Food, Drink and Tobacco' division accounted for 89.7% of the rise in the overall index, whilst the 'Non - Food' division accounted for 10.3% of the overall rise. The annual average depreciation of the Dalasi against major international currencies e.g. the US\$, is projected at about 30%.

16. The Gambia, for the past two years has experienced drought, which led to poor agricultural output. The poor crop performance is estimated to result in a drop of 6.8% in total agricultural output, with groundnut production falling by about 12% compared to the figure of last year. Despite the steep fall in crop production, expected to decline by 10.7%, the other sub-sectors of agriculture once again recorded increases. Value Added from the fishing industry is expected to grow by 18% percent while

Forestry and Livestock production are forecasted to grow moderately by 4 and 3 percents respectively.

17. A notable exogenous shock that affected The Gambia economy is the hike in oil prices. This resulted in October 2002 increases in domestic pump prices of Petrol which has been increased from D9.75 per litre to D19.00 per litre, diesel from D6.75 per litre to D14.00 per litre, Kerosene from D5.25 to D9.00 per litre and Jet fuel from D5.25 per litre to D11.00 per litre. Consequently, transportation fares and electricity costs too have gone up.

(ii) Monetary and fiscal policies

18. Monetary policy is aimed at achieving price and exchange rate stability. To this end, the Central Bank continued to rely principally on treasury bills as an instrument to achieve its policy goals. Monetary policy for 2003 faces an urgent challenge to mop up excess liquidity, to moderate credit expansion and contain inflation. Money supply grew by 19.9% from end-December 2001. The growth in broad money stemmed from both domestic and external factors. Treasury bill rate will be increased to 24% or more; the minimum reserve requirement will be raised from 14% to 16% while the averaging of these reserves will be on a weekly instead of a bi-weekly basis.

19. Total expenditure and net lending is projected at 28.50 of GDP in 2004 of which 21% is recurrent expenditure while development expenditure is expected to remain virtually unchanged at about 8% of GDP.

(iii) Macroeconomic Policy Objectives

20. The Government has the following as its target for achieving its long-term objective.

| Indicator | 2002 | 2003 | 2004 | 2005 |
|--|------|------|------|------|
| Real GDP growth (%) | 6 | 6 | 6 | 6.2 |
| Fiscal deficit (excluding grants) as %GDP | 5 | 2.7 | 2.3 | 1.9 |
| Export growth (SDR, assuming an exchange rate of 21.3 | 8.4 | 8.2 | 5.3 | 3.5 |
| Current Account deficit (excluding grants) as % GDP | 13.2 | 12.3 | 11.6 | 10.3 |
| Current Account deficit (including grants) as % GDP | 5.4 | 5.0 | 5.8 | 2.7 |
| Gross official reserves as months of imports (including transit trade c.i.f. | 5.0 | 5.2 | 5.4 | 5.5 |
| Broad money growth | 13.2 | 9.9 | 9.6 | 9.6 |
| Inflation | 5.5 | 4.0 | 3 | 3 |

Source: Strategy For Poverty Alleviation (SPAII) (PRSP), p.62

21. Are-appraisal of the public investment portfolio is being carried out as part of the divestiture program to enhance domestic investment growth and improvement of export performance to march that of the region.

22. Little complementarities between private and public investments have been observed over the years resulting to a weak and negative correlation. This has led to increase public-private partnership to boost the stock of investments in the medium term. Through the primary income effects of public expenditure, employment generation can then be realized for urban youths to engage in meaningful development. Another proposed strategy for promoting public-private sector partnership and improvement in investment growth is to encourage private participation in the delivery of utility services such as electricity, water, telecommunications and transport through the creation of a necessary regulatory framework for privatization of utilities and integration of Universal Service Obligations as part of an output based divestiture program.

23. In order to dampening inflation pressure and enhance the attractiveness of Dalasis denominated assets, the discount rate, which is the policy rate, was increased to 17% in August 2002 and 18% in September 2002 and currently stands at 20%. Consequently, commercial banks also raised their deposit and lending rates in line with the tightening policy stance.
24. The economic downturn necessitated the introduction of fiscal reforms and instilled discipline in budget execution. One essential component was the implementation of a cash budget system for the last quarter of 2002. These measures continue in 2003 and are expected to yield a more positive outlook once the process to close down the majority of below the line (BTL) accounts is successfully concluded. This was implemented to remedy the fiscal imbalances that had arisen in the system and also to decelerate an emerging expenditure pattern that government deemed unsustainable as a challenge to our macroeconomic stability.
25. A number of institutional reforms were initiated during 2002, particularly on revenue collection and administration. The Department of state for Finance and Economic Affairs (DOSFEA) and its development partners are working towards the establishment of an Independent Revenue Authority with Capacity Building & Economic Management Project (CBEMP) funding, which will merge Central Revenue and Customs & Excise Departments. A high-level Revenue Reform Committee has been established which meets regularly to guide the revenue reform process. At the same time the modernization of the income tax is being sought, sales tax and customs legislation thereby providing a solid basis for the new architecture for revenue administration in the Gambia.
26. In the area of public expenditure, a new public procurement system has been developed to be operational next year. The Major and Minor Tender Boards have been replaced by a more permanent and professional structure with procurement decisions decentralized. In line with the reforms, the process of staff recruitment for the newly established watchdog Gambia Public Procurement Authority (GPPA) has been completed. Procurement legislation has been prepared and approved by the National Assembly, and a new Procurement Code, a business plan for GPPA, as well as draft procurement regulations have also been developed. The GPPA is expected to be fully established and operational since the first quarter of 2003.
27. Enforcement of the reverse requirements (in Dalasis) will now be extended to foreign currency deposit. The Central Bank will stand ready to respond with other instruments so as to avoid any further destabilizing financial developments.
28. To finance fiscal deficit it is projected that government will borrow moderately from the domestic Banking system and will use an estimated 0.35 of GDP in privatization receipts to help reduce the stock of domestic debt as a ratio of GDP to 27%.
29. Although there were further inevitable extra budgetary expenditures during the course of the year, their effects were dampened by recent tight fiscal measures such as the operation of the cash budget.
30. The government in its medium term programme covering stabilization mechanisms through monetary and fiscal policy coordination has thus brought down inflation rate from 13% to a single digit as envisaged in the West African Monetary Zone(WAMZ).

(3) SECTORAL PERFORMANCE

(i) Fisheries

31. The Fisheries Sector has enormous potentials to make significant contributions toward the socio-economic development of The Gambia. The Gambia is blessed with considerable marine and riverine fish resources whose rational exploitation and utilization can yield benefits for the people and Government of The Gambia. The full realization of the potentials of fisheries will immensely assist Government in its efforts to diversify the economic base of the country which has, until quite recently, been heavily dependent on land based agriculture. The full realization of potentials of fisheries will translate into self-sufficiency (and surplus) in fish production; lucrative employment opportunities for nationals, infrastructural development and substantial revenue generation.

32. The fisheries sector is one of those productive sectors, which offers prospects of immediate return on investments. However, certain constraints coupled with the complexity of our riverine and marine fisheries resources limit the sector's potentials and contribution to the national economy.

33. The rapid development of the sector, therefore, must rely on a sound research-based management system, which recognizes the biological limitations of the resource base and the urgency of improving the productivity of public and private investment to generate sustainable growth. Although fisheries resources are renewable, they are subject to over exploitation, depletion and to the influence of environmental factors.

34. Thus, the under-pinning principle of our management system will be one of enforcement of judicious and rational practices consistent with the optimum exploitation and utilization of fish resources. The long-term sectoral objectives such as increased food security, increased employment opportunities, enhanced Government revenue earning capacity and increased foreign exchange earnings are still very relevant. The policy objectives of the fisheries sector are;

- A. To effect a rational long-term utilization of marine and inland fisheries resources;
- B. To use local fish as a means of improving nutritional standards of the population;
- C. To increase and expand the participation of private Gambian entrepreneurs in the fishing industry and;
- D. Consistent with the above, to increase employment opportunities and net foreign exchange earnings in the sector.

(ii) Tourism

35. The Gambia Tourism Authority (GTA) was established to implement all developmental strategies relating to the tourism sector of The Gambia. The GTA aims to stimulate economic growth and job creation, provide incentives for protecting the environment and cultural heritage, and promote peace, prosperity and respect for human rights.

36. The short, medium and long term objectives of the tourism sector as defined by the GTA are listed below:

(a) Short-term objectives

- 1. To increase public sensitisation of the importance of tourism to the National economy.

2. To increase awareness of the Gambia as a Tourist Destination in existing source markets.

(b) Medium-term objectives

3. To create awareness in potential new markets in North America and the Eastern Europe by 2004
4. To significantly minimize the level of harassment from 'bumsters' (local young men who follow tourists for financial and material gains) by the Year 2004
5. Creating preference for high quality standards and ensuring full capacity in hotels by the year 2004

(c) Long-term objectives

6. Improving the overall service quality standards of the industry by 2005.
7. To further enhance and maintain the positive image of the Authority and The Gambia as a Tourist destination for the next 10 years
8. To increase tourism arrival by 20% annually beginning 2003 for the next 10 years.

37. In order for The Gambia to survive as a tourist destination, and attract more visitors in today's turbulent and dynamic market place, it needs to be more customer oriented.

38. The primary target of the GTA are high spending tourists, who are characterized as young optimists and up coming individuals with high disposable income and people in their late 50's to early 60's known as empty nesters who are nearing retirement and have less dependants and adequate money to spend.

(iii) Financial sector

39. The financial system of The Gambia operates within the economic principles of a liberalised market, guided by appropriate banking laws to enhance competition, growth and stability. Combinations of strategies are in place, which provide an appropriate environment for the proliferation of private sector investment in the banking industry. The recent history of the banking system witnessed a significant growth in the number of institutions and branches throughout the country.

40. Also recently, an Anti Money Laundering Legislation has been enacted, the implementation of which the Central Bank by virtue of its financial sector oversight responsibility, is expected to play an important role.

(iv) Transport sector

Road infrastructure policy

41. The main objective of the roads infrastructure policy is to develop and maintain the road infrastructure network so as to enhance economic and social development. The strategy for achieving this objective comprises two components – a road maintenance strategy, which is essentially medium

term and which addresses the maintenance needs of existing infrastructure and a road development strategy, which is long-term.

42. Problems of resource allocation and weak institutional arrangements have, over the years resulted in under – funding of road maintenance. In order to address these problems, it is intended to set up a Highways Authority that will effectively secure funding and implement road maintenance through allocation of contracts to private companies. The road development strategy considers the existing road network as providing the potential for developing outlying areas.

Road transport policy

43. The country's road policy covers public and private passenger and goods transport by road. Its main objective is to enhance the quality of passenger and freight transport by creating a conducive investment environment to stimulate private sector initiatives in the industry. Consistent with this objective is the creation of the necessary regulatory framework to ensure efficiency of the system as well as safety and security.

44. The short to medium term strategy envisages identifying the potentials and constraints of the industry in collaboration with operators and producers so as to facilitate more effectively the development of the industry. This involves the preparation of a work programme to remove constraints and bring potentials to fruition. In the long term, it is intended to reform the laws and regulations pertaining to transport and institute the regulatory framework to ensure efficiency in operation. It is also intended to arrest uncontrolled development through land use planning to reduce travel distances and travel costs issues.

Maritime and River Transport Policy

45. The development of Banjul Port in line with the Port Master Plan and the Trade Gateway project, the promotion of river transport to arrest the current under utilization of the Gambia River, ensuring efficient port services and procedures as well as ensuring the safety of life and property at sea, are the main thrusts in the maritime and river transport sub-sector.

46. The strategy for achieving the objectives outlined above is twofold- a maritime transport strategy and river transport strategy. The latter focuses on strengthening the position of the Port of Banjul as a gateway to the sub-region, in line with the Freeport initiative. Hence services would be improved as well as the quality of the entire transport chain, to keep it competitive.

47. It is envisaged that the setting up of a Maritime Administration Agency would enhance such initiatives. The river transport strategy focuses on maintaining the existing ferry services, while regularly reviewing and improving performance. The revival of river transport is envisaged as a poverty reduction initiative and involves the participation of the private sector.

Air Transport Policy

48. The following constitute the objectives of the air transport policy: to develop civil aviation in support of tourism and trade, develop Banjul International Airport as the main gateway to the sub-region, ensure safety, security, reliability and cost – effectiveness of the industry and encourage private sector participation. The strategy for realising these objectives is threefold: air traffic strategy, aviation safety and security strategy and airport operations strategy.

(v) Forestry sector

49. The forestry sector which concerned with forest resource management and development has elaborated medium and long term forestry strategies set in the National Forestry policy.

50. The Gambia's new forestry policy has been developed in line with the environmental and socio-economic policy objective of the country's program for sustained development. It takes into account the international calls for forest conservation such as the Tropical Forest Action Program, Agenda 21 and the forest principles of the United Nations Conference on the Environment and Development of 1992.

51. It has also been designed to recognize and contribute to poverty alleviation effort of the government by calling for the involvement of the private sector and local communities in the management and development of a healthy forestry sector.

52. The main goals of the forestry policy are:

- a. To reserve, maintain and develop forestland resources covering at least 30% of total land area, which is capable of environmental protection through minimizing soil desertification and erosion; improving, conserving and preserving biodiversity; maintaining riverbank stability; and protecting the swamp lands.
- b. To ensure that 75% of forest lands are managed and protected according to forest management principles in order to increase forest resource base.
- c. To ensure that sufficient supply of forest produce needed by both urban and rural population is available through the rehabilitation of forestlands and the establishment of fast growing plantations and woodlots.

(vi) Manufacturing sector

53. The Gambia like many other countries in the developing world has a weak and undeveloped manufacturing sector, which contributes less than 10% to GDP. Despite efforts by Government since in the 80's to move the pace of industrial development in The Gambia, the sector continues to lag behind. However, with the coming into force of the Economic Partnership Agreements (EPAs) and the Cotonou Agreement, the government envisions that this sector will improve.

54. To avert this situation, Government prepared the National Industrial Policy in 2001 for implementation. This policy aims at creating a dynamic and functional environment for attracting necessary investment (foreign and domestic) into productive sectors of the economy. Strategies include encouraging investors who wish to operate in areas such as agro-processing, light manufacturing, assembling, foundry & forging, packaging etc as a means to jump-start the pace of development in the manufacturing sector and thus serve as source of economic growth for the sector.

55. As a Long-term measure, the policy aims at introduction of export-oriented industrialization (EOI) and primary resources based industrialization (PRBI) whilst at the same time encouraging import-substitution industrialization. This is because if industry is to become a dynamic sector for achieving long-term growth, industrial exports have to form an essential ingredient of industrial policy.

56. The second strategy for the sector is to enhance source for capital and entrepreneurship (foreign or local) for industrial development. It seeks to encourage joint ventures in priority sectors

i.e agro-processing, packaging, assembling, etc. Government counts on lot of support from the private sector through the Gambia Chamber of Commerce and Industry (GCCCI).

(vii) Energy sector

57. The availability of a reliable system of energy supply that is efficient, affordable, and environmentally sound is one of the vital components and prerequisites for any meaningful socio-economic development. It is in recognition of this that the main pre-occupation of Gambia Government has been to find ways and means of tackling the energy problems.

58. In this regard, the overall objective is to overcome the existing bottlenecks and ensure provision of reliable and adequate supply of energy both conventional, transitional and renewable energy at affordable prices.

59. The Gambia relies almost entirely on biomass (wood fuels) and imported petroleum products to meet its energy requirements. However in the face of rapid depletion of forest reserves through (bush fires, farming etc) the energy options are very limited. In addition, due to high cost of imported petroleum products, the National Electricity and Water Company (NAWEC) is finding it extremely difficult to service the growing import oil bills particularly for electricity generation.

60. Recently, the problem has been compounded by declining foreign exchange earnings due to declining groundnut production, poor performance of the tourism sector and very high international price for oil. This consequently has put a lot of pressure on cost of foreign exchange in The Gambia.

61. Government's long term plans includes firstly the movement from the use of a thermal turbine to the use of a wind & steam turbine. Secondly The Gambia plans to join the West African Power Pool and West African Gas Pipeline (WAGP) projects being co-coordinated and implemented by ECOWAS.

(viii) Agricultural sector

62. The development of this primary sector calls for a critical examination and setting of Goals and objectives that are realizable in the medium- to long-term. These coupled with the political will, commitment and dedication will ensure the transformation of the sector. The immediate-term strategy of the agriculture and natural resources sector is to increase agricultural supply. Indeed the agricultural sector has many problems which include amongst others low farm income, growing rural poverty and household food insecurity, accelerated rural-urban drift and rapid environmental degradation.

63. Against this backdrop the sector plays a very important role as a source of economic growth for the country both for the medium and long term. The objective of increasing the supply constraints seeks to realise some structural transformation so as to achieve the necessary supply side dynamics. In a bid to diversify the production base of the sector an attempt has been made to break away from primary export to exports of processed and agro food supplies. All the policy objectives are aimed at increasing output, meeting demand for exports and the investment –output ratio in terms of production of domestic goods.

64. Thus the medium-term specific policy goals of the sector are, among others, to:

- i) achieve national food self-sufficiency and security through the promotion of sustainably diversified food production programmes with emphasis on cereal production to contain the growth of imported rice;
- ii) increase overall sector's output especially of domestic food and export products in order to ensure food security and enhance foreign exchange earning capacity to finance other aspects of the development process;
- iii) create employment and generate income for the majority of the rural population who are dependant on primary production particularly women, youth and producer associations;

65. The Government will address the sector-wide constraints such as limited credit access and facilities, inadequate water supply and availability of other essential inputs (seeds, agro-chemicals), inadequate infrastructure (transport, market, equipment, irrigation and processing facilities), through a strategy of public and private sector partnership. The private sector is expected to assume a lead role in the provision of enterprise investment resources and entrepreneurial management to be facilitated by public sector catalytic roles.

66. The broad policy objectives of the sector are:

- i) Water control
- ii) Soil Fertility Maintenance
- iii) Research/Extension
- iv) Rural Finance/Micro-finance

67. Consistent with the public sector catalytic roles the Government will employ the following investment strategy elements in the sector. In this regard, government has a big role to play in creating the enabling environment to enhance private sector participation in the sector.

II. THE TRADE ENVIRONMENT

68. The Gambia has maintained a liberal trade regime since the introduction of the Economic Recovery Programme (ERP) in 1985/86 and more so since she became a member of the World Trade Organization (WTO) in October 1996. This measure has led to gradual but progressive reduction in tariffs and complete elimination of export licenses and quotas.

69. Currently, The Gambia has a maximum tariff rate of 18% and minimum of zero. These measures form an essential strategy in ensuring availability of supply of goods and services in the market at competitive prices. As a result The Gambia is relatively cheaper for imported commodities in comparison to neighboring countries in the West African sub-region. This contributed to the development of the re-exports sector for the Gambia with the bulk of commodities going to countries like Mali, Guinea Conakry, Mauritania, Guinea Bissau through Senegal.

70. Through its liberal trade regime, The Gambia has over the years established and consolidated its trading links with the EU (main trading partner), USA, Asia countries and the ECOWAS sub-region. With the start of phase II negotiations on the new Economic Partnership agreements (EPAs) about to be launched between the EU and the ECOWAS sub-region on 6th October 2003, The Gambia will seek to adopt the implementation of EPAs as a strategy to expand its trade links with the EU.

71. It is hoped that through this partnership, greater technical assistance could be provided to The Gambia to address its capacity building needs and supply-side constraints affecting its ability to

increase its export base to the EU market. In addition to EPAs, The Gambia is seeking to fully utilize the gains of the EPA initiative offered by the EU to LDCs to increase their market share of their products to the EU market.

72. Within the same perspective, The Gambia became eligible under the US African Growth and Opportunity Act on January 1st 2003. Greater emphasis is being placed on fisheries and horticulture as targets in the short to medium term for The Gambia's exports to the United States. To this end, efforts at developing these sectors for them to meet standards and quality requirements of the US market remain priority for Government.

73. To fully realize the gains envisaged under these preferential trading arrangements with both the EU and the US, The Gambia through the implementation of the Trade Gateway Project (TGP), aims to reshape the country's economy through adoption of export-oriented strategy.

74. Through this, government has decided to focus on a strategy aim at attracting niche "value-added" activities in light manufacturing, fisheries and horticulture sectors. The implementation of this strategy aims to link Gambia's economy with global market opportunities and generate foreign exchange, income and employment benefits for the country.

III. MULTILATERAL, REGIONAL AND BILATERAL TRADE AGREEMENTS

(1) THE GAMBIA AND WTO

75. The Gambia acceded into the WTO on the 23rd of October 1996, that is just little over year when the WTO became into being on the 1st January 1995. Since becoming a member, The Gambia is yet to have a Permanent Mission in Geneva due to budgetary constraints and thus is represented by its Ambassador in Brussels in the General Council.

76. The Gambia is fully committed to the WTO as viable international trading organization to promote transparent and rule based trading system in the world through negotiations. The Gambia follows trade liberalization measures and has progressively reduced her applied tariff rates to a maximum of 18%, one of the lowest in the sub-region. The Gambia participates in WTO Ministerial conference and shares similar positions with most developing countries vis a vis need for the WTO negotiations to focus on addressing implementation issues on market access, reduction in domestic support for farmers in the US and reform in the EU Common Agricultural Policy.

77. Currently, The Gambia receives technical assistance from the WTO Secretariat mainly through training for its staff on trade policy courses and seminars on WTO agreements.

(2) COTONOU AGREEMENT (CA)

78. The Gambia is a signatory to the CA signed by the ACP Ministers of Trade and Finance and their EU counterparts on ACP-EU new partnership agreements, which has its objectives to "integrate the economies of ACP countries into the world economy" through what is known as Economic Partnership Agreements (EPAs). The Gambia is committed to be part of this process through regional grouping of Economic Community of West African States (ECOWAS).

79. At the moment, the Gambia is in the process of securing funds from the EU to conduct national studies on impact of EPAs on its economy in general, with particular emphasis on fiscal impact. In the same vein, funds are being secured to enhance capacity building for public, private and

civil society on EPAs in The Gambia. Meanwhile, The Gambia is committed to be part of ECOWAS negotiations with the EU on EPAs.

(3) US AFRICA GROWTH AND OPPORTUNITY ACT (AGOA)

80. The Gambia became eligible for AGOA on January 1st 2003. Since then, a national committee for its implementation has been established under the auspices of the Department of State for Trade, Industry and Employment. The Gambia is fully committed to exploring the benefits of AGOA. However for the time being lot of focus is being put on the need to develop products from fisheries and horticulture to enter the US market. The Gambia is yet to obtain visa for export of textiles under the AGOA scheme. However, efforts are being made to secure this visa within the next year. The AGOA centre is housed at the Gambia Chamber of Commerce and Industry. The Gambia has so far received one training from the US customs on procedures to export goods to the US under AGOA.

(4) ECOWAS

81. The Gambia became a member of ECOWAS from the period the community came into being on the 28th of May 1975. The Gambia is committed to implementing ECOWAS protocols, particularly on the free movement of persons and goods. The Gambia has ratified almost all the ECOWAS protocols except the one on extradition and value-added. However, like many other ECOWAS Member States, The Gambia's level of implementation of the ECOWAS Trade Liberalization Scheme (ETLS) is slow and limited. This has affected the volume of intra-ECOWAS trade seriously.

(5) BILATERAL AGREEMENTS:

82. The Gambia has signed almost 12 bilateral agreements on trade and investment with different countries. She signed trade agreements with Tunisia, Mauritania, Guinea, Cuba and Senegal. Investment agreements were signed with State of Qatar, United Kingdom and Northern Ireland, Netherlands, Guinea, Mauritania and Ukraine.
