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THE SENEGAMBIA CONFEDERATION

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EXECUTIVE SUMMARY

Senegalese troops came to the aid of the Gambia government in 1981, to put down a coup attempt. They remained as an occupying force, and a Confederation of the two countries was announced. Since then relations between those countries have been in limbo. The Senegalese army is still there, but merged with a newly formed Gambian battalion. Long and difficult negotiations have created a largely ceremonial supra-national Senegambia Confederation, coiffing two sovereign countries, neither of which is satisfied with it.

Senegalese authorities ultimately want a unitary state, and are now pushing for customs union as a transitional phase. They are frustrated by their inability to realize their immediate objectives, 1) to close off Gambian reexport trade to Senegal and 2) to have a bridge on the trans-Gambia highway linking Dakar with the two southern provinces of Senegal. Gambian authorities would like closer cooperation of development planning and policies, but vow never to consent to be swallowed up by Senegal. They are dubious about the value of customs union, especially if it is designed to cut off one of the most important areas of their economy--the reexport trade to the Casamance. They are willing to explore the options only if the viability of their economy and the natural economic geography of the region are taken into account.

Senegal and The Gambia are, and have historically been, rivals within a larger regional trade complex, each with a port capable of serving their combined territory, as well as parts of Mali, Guinea, Guinea-Bissau and Mauritania. The structure of their economies is similar, but their economic policies are antithetical. Senegal dominates the region, for its population is 11 times larger than The Gambia's and its GDP 12 times larger. From this position of dominance, it has sought since colonial times to monopolize the trade of the region through a centralized transportation network, mercantilistic control of the economy and protective industrial tariffs. The Gambia has found its economic niche in a free trade policy, and lower tariffs.

Current Confederation Issues. Two Confederal committees are currently meeting, one to discuss monetary union and one on customs union. After long clinging patriotically to their own currency, Gambians have been brought by economic crisis to consider adopting the CFA franc. The combined shocks of foreign exchange shortages, food and fuel shortages, and then the halving of the value of the Gambian dalasi after it was floated in January 1986 have convinced many Gambians that it may be better to switch to a stable, convertible currency. Senegal proposed that The Gambia join the West African Monetary Union under its auspices, with Senegal's existing membership becoming the Senegambia Confederation's. Gambians unanimously reject this option, but want to join if they can do so as an independent member. The costs in either case will be substantial, in the neighborhood of US$ 15 million to US$ 20 million or more. The new member has to clear all debts and match the capital investment and reserves of existing members. Political factors intervene, however, and the financing of memberships in the past has been negotiated, with France taking a leading role.

The Gambia has two other currency options, 1) to keep the existing floating dalasi, or 2) to peg the dalasi to the CFA franc. The latter might offer the best combination of flexibility and stability, although the floating dalasi seems to have stabilized since the spring of 1986.

Customs union is a more difficult question, as it appears at first sight to be exclusively in Senegal's interest. Classic customs union theory holds, and Gambians generally agree, that membership in a customs union would be contrary to the interests of an economy dependent on trade and lacking in industry, such as The Gambia's. Our analysis suggests that it depends entirely on how customs union is applied. If tariffs are identical, goods will still be cheaper in The Gambia because of Senegal's high domestic taxes. If Senegal were to drop border controls between it and The Gambia and give up administratively distorted trade flows, Gambian trade could increase substantially. In that case, however, customs union might not be in Senegal's short-term interest. There are formulas for working out the consequences of each option for different sectors of both economies, but this not yet been done. Senegal has already made a political commitment to achieve customs union within five years, so immediate further study of the impact of different options is needed.

A more direct approach to the thorny political issue of a bridge on the trans-Gambia, which underlies Senegal's pressure for closer union, would be a study of integrated regional transport possibilities. Both countries need and want this, and it may prove more fruitful than customs union in the long run.

1. Introduction

Tensions are growing between Senegal and The Gambia. Their longstanding regional commercial rivalry has erupted into an overt trade and customs war. A confederation of the two countries was announced in 1981, and is slowly taking form. Whether it will remain a largely ceremonial supranational relationship between two sovereign countries or will result in closer economic and/or political union is hotly debated. A confederal military battalion, parliament, council of ministers and permanent secretariat have been created, but negotiations on eventual monetary and customs union are still under way. Meanwhile, the Senegalese quest for a bridge across the Gambia linking the core of Senegal to the Senegalese provinces of Ziguinchor and Kolda is trapped in a stalemated Gambia River Basin development plan.

1.1 Background The President of Senegal in a recent speech declared that The Gambia was an accident of history. Outraged Gambians retorted that Senegal was as much an accident as The Gambia. Both were interpreting to their own political purposes the widespread belief that the boundaries created by colonial conquest in Africa were entirely arbitrary, cutting through existing kingdoms and across trade routes.

The boundaries did cut through kingdoms, but they were not arbitrary. In fact they followed a political economic logic that continues to resurface in the politics of the countries carved out during the colonial period. The hidden logic to the partition of Africa was based on trade. That logic still shapes trade policy today. There were four major coastal trade complexes in West Africa in the nineteenth century, one centered on the mouth of the Niger, one on the Gold Coast, one on the Sierra Leone area and one on the Senegal and Gambia Rivers. Five European powers and the U.S. competed for their trade. When the scramble to conquer Africa came, the stakes were monopoly control of each trade region. Britain got the lion's share of the first three regions, plus, in the Senegambia, the best natural ports and the most navigable river access to the interior. In order to build any commercial territory France had to conquer the vast hinterland, and then construct a port and rail infrastructure. It also used laws to force trade into a bilateral monopoly of the metropole.

No country succeeded completely, however, in monopolizing any of the regions. The African kingdoms did their best to resist being monopolized. They each maintained trade relations with at least two European powers--and ended up being partitioned between them. Nigeria was formed out of the heart of the old Niger trading region, but Dahomey (French), Togo (German) and Cameroon (German) tapped into it on the fringes. The Gold Coast was the core of the Akan trading region, but Ivory Coast (French) and Togo (German) had access from either side. Sierra Leone dominated its region, but Liberia (U.S. linked) and Guinea (French) sent trade routes into it. Senegal was able to command its region only after laws forbade the purchase of cheaper British manufactures in The Gambia. A state-subsidized railroad was built from Dakar to the upper Niger, dipping south near Tambacounda to intercept overland traders headed for the upper Gambia. The Dakar-Bamako railroad supplanted all of the trade of the Senegal River, and much of the trade of the Gambia.

It is striking how consistently the modern countries descended from this partition have followed the same logic in framing economic policy. The dominant countries in each region have opted for centralized, administered economies, protected industries and high tariffs. None of them has been very successful, and each has blamed at least part of its failures on smuggling or currency violations from neighboring countries. Those countries on the fringes that had good ports have tended to adopt free trade policies, with lower tariffs. Togo is the success story most obviously linked to such policies, but part of Ivory Coasts' growth was similarly generated. The Ivorian economy overtook, and now dwarfs once-dominant Ghana.

Senegal and The Gambia still compete for the overland commerce of a region forming a single trade complex. It comprises all or part of six countries: Senegal, Mauritania, Western Mali, The Gambia, the Futa Jallon region of Guinea-Conakry and Guinea-Bissau. Since precolonial times two main ports have competed for the area, one with strong links to France and the other to Great Britain. Lesser competition has been at the fringes of the region: the transSaharan trade to the north, and the Bissauan link to Portugal in the south.

Senegal has dominated the trade of the region since the early twentieth century, edging out The Gambia, which had a larger market share in the nineteenth. The port of Dakar handles most of the region's imports. Dakar is also the hub of banking, insurance, wholesale and retail distribution, and overland and air transport. Neither Bissau nor Mauritania has had a port that enabled it to compete for modern import-export trade until recently. In June 1986 Mauritania opened a big new wharf at Nouakchott, which, if it remains technically viable and is supported by a road network, will give that country the capacity to play a regional role similar to The Gambia's. Guinea has recently floated its currency and freed up its import regulations, which is reducing some of the reexport trade from Senegal and The Gambia to the Futa Jallon. Senegambia's share of the Malian market has also been shrinking, as Ivory Coast has become Mali's main supplier.

1.2 Comparison of Economic Structures

A comparison of the economies of Senegal and The Gambia shows that despite the large difference in size they are remarkably similar in many ways. Although the orientation of the governments has been different--fundamentally "dirigiste" in Senegal and essentially liberal in The Gambia--both economies now suffer from crises that result in large measure from similar errors made by these governments. Both are attacking the problems with vigor, and the outcome could be some convergence in their economic policies, toward smaller government sectors and a greater role for private initiative. If this occurs, then the prospects for a solid economic union are good. On the other hand, enough differences remain to make the convergence hypothesis quite speculative.

The salient economic fact is that the gross domestic product of The Gambia is just 6 percent as large as that of Senegal by IMF estimates. (See Table 1, next page). This reflects both the smaller population of The Gambia--12 percent of the Senegal level--and a markedly lower per capita income. While the IMF calculates The Gambia's per capita income to be barely over half the Senegalese level, the World Bank, using different exchange rates, figures it at two-thirds. The higher level of per capita income in Senegal is largely attributable to its more important industrial base; outside the Dakar/Cap Vert area, income levels and economic structure are broadly comparable.

In both countries agriculture employs at least 70 percent of the labor force, but only generates a small fraction of national income--21 percent in Senegal and 30 percent in The Gambia. The bulk of the population is therefore poor and rural. Senegal has an important and somewhat varied manufacturing sector, much of which has developed behind stiff tariff barriers and which is considered inefficient. The main industrial activity in the Gambia is groundnut processing, and this is linked closely to the amount of groundnuts marketed. The service sector in each economy generates over half of GNP. A major part of this consists of government activity, both of a recurrent nature (schools, police, health services, and so on), and capital spending. The other major service industries are tourism, and commerce. The latter is relatively more important in The Gambia, where about 8 percent of GNP is generated by the re-export trade alone.

Senegal and The Gambia both have large deficits on the balance of payments. To some extent such deficits are to be expected for countries which are short of capital and either receive large amounts of foreign aid, or wish to borrow abroad.

Table 1: Summary Comparison - Senegal and the Gambia

	(1) Senegal (1985)	(2) The Gambia (1985/6)	(2)/(1)	Notes and Sources (Gambia fiscal year ends June 30.)
Population (mid 1986, millions)	6.78	0.76	11%	Extrapolated from World Development Report 1986.
Population growth rate (1980-85)	2.9%	3.2%		World Bank. The IMF puts Gambia's growth at 3.5% p.a.
NATIONAL INCOME				
GDP (CFAF - billions; dalasis -millions)	1187	828		IMF. Year to 12.1985 (Senegal). Year to 6.1986 (Gambia).
GDP ($US, millions)	2604	152	6%	Exchange rates: CFAF456/SDR, GD5.45/SDR. SDR about $1.
GDP/capita (SDR's)	395	200	51%	IMF. Year to 12.1985 (Senegal). Year to 6.1986 (Gambia).
GDP/capita ($US) - 1984	380	260	68%	World Bank, World Development Report 1986.
Real GDP/capita growth	-0.4%	-0.7%		IMF; Senegal, 1980-85; Gambia, 1981/2-1985/6
ECONOMIC STRUCTURE				
% of GDP from agriculture	21	33		Senegal: IMF. Gambia: 1985 figures, World Bank.
industry	25	15		IMF gives 28% figure for agriculture.
services	54	52		
% of population in agriculture	77	70		World Bank, 1984 figures.
industry	10	9		
services	13	21		
STRUCTURE OF DEMAND				
% of GDP going to consumption	78	81		IMF
investment	15	18		
government (current)	18	22		
exports - imports	-11	-21		(Current account balance)
so savings	4	-3		Investment + current account. IMF gives -10 for Gambia.
TRADE				
% of GDP going to exports- gds & svces	32	52		World Bank; Senegal, 1984; Gambia, 1985.
imports- gds & svces	45	74		
Main exports (% of domestic exports)				World Bank; Gambia figures are for 1985
* groundnuts	26	85		
* fish	28	7		
* re-exports	6	224		(S'gal: "entrepot adjustments". Gambia: World Bank.)
Main imports (% of imports cif)				World Bank. Senegal - 1984; Gambia - 1985.
* food	18	34		
* minerals, fuel, raw materials	44	16		
* manufactures, transport equipment		37		
Import duties as % of imports cif	20	26		World Bank; Gambia figures are 1984/5 estimates.
Import duties as % government revenues	38	63		
FINANCE AND CREDIT				
Inflation rate (CPI, 1980-85 average pa)	10%	19%		IMF. Gambia: 1981-1986 average. 42% inflation in 1985/6.
Share of credit going to state sector	27%	63%		Senegal: 1985, IMF. Gambia: 1984, World Bank.
private sector	73%	37%		
Total debt (SDR's, million)	2170	270		IMF. Senegal, end 1985. Gambia, June 30, 1986.
Debt as % of GDP	83	174		IMF
Debt service ratio (interest and principal/domestic exports)	20%	66%		
Government debt interest as % of government revenues	22	29		1985 figures.
Primary school enrollment rate	48%	56%		World Bank.

The deficits are unusually large, however, at between 15 percent and 20 percent of GDP. Since investment is at about 15 percent, this means that foreign finance is covering all of investment spending, and some besides. The savings rate has been negative in most recent years. This means that the countries have been consuming in excess of what they are producing. The difference has been partially made up by external aid, but both Senegal and The Gambia have also accumulated large external debts, estimated at 83 percent of GNP for Senegal and 174 percent of GNP for The Gambia. Although much of this is on concessionary terms, the debt service costs are substantial, requiring a fifth of all export earnings in the case of Senegal. Since much of the debt is owed to multilateral lenders, it cannot easily be rescheduled. Both countries have thus locked themselves into future repayment obligations which will preclude much more borrowing for several years. If investment is not to be reduced as a result of the lessened availability of foreign finance, then domestic consumption, by government and the private sector, will have to take a smaller share of GDP.

The economies of the two countries are relatively open, in the sense that exports (and imports) constitute a high share of GNP. The Gambia earns foreign exchange from groundnuts (86 percent of domestic exports), fish, tourism, and the re-export trade. Senegal's main commodity exports are fish and groundnuts, and it also has a significant tourist trade.

The exchange rate regimes are radically different. Senegal uses the CFA franc, and so has no control over its exchange rate. In order to influence the balance of payments it must make use of tariffs, quotas, subsidies and other domestic instruments. The Gambia has allowed the dalasi to float since January 1986, after it became increasingly clear that the official exchange rate, which was pegged to sterling, diverged from the parallel rate.

One of the constraints imposed by membership in the CFA zone is that the government cannot easily obtain credit from the central bank. In Senegal just over a quarter of all credit was owed by the government in 1985, up from 6 percent in 1980. In The Gambia the Central Bank has not resisted lending to the government so easily, and in 1985 fully 63 percent of credit was owed by the government, including the state-owned enterprises. The remainder was available to the private sector.

1.2.1 Economic Crisis

Both economies are in crisis, and the root causes are quite similar. One cause is drought, which has occurred more frequently since the early 1970s. This has meant lower incomes that would otherwise have been the case. Since much of the industrial and service sector depends on the agricultural base--

for instance groundnut processing, and retailers who sell to farmers--the effects are felt outside the agricultural sector as well. When harvests are poor, government deficits increase, as the governments lose tax revenue and often have to spend more (e.g. for food distribution). The government then has to borrow more, adding to its indebtedness, and reducing the amount of credit available to the private sector. The balance of payments also deteriorates. Less agricultural output reduces exports by more than it reduces imports. Food imports rise. The additional deficit has to be met somehow, and extra foreign aid rarely suffices. Chronic drought, moreover, has weakened the already fragile natural environment of the two countries.

Other explanations for the current crisis are probably even more important. After all droughts have occurred in the past without creating persistent crises. These other explanations concern government policy.

Both countries have allowed their public sector to increase rapidly. In The Gambia public sector employment rose over 50 percent between 1976 and 1980. Senegal's public sector grew rapidly at about the same time as the government adopted a policy of hiring all graduates. Government revenues did not rise so rapidly, and so the public sector found itself needing to borrow. This in turn squeezed out some private borrowing.

The cost of public enterprises has also risen dramatically. In a burst of activity in the mid-1970s, the government of Senegal created a number of public enterprises. The hope was that these would generate surpluses which would then be available to finance further investment. This has not happened. There are several possible explanations, but one is that the enterprises were expected to fulfill a social role, for example, to provide jobs at private-sector wage rates, as well as strive to make profits. Such a conflict makes management difficult, and causes potential profits to evaporate.

In The Gambia the most important parastatal is the Gambia Produce Marketing Board (GPMB), which buys and processes groundnuts. Until the mid 1970s it paid farmers a price well below the world price, as did its counterpart in Senegal; this effectively taxed farmers, and generated profits for the governments, which could be used for investment, or set aside to cover losses in years when the harvest was poor or world prices low. The low groundnut price also depressed food grain prices. Urban consumers, who were already relatively better off than their rural counterparts, benefitted disproportionally. Such a policy was criticized on the grounds that it taxed a poorer section of the population, and that it paid a price that was too low to provide an adequate return to growers. Increased urban purchasing power led to a high demand for imports. The foreign exchange needed to purchase them was traditionally generated mainly by groundnut exports, but these did not increase as rapidly as import demand.

As a result the government since 1983 has set higher purchase prices for groundnuts, in an attempt to redress the balance. For the last two years these have been so high as to create enormous losses. That this policy has now gone too far is attributable as much to donor pressure as to Gambia government policy. In 1985 the GPMB alone owed almost as much to the banking system as the government itself. The policy has been disastrous; the GPMB has soaked up credit, thereby starving other sectors. The purchasing power of farmers has been raised beyond the means of the coun ry to pay. Such an abrupt increase raises imports, since the extra income received by farmers is largely spent on imports, and this generates a need for external finance. In 1986/7 the GPMB is es imated to make a loss equivalent to 9 percent of GNP, and this is apparently acceptable to the IMF. Other public enterprises have made losses because they were required to provide services at below cost. Both countries have been faulted for the poor quality of investment, notably public investment. The Gambia has spent a lot on expensive items of infrastructure, without, however, integrating them into a functioning whole.

Much of the public investment in Senegal has gone into parastatals whose performance has been weak. It is a challenge to find ways to effect more productive investment.

Another problem common to both Senegal and The Gambia has been low rates of saving. Economists estimate that even poor countries can save at least 10 percent of GNP, yet neither country has established a pattern of savings. This has two main effects. It depresses local investment, since fewer funds are channelled into the formal or informal banking sector for lending elsewhere. This in turn reduces economic growth, and forces the country to borrow abroad, creating a potential debt problem. The second effect is that as a result of higher consumption, imports are larger than they might be (although this is not certain, since the import content of investment may be higher than that of marginal consumption).

The reasons for the low savings are mainly the high level of subsidies on certain consumption items (Senegal), the tendency of both urban and rural consumers to spend on imports rather than save (both countries), the high level of government spending relative to its revenues (both countries), and in recent years the high price paid to groundnut producers (both countries).

In The Gambia there has been a further explanation for the economic crisis, namely exchange rate misalignment. Since about 1979 the official exchange rate has been too high--i.e., the dalasi has been overvalued. This made it cheap to import, and by reducing the dalasi value of exports made the production of export goods relatively less attractive. The country then ran serious balance of payments deficits, which called for foreign financing. Rather than devalue the dalasi, the government took pressure off the currency by turning a blind eye to the parallel currency market. Thus a de facto dual exchange rate operated, with most private transactions working at the parallel rate, and the operations of government and parastatals at the official rate. The GPMB was required to redeem its foreign exchange earnings at the official exchange rate, which did not permit it to pay a true market price to groundnut farmers (even if it wished to). Importers who had access to cheap foreign exchange at the official rate, either sold their imports at below world market values or made windfall profits. Some people who had access to foreign exchange at official rates began exporting some to secure bank accounts in Europe, and/or trading it for local currency on the parallel market. The government lost revenue by basing import duties on the dalasi price of imports valued at the official rate rather than the parallel rate.

In Senegal there has been industrial stagnation, with manufacturing output barely rising in recent years. A major reason is that the increase in manufacturing that resulted from tariff protection has run its course, and there is very little further scope for import substitution. Worse, the existing manufacturing sector is largely uncompetitive internationally, so that switching to a policy of export-led growth would be difficult. Another cause of the stagnation may be the haphazard structure of import tariffs and exclusions, which make it yet harder for Senegal to follow its comparative advantage.

Finally, the foregoing causes have created a debt crisis, especially for The Gambia, whose foreign debt is 174 percent of GDP, but also for Senegal which must spent a fifth of its export earnings to service its debt. These debts, incurred over the past decade, cannot be increased as rapidly over the next decade. Drastic reform is therefore needed.

1.2.2 Economic reforms

The economic crisis is recognized clearly in both countries, and they have taken strong measures to remedy the situation. These measures are summarized on the following page. The essential thrust of the measures is to reduce the role of the public sector and to liberalize agricultural markets.

In Senegal the price of imported rice to consumers has been raised, to encourage the production of domestic cereals (and to improve government finance). The provision of agricultural inputs has been essentially turned over to the private sector. The government is committed to reducing and simplifying import duties, and to reducing the number of special exemptions. Tax recovery is weak, and is to be improved by widening the tax base

SUMMARY OF ECONOMIC REFORMS

* = implemented) = proposed	Senegal	The Gambia
PUBLIC FINANCE		
- expenditures	* Freeze size of civil service; limit wage increases; user fees.) Move to eliminate indirect subsidies.	* 1985: Hired 2300 fewer temporary & 450 fewer full-time workers; civil service census. * 1986: Abolished 1500 permanent positions (half were vacant) & 340 temporary workers; organizational reform.
- revenues	* Import duty reduction; some quotas ended.) Simplify tax code; tax urban real estate.	* General import tariff from 4 to 6%; specific tariffs up; user fees for services raised 25% to 400%.
- public investment	* Reduced public investment targets; reduced government payment arrears.) Emphasize rehabilitation; use economic analyses; provide adequately for debt servicing.	* Reduced program 17.5% & extended from 4 to 6 years. 1% of government spending shifted from personnel to supplies.
- public enterprises	* Indirect subsidies reduced; two liquidated) Divest/liquidate more; clarify expectations of government.	* Pass through higher costs to charge higher prices - for electricity, buses, etc.) Sell some enterprises, including fishing and hotels; system of performance contracts.
AGRICULTURE		
- food/cereals	* Higher rice prices/subsidy eliminated; free marketing (except rice).) Keep at least 25% tariff on rice; introduce producer price support mechanism.	* Price subsidy ended; 30% import duty on rice; rice imports privatized, prices decontrolled.
- inputs	* Free market in fertilizer and seeds; lower fertilizer subsidies.) Abolish fertilizer subsidies.	* Fertilizer subsidy reduced (1985), then ended. Trade opened to private merchants.) Decentralize seed multiplication; reform system of agricultural credit.
- groundnuts	* Raise producer price; liberalize marketing.) Liberalize distribution of seed stock.	* Raise producer prices substantially.) Performance contract with GPMB.
INDUSTRY		
- protection	* Reduce & simplify tariffs; ease quotas.) Further tariff reductions; eliminate authorizations, quotas.	) Simpler investment rules; lower duties.
- role of government	) end price controls; simpler investment code.	
EXCHANGE RATE		* Flexible exchange rate since January 1986, with pass-through to prices in parastatals.
MONEY AND FINANCE		
- credit		* Strict limits on money supply and credit; interest rates floated.
- finance		* Provide more equity for largest state bank.

in several ways, while lowering tax rates. Several public enterprises are to be sold or liquidated. Price control is to be ended on most goods. The civil service is to be frozen at its present size.

In The Gambia the exchange rate has already been liberalized. The government is in the process of reducing the size of the public service dramatically, and divesting itself of several loss-making enterprises. The public sector is to have less access to credit. In agriculture input marketing is being liberalized, and higher prices paid for groundnuts. The subsidy on imported rice was dropped in mid-1985, and the tariff on it raised in July 1986 from 23 to 30 percent of the cif price.

Although the need for dramatic reform is evident, it would be unwise to expect too much too soon. An earlier set of reforms in Senegal foundered. It remains to be seen whether The Gambia is politically robust enough to pull through a period of rapid inflation (a temporary surge of 42 percent in the first half of 1986), deep cuts in the public service, and higher rice prices.

The implications of the economic crisis on negotiations towards monetary or economic union are unclear, but it is unlikely that the leaders of either country will feel strong enough to make historic compromises or take statesman-like positions when their domestic problems are so pressing.

2. Confederation

Senegal introduced negotiations toward monetary and customs union with The Gambia in January 1984. Its ultimate aim is economic unity, followed by political integration. Gambians are unanimously opposed to eventual unification with Senegal, but are interested in joining the CFA franc zone as an independent member of the West African Monetary Union (WAMU). Negotiations are near agreement on a free trade zone. Customs union, on the other hand, is seen as contrary to The Gambia's interest, and possibly even Senegal's. Coordination is needed, but customs union, as presently proposed may not be the way to obtain it.

2.1 <u>Background</u> The 1981 Confederation agreement, known as the Act of Kaur, called for supranational governing institutions superimposed on two fully sovereign states. The President of Senegal is ex officio President of the Confederation, and the President of The Gambia is ex officio Vice-President. They agreed to coordinate their defense and foreign policies immediately, and to work toward closer economic and political coordination. The Confederal parliament, which began annual one-month meetings in 1984, comprises 1/3 Gambian legislators and 2/3 Senegalese, elected from their respective parliaments. Contributions to the budget are similarly apportioned on a

1/3:2/3 basis, as is membership in the Council of Ministers and the Confederal armed forces. The secretariat is in Dakar and works primarily for the President. It prepares proposals for the President, Council of Ministers and Parliament, supervises implementation and coordinates the work of the other organs of the Confederation. The Secretary General, when he comes to The Gambia, uses the Senegambia Permanent Secretariat as a base.

The Senegambia Permanent Secretariat, a precursor to the Confederation, retains a caretaker role for implementing agreements signed between 1965 and 1981, concerning cooperation on health, marine fishing, agriculture, judiciary and consular matters, forestry, personnel and cultural exchanges. Cooperation on trade, customs, information, broadcasting and road transport have been taken up by the Confederation. The question of a bridge on the trans-Gambia highway and of integrated river-basin development have been transferred to the OMVG (Organisation pour la mise en valeur du fleuve Gambie; Gambia River Basin Development Organization).

The agreed plan of the OMVG states calls for a bridge-barrage at the trans-Gambia highway crossing, plus upstream dams, initially one in Senegal and one in Guinea-Conakry. Funding has not been secured, however. Recent technical studies casting doubt on the irrigation potential of the two dams planned for The Gambia and Senegal have decreased the likelihood of funding for the current package.

A bridge on the trans-Gambia has been a Senegalese priority since the 1960s and a burning source of frustration since the bridge over the Casamance was completed in the 1970s. In the wake of the military intervention in The Gambia, Senegalese widely assumed that at least that problem would be solved. Five years later, waits at the ferry crossing still vary from a few hours to three days, adding uncertainty and delay to what could otherwise be a six-hour road trip between Dakar and either of the two southern provincial capitals of Ziguinchor and Kolda. In addition to the cost and discomfort to transporters and travellers, the Government of Senegal sees the impediment to communications with its southern provinces as a security problem. Paving of the road around The Gambia, completed in 1983, partially relieved the bottleneck. That route, however, doubles the length the trip from Dakar to Ziguinchor, from 440 to 876 kilometers.

The Gambia government, on the other hand, sees a bridge as a threat to its sovereignty, a chance for Dakar to cut into its trade with the Casamance, and a potential loss of ferry revenues. Revenues from a toll bridge might exceed current income from the ferry, but The Gambia might be obliged to share them with Senegal. Senegalese proposals to "confederalize" existing ferries annoy Gambians profoundly. These issues are the unspoken background to the current trade war and the negotiations over monetary and customs union.

2.2 Monetary Union

A monetary union has been the subject of extensive discussions since March 1984. The combined shocks of foreign exchange shortages, food and fuel shortages, and then the halving of the value of the dalasi have convinced many Gambians that it may be better to switch to the CFA franc, to have a stable, convertible currency. Wholesalers, and even many retail shopkeepers, prefer to be paid in CFAF, and even the coinage is now circulating in The Gambia.

The negotiations have been effectively on hold for the last year as Senegal tries to get Gambian agreement on customs union. Senegal has proposed that The Gambia become part of its banking system and join the West African Monetary Union (WAMU) as an appended confederal partner to Senegal's existing membership. The Gambia is interested in joining only if it can be an independent member. A third possibility remains that The Gambia retain its present currency, either as a floating dalasi or one pegged to the CFAF.

Presently WAMU has six member nations: Senegal, Benin, Ivory Coast, Mali, Niger and Togo. Its members share a common currency, a central bank, and credit and monetary policies. The CFAF is fixed to the French franc at the rate of FF 1=CFAF 50. Until the reform of 1974, France guaranteed convertibility. Now it merely agrees to support WAMU to maintain that convertibility. In practice, because of the relationship with the French franc, the CFAF is considered a hard currency, generally freely convertible.

The central bank, Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) has headquarters in Dakar and branch banks in each country. The BCEAO issues currency, licenses and supervises banks, rediscounts loans, and regulates credit terms and allocations. Its major policy objectives have been to reduce banks' dependency on it for liquidity, tighten its control over their lending, and direct funds towards specific sectors and development activities. The BCEAO also regulates interest rates, which are uniform throughout the Union.

The process of joining WAMU has political implications which concern both Gambians and Senegalese. All members of WAMU would have to approve The Gambia's joining, as would France. Senegal thus has veto power if it chooses to use it. France underwrote the readmission of Mali to WAMU, and also the one case of a non-Francophone country joining a franc zone, the admission of Sao-Tome and Principe to the Central African Monetary Union.

The major obstacle to admission is the requirement to pay a membership fee of one-seventh of the capital of the BCEAO (estimated at CFAF 15 billion = $42.8 million). A new member must also match the capital reserves of the other members, join the Banque Ouest Africain de Developpement (BOAD), and clear its current account debt, which may require another CFAF 40 to 65 billion ($114-186 million). When Mali joined in 1981, the total cost was on the order of $14 million. Some of this is being paid over time.

The cost for The Gambia to join WAMU as an independent member or as a confederal partner of Senegal is not clear, and there seems to be room for negotiation in the arrangements. If Senegal were to withdraw from WAMU and rejoin as a Confederation, as it originally proposed, it appears that Senegal and The Gambia would both have to clear their debts. Senegal has, therefore, recently decided to propose simply bringing in The Gambia on its coattails. It does not appear that any of these options has been presented to other WAMU members as yet. In any event, the costs involved will be substantial in Gambian terms, and external assistance will clearly be required. France will be directly concerned, but other donors will probably be called upon as well.

2.2.1 Costs and Benefits: Option 1. Join WAMU

From The Gambia's point of view, joining WAMU would provide a stable, convertible currency, enlarge its markets, and give it a secure identity in a hard currency zone. On the other hand, Gambians fear that it would lead to immediate price inflation, followed by a pressure to let wages catch up. The CFAF is overvalued, and this could make The Gambia less competitive in world markets. While Gambians would lose their monetary sovereignty, this is a step that the government is prepared to take. It is determined, however, to keep the essential political sovereignty inherent in independent membership.

From Senegal's point of view, a monetary and customs union would close the loophole that allows Gambian reexports to invade its markets. Bringing in The Gambia as a confederal partner of Senegal would be the first symbolic and practical accomplishment of the Confederation since 1981. As an added benefit, Senegal believes that it would create a marginally (about 8 percent) larger market for its exports. Actually, it would not do so unless the domestic tax structures of the two countries were also harmonized.

2.2.2 Option 2. Keep the Floating Dalasi

The severe devaluation triggered by the decision to allow the dalasi to float has earned the system few adherents in The Gambia. The dalasi dropped form the pre-January 20 official fixed rate of 5 to the English pound, to 10 or 11 to the pound within a few months. Inflation surged, averaging 42 percent by the end of the fiscal year in June. Since then, however, both the dalasi and prices have stabilized. In February 1987, the dalasi is still 11 to the pound sterling. People, nevertheless, are asking whether inflation is likely to be the norm if the dalasi floats. The answer is "probably not." Before the dalasi was officially permitted to float there was an active parallel exchange market. It still exists, but the exchange rate is identical to that in the banks, sometimes less favorable. The banks agains have foreign exchange available, and some merchants in the wholesale trade have already indicated that they prefer the floating currency situation to the one which existed previously. In popular opinion, however, the deflation of the dalasi following the float is just one more catastrophe added to the quagmire.

In practice the goods whose prices reflected the official rate before January 1986 were those bought and sold by the government and its agencies (notably groundnuts, rice, and electricity). These are the goods where the price changes have been most dramatic. Simultaneously the government decided to move to full cost recovery for utilities, passing through any costs affected by market or exchange rate factors. This has compounded the perceived inflationary effect of the floating dalasi. Even those who in the long run should benefit from the floating, such as farmers who will be able receive a higher price for their crops, have been struck first by sharp price increases.

If the central bank can resist excessive credit creation in the short run (this will not be easy), and if the government holds to the five year wage freeze, then the inflation rate will slow quickly, and the dalasi will stop its slide. This seems to be happening, but at great social cost. The very high price to be offered for groundnuts this coming season will renew inflationary pressure.

One can compare the effects of a floating versus a fixed-rate currency during a period of strain, for example a drought. Suppose drought sets off a balance of payments crisis. With a fixed exchange rate, the country has to adjust by lowering domestic prices, or going into recession, or imposing tariffs on imports to reduce them. In practice it is difficult to lower domestic prices, so recession or tariffs are more likely, Either of these reduces purchasing power and hence imports.

The situation is different with a flexible exchange rate. Here the balance of payments deficit will be met by a depreciation of the currency. The prices of imports and exports will both rise in dalasi terms, which reduces the purchasing power of the country's population, thereby diminishing the external problem.

2.2.3 Option 3. Peg the Dalasi to the CFAF

In this option, The Gambia would set an official exchange rate between the dalasi and the CFA franc. A fixed exchange rate constrains monetary policy, as it affects the money supply, to the passive role of supporting the exchange rate. The central bank can, however, keep some influence over credit, varying the structure of interest rates to favor one sector over another. For example, The Gambia makes credit available for crop finance at more favorable terms than for other activities. Under the rules of WAMU, The Gambia would be constrained to follow the uniform credit policy applying to all members. In practice, the Central Bank of The Gambia has allocated far too large a share of credit to the government in past years. The discipline of WAMU membership would change that.

A pegged dalasi also differs from membership in WAMU in that it could be devalued if circumstances warrant. A particularly poor harvest might well justify such a devaluation. A deliberate effort to spur exports, or even to avoid an overvalued exchange rate, would also call for devaluation.

2.3 Free Trade Zone for Local Products

Negotiations toward customs union began in January 1984. Senegal had decided that its ultimate aim was a unitary state, and proposed an immediate customs union as a preliminary step. The Gambians opposed the idea of a unitary state, and saw no value in customs union as The Gambia would thereby lose trade. The Gambians proposed that a free trade zone applying only to locally produced goods be negotiated first, and there seems to have been initial agreement in principle to such a zone.

A misunderstanding in October 1985 set the process back several steps, as The Gambia revoked the special bilateral trade agreement that had linked the two countries since 1970. The Gambians had stopped collecting customs on Senegalese produce in June 1985, believing that the two countries had reached a free trade agreement. Several months later they discovered that Senegal was still taxing Gambian groundnut oil at 91.6 per cent and plastic shoes at 78.6 percent, going by the terms of the amended 1970 agreement. It turned out that no new agreement had actually been enacted. The Gambian authorities reviewed the situation, however, and decided that the original agreement was unfair. It provided for the following duties on each other's goods:

	Senegalese Produced	Gambian Produced
Groundnuts	15%	50.93%
Groundnut Oil	40%	91.6%
Groundnut Cake	duty free	57.8%

Salt	duty free	none produced
Fertilizer	duty free	none produced
Matches	duty free	none produced
Plastic shoes	17.5%	78.6%
Textiles	30%	99.3%

A new agreement on locally produced goods thus became the first order of business. The more difficult question of creating a customs union for imports, The Gambians wish to put off until some viable plan can be derived for compensating the country for lost trade. The Senegalese are insisting that the free trade zone be a first phase, legally linked to full customs union no more than five years from now. Moreover, if The Gambia wanted to join the CFA zone any earlier than that, customs union would occur simultaneously.

Agreement appears near on free trade zone provisions. The terms being negotiated include:

1) The rule of origin. What qualifies a product as locally produced? The Gambians proposed that for Gambian goods a value added in The Gambia of 20 percent of the total would qualify. Senegal proposed that both countries follow the Communaute Economique de l'Afrique de l'Ouest (CEAO) rule requiring 35 percent of local value added. The Gambians argued that Senegal could observe the CEAO rule requiring 35 percent of local value added, but that such a rule would disqualify several of the very few Gambian industrial products.

The Gambia has only four industries producing for the local market: bottled drinks, groundnut oil, soap and plastics.

Senegal's industries are larger and more diverse. The most significant producer for the local market is the petroleum industry, which would compete with The Gambia's current supplier, Nigeria. Other Senegalese goods that are aimed at the local market would have more difficulty competing with other countries' imports into The Gambia, no matter how favorable the customs treatment they receive. Several of Senegal's import substitution industries produce at two or three times world market prices. Senegal protects them now by monopoly agreements, but these cannot be extended into The Gambia, and, in fact, are expected to be reduced in Senegal in coming years. The industries include sugar, textiles, tomato paste, cement and matches. Textiles would have a market despite their higher price, because style and taste enter in. Similarly other products would have some market because of their availability, low transport costs, or suitability to local tastes.

The compromise tentatively agreed on in the September 1986 meetings was to follow the Economic Community of West African

States (ECCWAS) rule that the factory must be at least 25 percent locally owned, plus the product must have a local value added of:

25 percent for companies existing when the agreement takes effect,

30 percent for companies created between 1987 and 1989 (the first two years of the agreement), and

35 percent for companies created after 1989 (the third year of the agreement).

2) Domestic taxation of each other's produce. Senegal adds a fiscal duty of 10 to 300 percent on top of customs duties, and then adds a value added tax (VAT) of 5 to 50 percent (averaging about 20 percent) to the total of cost, transport and duties. The Gambia has few domestic taxes and no VAT. It proposed that its goods should sell in Senegal under the same conditions as at home. ~~It has since, however,~~ tentatively accepted the Senegalese proposal that its goods would pay the same domestic taxes as Senegalese products do in Senegal, plus a small (perhaps 5 percent) duty. Senegalese goods imported into The Gambia would pay the same low (5 percent) duty. If in the future The Gambia institutes domestic taxes, they wwould apply equally to Senegalese produce.

3) The question of compensation for lost customs receipts. The Gambia government would lose substantial customs receipts if it were to allow current imports to be replaced by low-duty Senegalese products. It wants these losses to be offset by a combination of cash compensation and development assistance, as in the CEAO free trade zone, or by some other compensatory system.

To a lesser extent the Senegal government would also lose customs receipts. Actually, if Senegal were hypothetically to free its trade entirely, bulk imports and exports to and from the southern half of the country would have a cost advantage in going via the Gambia river, which is navigable year round to Basse. A significant portion of the groundnut crop and textile exports could pass that way if Senegal let it. For goods traveling more than forty kilometers, water transport has a substantial cost advantage. It seems that this possibility has not been considered in the negotiations. Both parties assume that The Gambia would be the major loser of customs receipts.

Negotiations are stymied on this point. The Senegalese see no way to free up cash for such purposes as compensation or aid to Banjul when they are already struggling with a budget crisis. The question was suspended for further study.

4) The Calendar. The Gambians originally proposed phasing in the free trade zone and customs union over seven years. Senegal wanted both right away.

The Gambia suggested that the timing follow that specified in the 1975 ECOWAS treaty, which both countries have signed. That treaty categorizes countries according to the degree of difficulty in adapting their economies to customs union, giving countries with less capacity to adjust a longer period in which to phase in implementation. Senegal had only two years according to that formula, while The Gambia was in the lowest group, which was allowed eight years. The ECOWAS tariff provisions have not been implemented on schedule by any of the signatories. Otherwise the point would be moot, as all West African countries would have reached the same tariff levels by now.

Senegal recently proposed the following Senegambia Confederation compromise: Senegal would apply the free trade zone rules immediately, while The Gambia would phase its in over four years. At the same time, the two countries would move their tariff levels for foreign imports closer together. In five years, full harmony of customs tariffs and procedures would apply.

2.4 Customs Union

Full customs union is a Senegalese proposal, to which most Gambians interviewed were firmly opposed. It is seen, both by Gambians and by theoretical economic analysis, as being in only Senegal's interest for the short term. (See Landry: 1983; Robson: 1983). Senegal wants a unified customs cordon to cut off the Gambian reexport trade into Senegal, which is seen as officially encouraged smuggling. Unless such a cordon is counteracted by a comprehensive regional development plan that diversifies the Gambian role in the region, it would have a negative impact on the Gambian economy. Both analysts and negotiators seem to assume that The Gambia would be obliged to raise its tariffs to the Senegalese level.

More detailed examination shows, however, that the two countries' economic reform programs are already bringing their tariff levels closer. In the long term, the success or failure of customs union depends on the transitional arrangements. If they allowed the two economies to phase out differentials gradually, as alternative economic activities develop, customs union could ultimately benefit both countries. If the rules of implementation allowed The Gambia to handle bulk goods to and from the interior, The Gambia could actually gain trade. Goods in general would also be cheaper in The Gambia due to the lack of a VAT. If Senegalese were allowed to buy freely there, again The Gambia's trade might increase. Since this is the opposite of Senegal's intention at the moment, however, it might never happen. Such an outcome might emerge only as a negotiated compensation or as an unintended side effect of the liberalization of economic policy that is already beginning to occur in Senegal. The government has started to move from a centralized, administered economy to a free enterprise, free trade approach. How far it will move and how fast are open questions.

2.4.1 Background: The Philosophies and Structure of Regional Trade

When Senegal and The Gambia began discussing customs union in 1984, The Gambia had already begun to raise its traditionally low tariffs. Its combined tariff revenues amounted to 18 percent of the value of imports, while Senegal's cumulative import duties and fiscal taxes were 86 percent. (Robson: 1983) Senegal has traditionally set high tariff rates. But this system was, and is, full of holes and exemptions, so that in 1985 total revenue from import duties came to just 20~~percent of the cif value of~~ imports, whereas the Gambian level had risen to 26 percent.

Trade competition between Senegal and The Gambia has always been intensely political, because both governments depend heavily on imports for tax revenue. Import taxes contributed CFAF 73.5 billion (1984 US $168.2 million), or 39 percent of Senegal's budgetary revenue in fiscal 1984. (See Appendix Table 8B. Includes VAT, fiscal and all other taxes on imports). The same year they earned The Gambia GD 71.4 million (1984 US $19.9 million), or 56 percent of budgetary revenue. In 1985 8 percent of Gambian GDP was generated by the reexport trade.

Beyond the material interests, there is a real difference in economic philosophy. The Gambia has had a free trade policy since the early nineteenth century. Traders, officials, and ordinary citizens consider it the only just system of administration. Any policy that creates a monopoly or unduly restrains trade is regarded as a violation of natural liberties, an attempt by a few to enrich themselves at the expense of the public. The dozen parastatals that have been created, mostly in the last two decades, have been granted monopolies. Their performance has tended to confirm the widespread Gambian view that restraint of trade leads to inefficiency and corruption. This has become a source of domestic political tension, and the IMF and World Bank have insisted that the government divest. The National Investment Board has a divestiture plan nearly ready for implementation.

Senegal has an equally long and firmly rooted tradition of administered trade. One of the primary functions of the government is to organize the markets throughout its territory. There is a firm conviction among officials, traders, and citizens that if the government did not closely control trade, 1) prices would be volatile, as merchants would hoard goods and charge exorbitant prices at peak demand times, 2) it would be impossible to collect taxes on trade, as people would easily evade them if prices were not fixed and movements of goods monitored, 3) there would be no basic consumer goods for sale and no buyers for cash crops in frontier areas where the cash economy is weak. Markets, they believe, cannot develop spontaneously. If the government did not intervene to provide credit and marketing infrastructure, there would be none. The recent experiment in privatizing the sale of fertilizer and seed has reinforced this opinion. The expectation that subsidized inputs will be provided on credit has proven too strong to be shaken by having to do without fertilizer and improved seed for a couple of years.

The two philosophies clash openly on the question of Gambian reexports to Senegal. For Gambians, the sale of imported goods to non-Gambians is a normal, legal, and desirable business. It matters not whether the foreigners are tourists, Senegalese, Mauritanians, Bissauans, Guineans or whatever nationality. Moving the goods into Senegal, however, is done in violation of Senegalese law. Senegalese officials call it smuggling. Although they recognize that Gambians are rarely doing the smuggling themselves, they argue that the Gambian government knows that 80 percent of some imported commodities will be smuggled into Senegal, and that it conspires with smugglers by setting competitive tariff rates.

In a larger geographic perspective Gambians regard the areas of Senegal closest to The Gambia, particularly the south bank, as part of The Gambia's natural market territory. Transport costs make it far cheaper to import goods into the Casamance from Banjul than from Dakar, three hundred kilometers farther away, even if there were no tariff differentials.

Senegalese, on the other hand, regard markets as an aspect of sovereignty and a proprietary right. Sovereignty in the Casamance is a particularly sensitive issue because of separatist movements there in recent years, and the Gambian factor in its markets is spoken of as an incursion.

2.4.2 Smuggling or Reexport Trade: How It Works

Groundnuts, sugar, rice, textiles, tomato paste and fertilizer are currently the biggest reexport commodities, and those most resented by Senegalese government officials. There is a marked tendency to overestimate the quantities of most products involved in cross-border trade. The smugglers and transporters of reexports are nearly all Senegalese, except for a few Mauritanians and Guineans. An occasional Gambian farmer sells a donkey cart load of groundnuts in Senegal, and some Gambian licensed groundnut traders buy from Senegalese farmers along the border, but in general Gambians are not involved in the smuggling, either as traders or as transporters.

The sophistication, violence and drugs that have crept into smuggling in recent years have escalated tensions as much as--if not more than--government budgetary concerns. Bulk goods, rice, textiles, tomato paste and sugar, move at night by sea in the 10 ton pirogues of the Niominka fishermen from the Iles de Saloum. They are landed in Kaolack or its estuary, or on the coast just south of Dakar. Armored trucks with armed crews also make the night run, on back tracks or through fields, running without lights and often high on drugs, fighting back when they are arrested. They also smuggle West African marijuana, some of it locally grown, out to Europe. Milder, but still of concern to customs agents, are caravans of donkey carts manned by villagers in the up-river areas carrying rice, flour, sugar, and tomato paste. They are armed only with machetes, and escape by splitting up when customs agents appear.

These ~~professional smugglers are an unsavory lot.~~ The Senegalese customs authorities complain that they have lost six to eight men, killed in the area south of Kaolack last year in high speed chases of armed smugglers. Gambian authorities and citizens object to a Senegalese criminal element that has infested Banjul. Often the smuggled goods are stolen, not just low-duty.

Textile smuggling has a distaff side. For years, not only market women, but also typists and office personnel have run a side line in Gambian textiles. A suitcase full of cloth from a weekends' outing costs several hundred dollars, and brings of return of 30 percent or more. Since 1981 Senegalese troops have been stationed in The Gambia on regular rotations, bringing all of their relatives an opportunity to get into the same business. Senegalese market women now make regular flights to The Gambia, which can be down and back in a day. Five to ten market women, each with several thousand meters of cloth, got on each of the flights we took from Banjul to Dakar. The goods were left in customs, to which the women return in a quieter time to negotiate for their release.

Much of the fraud in smuggling involves wrongfully influencing customs agents rather than eluding them. Maraboutic families, who dominate trade and transport, use their religious influence, women use their wiles, and those who cannot prevail in any other way try bribes. The agents receive commissions on duties collected and on seized goods, so they tend to see bribes as a way of offsetting lost income. One way or another, any goods that pass through customs earn them income.

2.4.3 Costs and Benefits of the Current Trade Rivalry

Both governments believe that groundnuts, which are the major export of both countries, cross the border illegally in large quantities. Gambians estimate that up to 30 percent of their harvest may be illegally sold in Senegal when the Senegalese price is higher. Senegal estimates that about 10 percent of its harvest may flow through The Gambia because Gambian purchasers pay cash, and sometimes the price is higher. Gambian officials estimate that up to 20 percent of their purchases in a peak year may come from the Casamance. Because their volume is so much smaller than Senegal's, however, this would amount to only 2.7 percent of Senegal's crop, or one fourth what Senegalese officials suspect. Recriminations and wild numerical estimates reached a peak in 1984. The Senegalese press published estimates that up to 300,000 tons of Senegalese groundnuts, which had failed to appear as expected in the Senegalese marketing structures, were being smuggled out through The Gambia. Gambians, in the same year, complained that the meager quantity (60,000 tons) of groundnuts marketed there, 30 percent below expectations, must be due to smuggling into Senegal

Comparison of historical groundnut production and marketing figures for the two countries fails to demonstrate the widespread belief that cross-border marketing is statistically significant. The figures leave open the possibility that border trade can be an important influence on Gambian economy because of its small size, but they do not provide evidence of significant trade in either direction. Production and marketing figures in both countries are, in any case, only official estimates, with a rather weak statistical base. A more specific study of groundnut marketing, measuring cross-border flows into both countries would have to be done before any firm conclusions could be drawn. Meanwhile, however, it is important that no correlation between price differentials and cross-border flows can be established, nor can substantial cross-border flows in either direction be inferred from existing statistics.

Groundnut Production and Marketing

in Senegal and The Gambia

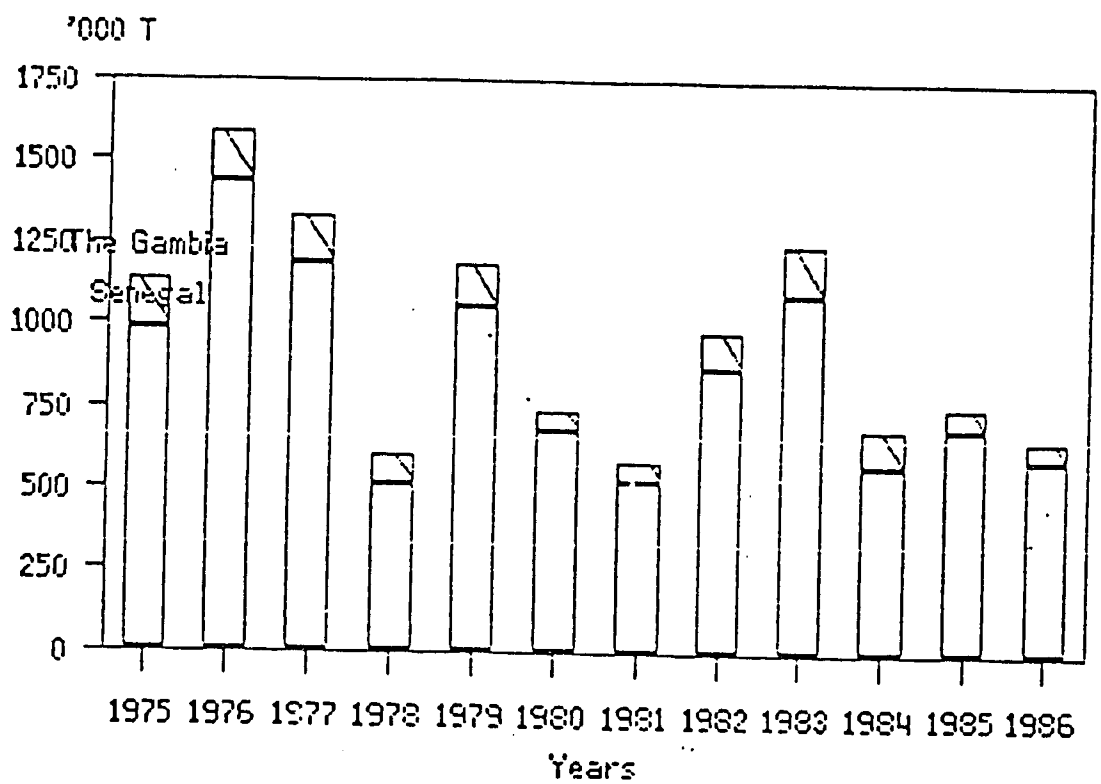
	Senegal				The Gambia				Comparison		
	(a)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)
Year Ending	Production ('000 T)	Tons Marketed	(c) as % of (a)	Producer Price (FCFA/kg.)	Production ('000 T)	Tons Marketed	(h) as % of (f)	Producer Price (FCFA/kg.)	(f) as % of (a)	(h) as % of (c)	(j) as % of (e)
1975	980.7			41.5	156.0			36.9	15.9%		88.9%
1976	1434.1			41.5	151.0			40.0	10.5%		96.4%
1977	1186.3			41.5	142.0			43.8	12.0%		105.5%
1978	509.3			41.5	95.0			44.3	18.7%		106.7%
1979	1050.7			41.5	133.4			47.4	12.7%		114.2%
1980	672.9	421.8	62.7%	45.5	66.9			51.7	9.9%		113.6%
1981	521.3	190.9	36.6%	50.0	60.8			63.4	11.7%		126.8%
1982	869.9	678.9	78.0%	60.0	108.9	42.5	39.0%	71.7	12.5%	6.3%	119.5%
1983	1091.7	898.9	82.3%	50.0	151.3	68.6	45.3%	75.3	13.9%	7.6%	150.6%
1984	568.8	347.3	61.1%	60.0	113.8	57.6	50.6%	54.9	20.0%	16.6%	91.5%
1985	682.4	231.8	34.0%	75.0	75.0	34.8	46.4%	72.2	11.0%	15.0%	96.3%
1986	586.6	318.3	54.3%	90.0	85.9	45.[illegible]	54.3%	66.2	11.2%	11.2%	73.6%

NB: The Gambian producer price for 1986 is calculated at the May rate of GD 1323 per 50 kilo bag, using the May exchange rate of GD 1 = FCFA 50. The price rose to GD 1800 in June 1986, to reflect the deflation of the dalasi, but by then most of the groundnuts should have been purchased.

Gambian production averages 13.5 percent of Senegal's. In the Gambia a fairly stable average of 47 percent of the harvest goes into official marketing channels. In Senegal the average going into official markets is higher (58.4), but the proportion varies widely, with a high of 82 percent in 1982-83 and a low of 34 percent in 1984-85. (See columns (d) and (i) above). The Gambian marketing figures do not rise in the years when Senegal's are low. A much larger portion of the non-marketed crop must be attributed to variations in local consumption and seed withholding than could possibly be due to smuggling. No relationship between marketing fluctuations and producer price differentials can be established. There is some distortion in the price comparisons, since official exchange rates were used, for lack of historical data on parallel market rates. Farmers rarely have access to foreign exchange at official rates, so the parallel rate would be relevant. For the period from at least 1979 through 1985, use of the parallel market exchange rate would bring the Gambian producer price of groundnuts to equal or slightly less than the Senegalese producer price. For 1984 and 1985 the Gambian price would drop to 60 percent of the Senegalese price or less. AID/Banjul funded an in-house study in 1985 that reported Gambian farmers were going in substantial numbers to the border to sell their peanuts in Senegal. No hard figures were available, but Gambian officials and farmers tended to agree that about 25 percent was being smuggled out. Now that figures are available, Gambian marketing performance does not appear to have been down significantly that year. The radical fluctuations in the proportion of Senegalese production that was marketed may be due mainly to variations in the efficacy of the official marketing system. The eighties have been a period of radical restructuring in Senegal, with both policies and institutional arrangements changing each year.

Figures 1 and 2 show annual variations in the two countries' groundnut production. Figure 1, Groundnut Production, Senegal and The Gambia, 1975-1986, is graphed on an absolute scale. Gambian production is such a small proportion of the Senegalese total that if ten percent of the Senegalese crop were smuggled out, Gambian harvests would look as if they had doubled. If thirty percent of the Gambian crop were smuggled into Senegal, on the other hand, the effects would be visible only on the Gambian side. The simultaneous fluctuations in the two countries' production suggest that regional rainfall patterns were the major factor.

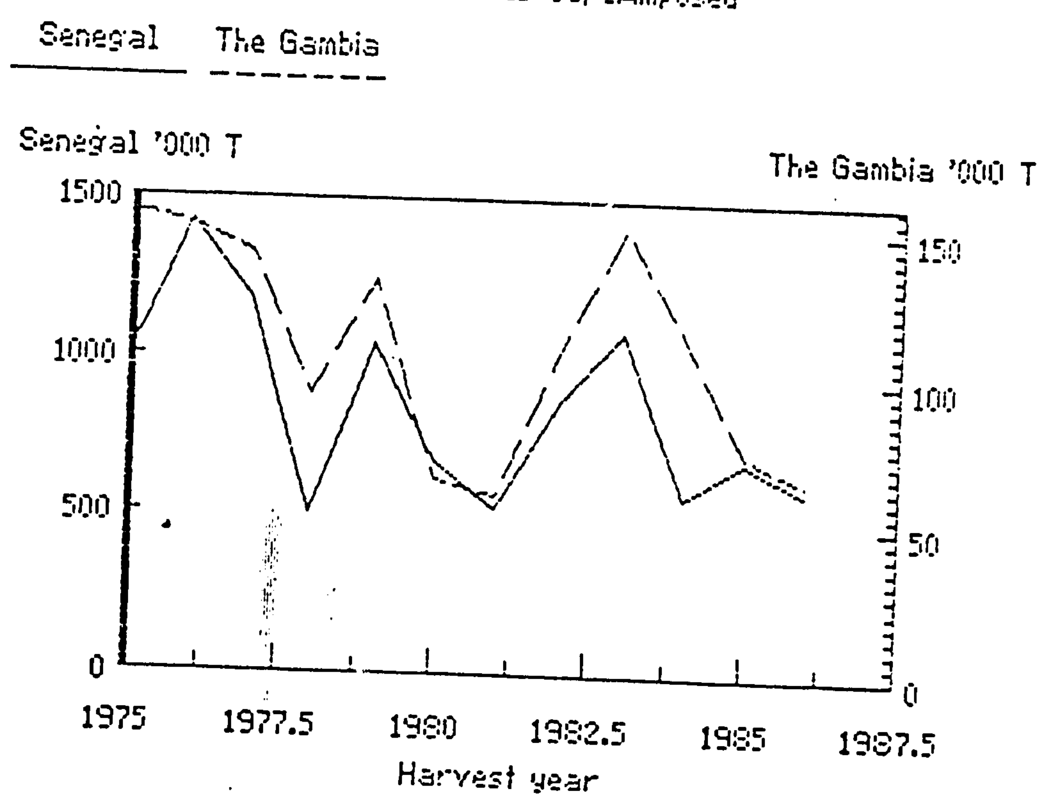
Fig. 1. Groundnut Production
Senegal and The Gambia
1975-1986



Source: Senegal, AID Files; The Gambia, Ministry of Agriculture, P.P.M.U.
File: gpeanut

Figure 2 has The Gambia's scale, on the right-hand x axis of the graph, enlarged to overlap that of Senegal, graphed on the left-hand x axis.

Fig. 2. Groundnut Production
Senegal and The Gambia
Graph Scales Superimposed



gpeanut2
Source: Senegal, AID files; Gambia, Ministry of Agriculture

Groundnut smuggling along the Gambia River surely occurs--farm families along the border describe how they do it--but bulk goods are difficult to smuggle in large quantities. Most of the smuggled groundnuts are transported on donkey carts over dirt tracks, on too small a scale to merit governmental concern.

Senegalese customs service records show groundnuts as one of the seven major items seized for fraudulent transport, with a total of 197 tons reported in 1985. Two-thirds of those were captured in the Senegal River basin area, where they were destined for Mauritania as food. For centuries the farmers of Senegal have traded food crops to Mauritanians for livestock. One has to ask whether this is not a case where the cure for fraud should be to change the laws that make this trade illegal.

Sugar, textiles, and tomato paste, on the other hand, were hot items for smugglers until the GOS customs service cracked down on them in May-June 1986, virtually sealing the Gambian border. In 1985, customs records show 108,149 meters of cloth, 798 tons of sugar, and 84 tons of tomato paste seized, most of it in the area from Kaolack to the Gambian border. What proportion of the total market this represents can be estimated for sugar, where legal sales totalled 66,000 tons in 1985. Fraudulent goods seized were thus 1.2 percent of the market. Gambian statisticians estimate that of the 47,500 tons of sugar imported through Banjul port in fiscal 1986, 90 percent was reexported, and perhaps 70 percent of that ended up in Senegal. That would make 30,000 tons, or nearly one-third of the Senegalese market.

Sugar was the third largest item (after petroleum products) in Gambia government customs receipts for 1985, accounting for 10 percent of total receipts. (GOTG, Trade Division, Ministry of Finance). Petroleum products, which are rarely involved in reexport, accounted for 29 percent. Other important reexport earners for the Gambia include tobacco products (11 percent of receipts), and rice (7.5 percent).

Gambian earnings on sugar and rice cut directly into Senegalese government earnings, but Senegalese consumers benefit from lower prices. Sugar, cotton cloth and tomato paste are heavily subsidized, monopoly industries in Senegal, protected by private agreements. In each case the government-guaranteed consumer price is about three times world market prices. This tends to make consumers side with smugglers, and encourages ordinary citizens to engage in smuggling. Gambian sales of sugar, cloth and tomato paste save the GOS some subsidy outlays, but this is offset by GOS losses on customs duties. Moreover, the Gambian trade adds to the difficulties of those struggling import-substitution industries.

The GOS owed the Compagnie Sucriere Senegalaise a CFAF 5.7 billion subsidy in 1986, and anticipates one of CFAF 8.4 billion (US$ 24 million) for 1987. When demand exceeds production, as is usually the case, the CSS is the only authorized importer. If world market prices are low compared to Senegalese consumer prices, resulting in a profit for the CSS, as is currently the case, the company is supposed to use this to offset its production deficits. When world market prices are higher than local ones, the GOS makes up the difference. Gambian sales had cut so deeply into the Senegalese market by early 1986 that the CSS could not sell all of its local produce. The customs crackdown since June has since bolstered CSS sales, and the management has applied for permission to resume importing sugar.

The import substitution industries in Senegal, and the private agreements that established them, are all subject to review and renegotiation as part of the New Industrial Policy announced in 1985. The existing investment code fostered a series of import substitution industries that are structurally incapable of producing at, or anywhere near world market prices. The two primary cost factors seem to be relatively high-cost, low-productivity labor, and capital-intensive infrastructure financed at high interest rates. Overvaluation of the CFA franc also contributes, by making imports cheaper.

Providing employment for the burgeoning labor force has been almost as strong a motivation for the subsidy program as the desire to industrialize, adapt technology, and save foreign exchange. The sugar complex at Richard Toll is the only industry providing substantial Senegalese employment. It has about 3000 regular employees, and up to 8000 in peak seasons. The Company also provides utilities, housing, schooling, social services and recreational facilities. Any disruption to the sugar industry quickly becomes a regional issue. If Gambian imports become so large that there is a glut of sugar on the market, as there was in 1985, this is a threat to the whole operation. The customs crackdown cured that quickly. When the market surpasses productive capacity, as is the case at present, sugar imports have to make up the deficit. If CSS does the importing, the GOS saves, but consumers pay more than if Gambians do the importing.

Rice is the one item that both countries reexport, and from which both governments derive substantial budget revenues. There is a direct revenue tradeoff between the two governments as market shares vary. Since it is the staple food of all of the countries in the region, however, rice is considered a strategic commodity. Demand shows little price elasticity. Assuring a supply is more important than revenue considerations for both governments and families. Rice imports to region can be estimated from 1984/85 cereals imports, since rice comprises the major portion of imports. Wheat is the second most important cereal import, and like rice is a revenue earner for both countries. The United Nations Food and Agriculture Organization reports the following cereals imports, compared to annual requirements (based on 1980/81 to 1984/85 averages):

	Annual Requirement	Imports 1984/85	Imports 1985/86
Senegal	348,000 T	518,600 T	298,900 T
The Gambia	32,000 T	38,000 T	66,000 T

The ports of Dakar and Banjul also handle some of the cereal imports of neighboring Guinea-Bissau, Mauritania, Mali and Guinea-Conakry, which have a combined requirement of 568,000 tons. In 1984/85 all show imports higher than their theoretical requirements (a combined total of 680,700). In 1985/86 their combined official imports total only 399,800, leaving a shortage of 168,200 tons.

Each of these countries has experienced rice shortages at one time or another in the last decade. The food crises are relieved by the overland trade. Flows vary according to supply and demand, as well as price. All of the countries except Mauritania subsidized consumer rice prices until the mid-1980s. Senegalese rice was popular in Mauritania, if people could obtain the CFAF to buy it. Shortages of foreign exchange prevented Mali from importing adequate supplies in 1980-81, and much of the difference was purchased from Senegal. In 1984-85, when Senegal began raising the retail rice price and The Gambia was still subsidizing it, the cheaper Gambian rice began flowing into Senegal. This quickly produced rice shortages in The Gambia, and increased imports in turn contributed to a foreign-exchange crisis.

In 1986 the world market price of broken rice has dropped sharply, so that it now can be imported for less than the cost of locally grown paddy. Having survived the political uncertainties of raising rice prices, and wanting to protect its infant rice irrigation schemes, Senegal decided to keep its price high through a manipulation of its Caisse de Perequation. It expects a tidy CFAF 16 to 20 billion ($46 to $57 million) revenue windfall from the perequation on rice imports in 1986.

In mid-1985 The Gambia went to a free market price, and suddenly has become a major importer. In addition to its own market, it may be supplying 10 percent or more of the Senegalese market. The Gambia government raised its cumulative import taxes on rice, from a 5 percent tariff + 23 percent fiscal duty to 6 percent and 30 percent respectively (applied cumulatively, thus totalling 38 percent) on July 1. If it sells 30,000 tons of rice at that rate to Senegalese over the year, this would represent $1.94 million in customs revenue. The Senegalese government's lost sales would cost it $4 to $5 million in perequation revenue, allowing for some price elasticity of demand.

This situation has just developed and is not fully understood in either country. Usually such situations do not continue for more than a few months, because officials adapt policies. The GOS may respond by cracking down hard on rice smuggling. This is politically delicate, as it will arouse inevitable publicity. Senegalese consumers might then realize that the government is collecting a huge hidden tax on the staple food. Most of the transporters are linked to the major maraboutic families, to which the customs agents are also disciples, and on which the government depends for political support.

For these reasons the GOS may decide instead to go easy on rice. Rumor has it that customs officials are tough on textiles and sugar, but more lax on rice shipments. It may be wiser to let rice prices in Senegal decline a bit. The government has opportunities to make up the revenue shortfall, if any, because world market prices of two of its oth r major imports, petroleum and wheat, are lower than expected.

2.4.4 Costs and Benefits of Customs Union

Theoretical models of customs unions in developed countries assume that they are trade creating, and thus beneficial to the extent that they create enlarged markets for low-cost producers of different products in different member countries. In developing countries models often allow for industrial protection policies, as there may be no local industries producing at costs below world market prices. (Robson: 1983, ch.2) The rationale for protection has to be valid on a regional basis for customs union to make sense. If each member country has or wishes to foster different protected industries, customs union may be a mutually beneficial means.

In this theoretical perspective a bilateral union between only Senegal and The Gambia makes little sense. Senegal's industrial base is disproportionate to The Gambia's, and in both agriculture and industry the countries tend to have competing products rather than complementary.

Moreover, the customs union that is being negotiated seems to involve many misconceptions. It would require Senegal and The Gambia to maintain identical customs tariffs and fiscal duties on imports. Senegal would like also to confederalize the customs services and to require The Gambia to conform to its more elaborate customs procedures. Gambians believe their own procedures to be more efficient and freer of corruption.

Officials, and even the actual negotiators, on both sides told us that the Gambian reexport trade could not exist without duty differentials, and that customs union would ruin it. Senegal sees itself as gaining a single customs cordon. Within the cordon the current war between smugglers and customs officials could stop and Senegal would control imports to all of its territory. Gambian government officials are afraid that reexports would be drastically reduced, costing the government up to a third of its normal budgetary revenue and putting many of those employed in the import trade out of business. They fear that prices would rise quickly to Senegalese levels, which are believed to be 30 to 50 percent higher than in The Gambia. Then wages would slowly follow, setting off an inflationary spiral.

Our analysis suggests that none of this is likely. The feared rise in the cost of imports has already happened in The Gambia for the most part, due to the 100+ percent decline in the value of the dalasi in 1986. Customs uniformity has also inadvertently nearly happened already, and it should have little impact on the reexport trade. The two countries import tax levels announced July 1, 1986, are very close to one another, independently of customs union discussions. As of July 1, 1986, Senegal has an across-the-board 15 percent customs tariff, while The Gambia's is 6 percent. Fiscal duties average 25 percent in both countries, and range from duty free socially necessary goods to a 65 percent maximum in Senegal. Senegal has little scope for further tariff reduction because of the overvalued CFA franc. Without a devaluation of the CFA franc, Senegal's tariff policy is effectively the main means available to solve balance of payments crises.

Most imports pay 25 percent in The Gambia, but cigarettes are assessed 171 percent and petroleum products pay 450 percent. (Senegal takes a similar revenue margin on the pump price of gasoline, but does not consider it a customs duty.) Unless The Gambia were to match Senegal's VAT, fixed prices, import prohibitions, quotas and private monopoly grants, however, most of the goods currently reexported from The Gambia into Senegal would continue to be cheaper in The Gambia.

We did a rapid market price survey of items subject to cross-border trade, some results of which are shown in Table 5, Retail Prices in Dakar and Banjul. The reexport trade in some items has declined and the price advantage diminished or reversed. West African cotton cloth (called Lagos/Fanti in the table), for example, printed in Dakar, Abidjan, Ghana or Nigeria, used to be cheaper in Banjul than in Dakar, but increased duties have made it more expensive. The Senegalese customs enforcement campaign has reduced the trade in the styles that still have a big price advantage. China tea (the kind mint tea is made with) was likewise the subject of a mini-price war last year, that The Gambia seems to have lost. In Senegal it used to be a government monopoly, and then the monopoly was trasnferred to the private Holding Kebe. When it became too popular with smugglers, the GOS reduced its tariffs to match those of The Gambia and opened the trade to all. It is now legally reexported from Senegal to The Gambia for the most part.

Cigarettes have always been a revenue earner for both governments. With high duties, Gambian imports are about the same price as the same brands in Senegal. Senegal has an import substitution industry, which produces Camelias for export to The Gambia, and packages Marlboros under local license. Gambian Marlboros are more popular in Senegal than the local ones, however, as smokers say they are more tightly packed. Tobacco imports seems to earn both governments substantial revenue, and still have room for a competitive import substitution industry. Textiles may be an area where similar taste factors create a diverse market in which reexports and local industry can coexist.

Butane cooking gas is subsidized in Senegal to conserve trees. Despite the sharp price differential little of it is reexported into The Gambia. Gambians rarely have access to transport, and it is not worth while to go to Senegal for the few items that are cheaper there.

Most of the other items on the list are subject to cross-border trade, and one can see the price differentials that stimulate it. It is import prohibitions, quotas, the VAT, and other protective manipulations that have created the differentials, not just customs duties.

Agreeing to customs union would limit the Gambian government's freedom to fine-tune duty levels to encourage the reexport trade. Unless Senegal tightened restrictions on trade, however, Banjul would still have a natural geographic role as the closest major port serving the Casamance, Bissao and the area south of Kaolack. Senegal's infrastructural and administrative practices have artificially reduced The Gambia's commercial role in the region, and have cost Senegal the use of the cheap transportation that created the trade region in the first place: the navigable Gambia River. The river is of limited use, however, unless a network of feeder roads to river ports is integrated with it.

If customs union is agreed upon, it would definitely be in The Gambia's interest to eliminate bilateral tariffs and border customs posts entirely. Maintaining a 5 percent duty on one another's goods would restrain trade without producing significant income. Some decision would have to be made concerning VAT on goods passing from The Gambia to Senegal. The Gambia may, by then, have decided to institute a VAT. Alternatively Senegal may want either to devise a mechanism for collecting it, or grant The Gambia that trade advantage as a concession in lieu of compensatory payments for lost revenues, which Senegal insists it cannot afford to pay. Drug smuggling would require the attention of both governments, but not necessarily at border posts.

Senegal's nationwide structures for the control of trade have become a heavy burden on the economy and the government, but reform is likely to be a delicate task surpassing the scope of Senegambian customs union. The system is like that of medieval Europe, in which transport, storage and marketing of every product, whether locally produced or imported, is subject to licensing, permits for each truckload, and price controls. Different bureaucracies control the movements of different products. Keeping one's papers in order requires inordinate time, travel and under-the-table payments. Liberalization of trade in Senegal requires this system to be dismantled, but viable regulatory alternatives will have to be devised.

Customs procedures in The Gambia, with the tightening up of loopholes that is currently taking place, would be a much better model for an eventual unified customs system than the Senegalese procedures. In The Gambia import licenses are required only for goods coming from Communist bloc countries. They are free and available to all, requiring only proof of tax payment.

In Senegal import licenses are sold, often as a monopoly. Licensed importers must present a bank guarantee, proof of a CFAF 5 million bank account, and a prior authorization for each shipment of most products. They must use a licensed *transitaire*, who processes first the customs duty and then the fiscal tax. Finally the shipment has to have its VAT evaluated and paid. At each stage and in every service are delays and palms to be greased, both the transitaires' and the officials's. If the shipment happens not to be subject to one or more of these duties, attestations to that effect must be obtained from the Ministry directly concerned and the Ministry of Finance. More delays, more grease. Earlier studies have shown that this system is one of the major uncertainties of doing business in Senegal and a significant disincentive to potential investors. (Colvin, 1983)

In The Gambia, to clear a shipment through customs, one buys a form, fills it out, pays the duty, and takes delivery. The Gambia used to accept receipted value as a tax basis, but this was abused by false invoicing. The Gambia Customs office is now introducing a fixed value system based on world market prices, similar to Senegal's practice.

2.4.5 Consequences of Indefinite Delay

If this study is correct in predicting that the customs union would not have the consequences hoped for by Senegal and feared by The Gambia, there would seem to be little harm in letting the negotiations founder, or, for that matter, in letting customs union be pushed through. The two countries have historically served as safety valves for one another's trade and monetary policy shortcomings. Each now has an economic reform program attuned to its institutions and geographic situation.

The only problem with this is that urgent priorities for the development of both countries are tied up in the Confederal negotiations. Senegalese strategy is to require customs union as a step toward resolution of more important regional bottlenecks.

The development of the Casamance should be and is a priority for Senegal. The south has the nation's best agricultural potential, good tourism prospects, and a relatively highly educated, skilled and lower cost labor force. The glaring constraint to its development is the lack of bridge over the Gambia River. As this is easily blamed on The Gambia, Senegalese fail to look beyond and see that Senegalese administrative centralization is just as great a constraint. Administrative procedures oblige imports, exports, development planning and decision-making to be centralized in Dakar, adding uneconomic time and transport costs to every development project. Yet the Casamance could provision its projects and market its goods more cheaply and easily in The Gambia or through Ziguinchor.

Two other major regional development possibilities are inhibited by economic distortions resulting from current national monopoly approaches to development. One is the MIFERSO iron mining scheme in Eastern Senegal and the other is the development of the Gambia River Basin. It was estimated in 1978 that exporting MIFERSO ore via a rail spur to the Gambia River south of Tambacounda could save $28 million per year in transport costs. But that would have involved letting Gambians handle the trade, and the study suggesting it has never been published. Instead a massive overhaul of the Dakar-Tambacounda rail link is being sought. Given the prolonged budget crises facing both governments, donors and government planners have to question how long such economic distortions should continue to be planned into major development schemes.

Gambia River Basin planners are beginning to explore alternatives to the three dam scheme, which is still the official plan. Small local water management projects may provide more viable irrigated agriculture, and the best hydroelectric and reservoir dam sites may turn out to be in neither Senegal nor The Gambia, but in Guinea. Yet The Gambia cannot back down from its negotiating tenet, "No bridge (for you) without a dam (for us)," especially since Senegal tacitly accepted it nearly a decade ago. That a bridge-barrage might destroy the fragile ecology of the delta, which is practically the whole Gambia, no one can admit publicly because there is no alternative plan. The GOS seems to have lost interest in more costly dams for the moment, until it sees the economic viability of the Senegal River Basin dams and irrigation projects under construction.

Neither country can afford to let this stalemate and mutual scapegoat-seeking continue.

The Gambia risks becoming even more of an economic backwater than it already is. It has very limited development potential in its current circumstances. Tourism and fishing are the main areas that continue to have growth prospects. Senegal, however, can squeeze the administrative noose, and slowly strangle Gambian trade, with or without customs union. With only three quarters of a million population, and few known mineral resources, it has little industrial potential unless its market can be enlarged.

The best prospect for breaking the deadlock would be to add regional transport coordination to the OMVG and customs union plans. An excellent study of integrated road and river transport for The Gambia was done by Wilbur Smith and Associates in 1978. Unfortunately, its scope did not include the larger region, with the Dakar-Bamako railroad and the regional trade picture. Similarly Senegal's transport planning continues to focus on domestic roads, railroads, and a bridge, ignoring the river's potential role. More economic transport patterns are key to the development of The Gambia and the southern half of Senegal.

Two types of applied studies could help to break the stalemate over customs union. The first would be applied studies of the impact of customs union alternatives on specific industries in each country, as well as on government revenues. The second would be a regional version of the Wilbur Smith integrated transport study.

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Appendix

Statistical Tables

TABLE 2
CURRENCY EXCHANGE RATES
CFAF - DALASI
1975 - 1985

YEAR	$	CFAF	DALASI	D1.00 = CFAF	CFAF=D
1975	1.00	214.32	1.80	119.0667	8.40
1976	1.00	238.98	2.21	108.1357	9.25
1977	1.00	245.67	2.29	107.2795	9.32
1978	1.00	225.64	2.08	108.4808	9.22
1979	1.00	212.72	1.89	112.5503	8.88
1980	1.00	211.28	1.72	122.8372	8.14
1981	1.00	271.73	1.97	137.9340	7.25
1982	1.00	328.61	2.29	143.4978	6.97
1983	1.00	381.06	2.63	144.8897	6.90
1984	1.00	436.96	3.58	122.0559	8.19
1985	1.00	449.26	3.86	116.3886	8.59
1986	1.00	350*	7	50	20

* AID estimate

Table 3. Producer Prices of Groundnuts

Senegal and The Gambia

Crop Year	Senegal FCFA/kg.	The Gambia Dalasis/T	Equivalent in current CFAF/kg.	Proportion of Senegal's	Exchange Rate D1=CFAF
1975	41.5	310	36.9	0.89	119.07
1976	41.5	370	40.0	0.96	108.14
1977	41.5	408	43.8	1.05	107.28
1978	41.5	408	44.3	1.07	108.48
1979	41.5	421	47.4	1.14	112.55
1980	45.5	421	51.7	1.14	122.84
1981	50	460	63.4	1.27	137.93
1982	60	500	71.7	1.20	143.50
1983	50	520	75.3	~~1.51~~	~~144.89~~
1984	60	450	54.9	0.92	122.06
1985	75	620	72.2	0.96	116.39
1986	90	1100	55.0	0.61	50.00
1987	90	1800	78.0	0.87	43.48

Source: Senegal, AID files (in 1982-84 withholding for seed and fertilizer has been deducted from official prices). The Gambia, IBRD.

Table 4. Relationship Between Groundnut Prices and Production

Senegal and The Gambia

	Prices			Production	
Year	Senegal CFAF/kg.	Gambia CFAF/kg.	Proportion of Sen.'s	Gam. % of Sen.'s	Difference from ann. avg
1975	41.5	36.9	0.89	15.9	2.4
1976	41.5	40.0	0.96	10.5	-3.0
1977	41.5	43.8	1.05	12.0	-1.6
1978	41.5	44.3	1.07	18.7	5.1
1979	41.5	47.4	1.14	12.7	-0.8
1980	45.5	51.7	1.14	9.9	-3.6
1981	50	63.4	1.27	11.7	-1.9
1982	60	71.7	1.20	12.5	-1.0
1983	50	75.3	1.51	13.9	0.3
1984	60	54.9	0.92	20.0	6.5
1985	75	72.2	0.96	11.0	-2.5
1986	90	55.0	0.61	13.5	0
1987	90	78.0	0.87	annual average 13.5	

Table 5. Retail Prices in Dakar and Banjul

Commodity	Dakar CFAF		Dakar Dalasi value	Banjul Dalasis		Banjul CFAF value	Difference
Rice /kg.	160	CFAF=	3.2	2.00	D.=	100	-37.5 %
Wheat Flour /kg.	225	CFAF=	4.5	2.00	D.=	100	-55.6 %
Millet/Cous /kg.	150	CFAF=	3	1.32	D.=	66	-56.0 %
Sugar cubes /kg.	375	CFAF=	7.5	5.00	D.=	250	-33.3 %
Sugar, gran. /kg.	not avail.			3.00	D.=	150	n.a. %
Groundnut Oil /l.	565	CFAF=	11.3	8.75	D.=	437.5	-22.6 %
Cooking Oil /l.	475	CFAF=	9.5	10.50	D.=	525	10.5 %
Cotton cloth /m.							
Lagos/Fanti	650	CFAF=	13	14.00	D.=	700	7.7 %
Bazin 2nd qual.	2300	CFAF=	46	30.00	D.=	1500	-34.8 %
1st qual.	3000	CFAF=	60	45.00	D.=	2250	-25.0 %
Gasoline /l.	335	CFAF=	6.7	5.45	D.=	272.5	-18.7 %
Diesel /l.	210	CFAF=	4.2	3.50	D.=	175	-16.7 %
Soap (ord.) /bar	825	CFAF=	16.5	5.20	D.=	260	-68.5 %
Butane gas, med.	500	CFAF=	10	20.00	D.=	1000	100.0 %
Cement /50 kg.	2340	CFAF=	46.8	35.00	D.=	1750	-25.2 %
Matches /box	20	CFAF=	0.4	0.25	D.=	12.5	-37.5 %
Tom.paste/425 gr.	n.a.		0	6.00	D.=	300	n.a.
/800 gr.	1900	CFAF=		10.00	D.=	500	-73.7 %
/2 kg.	760						34.2
China tea/100 gr.	390	CFAF=	7.8	8.50	D.=	425	9.0 %
Cigarettes /20							
Camelia	85	CFAF=	1.7	2.00	D.=	100	17.6 %
Marlboro			0	7.00	D.=	350	n.a.
Piccadilly				7.00	D.=	350	

TABLE 6A

THE GAMBIA - BASIC DATA

AREA, POPULATION, AND GDP PER CAPITA

Area	10,360 Square Kilometers
Population: Total (1985)	745,000
Growth rate	3.5 percent
GDP per capita (1985/86)	SDR 200

11,300

	1981/82	1982/83	1983/84	1984/85	1985/86
GROSS DOMESTIC PRODUCT					
GDP (at 1976/77 market prices)					
(millions of dalasis)	372.9	427.5	395.6	361.2	385.1
Of which (percent of total):					
agriculture	(30.0)	(31.8)	(26.6)	(27.5)	(29.9)
manufacturing	(6.5)	(6.0)	(6.4)	(6.2)	(6.0)
trade (excluding groundnut marketing)	(16.4)	(15.5)	(15.0)	(13.8)	(13.0)
GDP (in millions of dalasis at					
current market prices)	451.4	527.6	503.7	646.5	828.0
Gross domestic investment					
(as percent of GDP)	25.1	20.7	18.0	20.9	17.5
Gross domestic saving					
(as percent of GDP)	3.5	9.7	2.3	0.3	-9.7
Annual percentage change					
GDP at constant 1976/77 prices	9.6	14.6	-7.5	8.7	6.6
GDP deflator	—	1.7	26.4	17.0	20.1
Consumer price index	8.0	9.3	15.[illegible]	22.8	41.8
CENTRAL GOVERNMENT FINANCE					
	(In millions of dalasis)				
Recurrent revenue	91.4	105.5	127.[illegible]	146.0	207.7
Foreign grants	56.8	16.9	26.[illegible]	32.3	59.1
Expenditure and net lending	184.9	179.1	210.[illegible]	262.3	284.8
Recurrent	116.1	112.6	140.[illegible]	151.4	178.8
Development	68.8	66.5	70.[illegible]	109.1	91.1
Unallocated expenditure and					
net lending	—	—	—	1.8	14.9
Overall deficit (-)					
Excluding grants	-93.5	-73.5	-83.[illegible]	-116.3	-77.1
Including grants	-36.7	-56.6	-57.[illegible]	-84.0	-18.0
Change in arrears (decrease -)	—	—	20.[illegible]	25.7	-33.2
Financing	36.7	56.6	36.[illegible]	58.3	51.2
Foreign (net)	34.7	31.2	21.[illegible]	38.0	7.1
Domestic (net)	2.1	25.4	15.[illegible]	20.3	44.1
Of which: banking system	(-1.7)	(23.7)	(5.[illegible])	(13.4)	(25.6)
MONEY AND CREDIT					
	(percent change)				
Domestic credit	16.1	35.8	17.[illegible]	5.0	17.8
Government	-8.8	47.5	32.7	18.3	15.7
GPMB	101.5	90.6	9.4	-14.4	22.9
Other public enterprises	...	...	...	44.1	12.9
Private sector	9.5	12.6	16.3	0.4	18.2
Money and quasi-money	45.7	35.1	7.4	34.5	24.8

BALANCE OF PAYMENTS

(In millions of SDRs)

Imports, f.o.b.	-85.7	-81.7	-96.1	-74.9	-73.4
Trade balance	-18.4	-4.2	-10.0	-12.8	-14.1
Services and private transfers (net)	-25.9	-22.9	-26.4	-22.1	-19.1
Current account (net)	-44.3	-27.1	-36.4	-35.0	-33.3
Capital account (net)	29.8	-1.4	11.7	31.1	19.8
Official	54.0	34.5	32.4	33.8	24.3
Private	-24.2	-35.9	-20.7	-2.7	-4.5
Overall surplus or deficit	-14.5	-28.5	-24.7	-3.8	-13.5
Current account deficit (excluding official transfers) (as percent of GDP)	24.2	14.6	19.1	22.4	21.4
GROSS OFFICIAL FOREIGN RESERVES (END OF PERIOD)					
Amount	4.3	2.6	5.2	3.8	1.3
In weeks of imports, f.o.b.	2.6	1.7	2.8	2.7	1.5
EXTERNAL PUBLIC DEBT.					
Committed (Including undisbursed) (end of period) 1/	203.8	224.9	253.1	265.2	270.0
EXTERNAL PUBLIC DEBT.					
Debt service as percent of domestic exports of goods and nonfactor services 2/					
Including IMF	25.8	24.8	31.6	52.8	98.4
Excluding IMF	21.5	19.8	22.3	40.2	65.6

1/ Medium and long-term public debt as recorded as IBRD. Does not include outstanding use of Fund credit or short-term debt.
2/ Includes debt service on medium and long-term debt, interest on short-term debt, and IMF repurchases and charges.

SOURCE: IMF

TABLE 6B

Senegal - Basic Data

Area, population, and GDP per capita

Area: 196,200 square kilometers
Population: Total (1984) 6.4 million
Growth rate (1980-84) 2.9 percent per annum
GDP per capita (1984) SDR 354

	1980	1981	1982	1983 Prov.	1984 Prov.	1985 Est.
Gross domestic product (GDP) (in current prices)						
Total (in billions of CFA francs)	627.5	669.8	844.1	939.5	1,015.4	1,186.9
	(In percent of GDP)					
Primary sector	21.9	20.8	22.8	23.0	19.8	21.1
Of which: agriculture	(10.8)	(9.6)	(12.6)	(12.9)	(7.8)	(8.7)
Secondary sector	23.1	24.6	24.7	24.4	25.0	24.6
Of which: industry	(14.6)	(16.5)	(15.2)	(14.7)	(15.8)	(15.4)
Tertiary sector	55.0	54.6	52.5	52.5	55.2	54.3
Consumption	100.4	104.7	95.3	98.0	99.6	96.4
Gross investment	15.6	16.4	15.8	16.2	13.3	14.6
Resource gap	-16.0	-21.1	-11.1	-14.2	-12.9	-11.0
Gross domestic saving	- 0.4	- 4.7	4.7	2.0	0.4	3.6
	(Annual percent changes)					
Real GDP	-3.3	-0.8	15.2	2.6	-4.0	3.9
Nominal GDP	7.8	6.7	26.0	11.3	8.1	16.9
Prices						
GDP deflator	11.4	7.6	9.4	8.5	12.6	12.5
Consumer price index	8.7	5.9	17.9	11.5	11.2	12.6
Export prices (in SDRs)	-7.4	32.9	-9.0	-2.6	13.2	0.5
Import prices (in SDRs)	24.4	5.0	1.3	-3.9	5.5	0.4
Terms of trade (in SDRs)	-25.5	26.6	-10.2	1.3	7.2	0.2

Senegal - Basic Data (continued)

	1980/81	1981/82	1982/83	1983/84 Est.	1984/85 Est.	1985/86 Prog.
Government finance			(In billions of CFA francs)			
Total revenue and grants	132.3	160.6	180.9	201.6	216.1	250.2
Of which revenue	(125.5)	(151.9)	(175.7)	(189.4)	(203.9)	(230.7)
Total expenditure and net lending	206.8	212.6	254.2	246.3	254.2	263.0
Of which current expenditure	(151.3)	(165.4)	(186.6)	(205.3)	(217.1)	(222.6)
Overall deficit (-)						
Commitment basis	-74.5	-52.0	-73.3	-44.7	-38.1	-12.8
Cash basis	-58.0	-72.7	-66.5	-67.3	-49.7	-36.2
Foreign financing (net)	35.3	28.6	48.5	36.7	36.0	24.5
Domestic financing (net)	22.7	44.1	18.0	30.6	13.7	11.7
Of which: banking system	(18.9)	(38.7)	(20.2)	(35.2)	(17.9)	(22.9)
			(In percent of GDP)			
Total revenue and grants	20.4	21.2	20.3	20.5	19.6	19.7
Of which: revenue	(19.3)	(20.1)	(19.7)	(19.4)	(18.5)	(18.2)
Total expenditure and net lending	31.9	28.1	28.5	25.2	23.1	20.6
Of which: current expenditure	(23.3)	(21.9)	(20.9)	(21.0)	(19.7)	(17.5)
Overall deficit						
Commitment basis	11.5	6.9	8.2	4.6	3.5	0.9
Cash basis	8.9	9.6	7.4	6.9	4.5	2.8

	1980	1981	1982	1983	1984	1985 Prog.
Money and credit			(In billion of CFA francs; end of period)			
Foreign assets (net)	-77.0	-121.6	-159.3	-182.5	-210.1	-235.3
Domestic credit	292.5	370.3	446.2	480.2	501.1	554.3
Government (net)	17.9	40.7	87.6	106.9	122.3	149.3
Private sector	274.6	329.6	358.6	373.3	378.8	405.0
Money and quasi-money	177.9	216.9	262.4	272.7	287.1	308.0

Senegal Basic Data (continued)

	1980	1981	1982	1983	1984	1985
	Annual percent changes					
Domestic credit	16.0	26.6	20.5	7.6	4.4	10.6
Of which: private sector	(14.3)	(20.0)	(8.8)	(4.1)	(1.5)	6.9
Money and quasi-money	10.4	21.9	21.0	3.9	5.3	7.3
Balance of payments	(In million of SDRs)					
Exports, f.o.b.	369.1	434.5	534.2	531.9	534.7	518.3
Of which: groundnut	(64.0)	(28.4)	(122.1)	(146.0)	(119.2)	(60.4)
Imports, f.o.b.	-747.5)	-855.8	-860.5	-823.0	-784.3	-760.3
Trade deficit (-)	-378.4,	-422.3	-326.3	-291.1	-249.6	-242.6
Services (net)	-45.0	-91.8	-74.7	124.4	-166.1	-160.2
~~Unrequired transfers (net)~~	~~92.0~~	~~130.1~~	123.2	132.8	142.0	157.3
Current account deficit (-)	-331.9	-383.0	-278.8	-282.7	-273.7	-245.5
Capital account (net)	253.6	175.4	112.1	221.1	163.2	87.2
Errors and omissions	-25.4	30.5	2.8	-27.1	-40.2	--
Allocation of SDRs	4.4	--	--	--	--	--
Overall deficit (-)	-99.3	-172.7	-162.9	-88.7	-70.3	-158.3
Overall deficit (-) after debt rescheduling	-99.3	-118.6	-76.8	-18.4	-4.9	-86.4
	(In percent of GDP)					
Exports, f.o.b.	16.2	20.8	23.0	23.1	23.6	-19.9
Imports, f.o.b.	32.8	40.9	37.0	35.7	34.6	29.2
Current account deficit (including official transfers)	14.5	18.3	12.0	12.2	12.1	9.4
	(In millions of SDRs; end of period)					
Gross official international reserves	7.4	17.9	21.6	22.4	15.2	15.8
External public debt						
Disbursed and outstanding (end of period) 1/	940.5	1,165.9	1,513.1	1,840.2	1,997.7	2,169.9.
Interest due	42.6	57.1	64.8	80.5	104.7	114.3
Amortization due (including Fund repurchases	91.5	109.7	123.0	89.3	98.4	126.8
Debt rescheduling	--	54.1	86.1	70.3	75.2	71.9
Debt service after rescheduling (in percent of exports of goods, services, and private transfers)	19.5	15.1	11.6	11.9	15.4	20.3

Senegal - Basic Data (concluded)

Exchange rates	(CFA francs per SDR)					
End of period	288.0	334.5	370.9	437.0	470.1	415.3
Period average	275.0	320.4	362.8	407.4	447.9	456.2

1/ Including short-term debt, Fund credit, and the foreign liabilites of the central bank.

Source: IMF

TABLE 7A
THE GAMBIA: Gross Domestic Product
at Current Prices 1975-1985 1/
(millions of dalasis)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985.0
AGRICULTURE	70.5	92.5	103.8	96.5	126.1	112.3	111.9	154.8	195.9	167.8	188.2
Groundnut	39.0	46.4	51.1	35.9	52.4	33.1	21.5	49.0	72.6	45.3	41.9
Other crops	18.9	24.6	26.7	27.8	37.1	35.9	40.2	46.1	55.3	43.0	57.0
Livestock	10.2	18.5	22.0	25.8	29.0	33.2	39.6	47.5	55.3	66.2	74.7
Fishing	1.0	1.8	2.2	5.2	5.6	7.8	8.4	9.8	10.1	10.4	11.7
Forestry & Logging	1.4	1.2	1.8	1.8	2.0	2.3	2.2	2.4	2.6	2.9	2.9
INDUSTRY	20.8	27.2	33.3	43.0	52.4	48.1	59.9	48.8	45.7	77.3	89.3
Manufacturing	6.6	11.8	14.3	13.6	20.1	13.8	26.7	22.7	23.3	51.6	58.7
Construction 2/	12.8	14.1	17.2	27.1	30.4	32.1	31.3	24.8	20.6	23.2	28.1
Electricity & Water	1.4	1.3	1.8	2.3	1.9	2.2	1.9	1.3	1.8	2.5	2.5
SERVICES	112.2	125.5	171.4	175.4	182.9	199.1	195.5	202.2	219.1	275.8	298.7
Trade	49.1	43.1	75.7	63.2	62.1	64.6	59.6	52.7	48.4	94.0	108.9
of which: marketing of groundnuts	29.1	11.3	35.9	20.1	8.4	2.4	4.2	2.0	-5.3	31.3	29.0
Hotels and restaurants	4.1	5.3	7.1	6.9	8.6	9.4	4.5	4.6	7.0	9.5	11.3
Transport & Communications	12.6	17.7	19.8	25.2	27.9	32.1	33.9	37.0	41.3	39.5	41.9
Real estate & business services	19.3	20.3	21.6	24.4	26.0	29.6	35.8	37.4	39.9	42.6	44.6
Government Services	20.9	29.2	37.2	43.4	46.2	50.8	55.1	61.4	72.9	79.1	80.7
Other services 3/	6.2	9.9	10.0	12.3	12.1	12.6	6.6	9.1	9.6	11.1	11.3
GDP at factor cost	203.5	245.2	308.5	314.9	361.4	359.5	367.3	405.8	460.7	520.9	576.2
Indirect taxes less subsidies	17.6	33.1	46.5	46.9	56.5	65.5	44.3	45.6	66.9	82.8	70.3
GDP at market prices	221.1	278.3	355.0	361.8	417.9	425.0	411.6	451.4	527.6	603.7	646.5

1/ All data in fiscal years, ending June 30th.
2/ Includes mining which is very small.
3/ Includes banking and insurance, imputed bank service charges, personal and household services, social, recreational and related services.

SOURCE: IBRD

TABLE 7B
SENEGAL: GROSS DOMESTIC PRODUCT
(BILLIONS OF CFA FRANCS AT CURRENT PRICES)

ITEM	[illegible]	1978	1979	1980	1981	1982	1983	1984	1985
PRIMARY SECTOR	75	132.5	104.6	139.6	120.1	121.1	185.7	204.7	171.
AGRICULTURE	76	74.1	45.3	83.1	59.6	54.1	111.9	119.1	72.
ANIMAL HUSBANDRY	77	32.3	31.4	34.7	37.5	41.5	45.7	54.2	64.
FISHERY	78	18.1	18.1	11.2	12.6	15.9	18.0	20.8	23.
FORESTRY	79	8.0	9.8	10.6	10.4	9.6	10.1	10.6	11.
SECONDARY SECTOR	81	113.1	120.4	141.1	156.2	171.6	204.9	227.4	234.
MINING	82	8.3	7.5	8.7	10.6	12.8	12.2	16.8	20.
OIL MILLS	83	18.5	7.3	13.5	9.8	4.3	7.0	11.6	7.
ENERGY	84	8.0	9.1	10.9	11.6	8.2	6.6	10.0	11.
CONSTRUCTION	85	21.2	27.5	32.1	37.7	42.8	51.2	60.8	61.
OTHER INDUSTRIES	86	57.1	69.0	75.9	86.5	103.5	125.9	128.2	182.
TERTIARY SECTOR	89	177.0	200.0	217.5	236.5	254.6	316.9	361.4	397.
TRANSPORTATION	90	28.6	30.8	36.7	49.3	48.1	60.8	69.5	81.
COMMERCE	92	114.2	125.8	132.1	116.4	136.8	167.2	188.1	207.
OTHER SERVICES	94	34.2	43.4	48.7	70.8	69.7	88.9	103.8	108.
DOMESTIC PRODUCTION	95	422.6	425.0	498.2	512.8	547.3	707.5	793.5	853.
SALARIES	96	61.0	69.7	83.7	114.8	122.5	136.8	150.1	163.
PUBLIC SALARIES	97	55.6	63.9	77.7	106.1	113.0	125.9	138.0	150.
PRIVATE SALARIES	98	5.4	5.8	6.0	8.7	9.5	10.9	12.1	13.
GROSS DOMESTIC PRODUCT	99	483.6	494.7	581.9	627.6	669.8	844.3	943.6	1016.

Source: IBRD

TABLE 8A

THE GAMBIA: Recurrent Government Revenues, by Source, 1979/80-1984/85
(in millions of current dalasis)

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85
Total revenue and grants	109.00	104.47	148.18	122.45	153.60	179.10
	-----	-----	-----	-----	-----	-----
Total revenue	98.20	80.17	91.38	105.55	127.60	147.80
Foreign grants	10.80	24.30	56.80	16.90	26.00	31.30
Tax revenue	81.70	70.10	79.40	91.79	115.60	134.80
	-----	-----	-----	-----	-----	-----
Taxes on income, profit, and capital gains	14.80	17.44	14.88	12.90	16.80	21.00
Individual	(7.57)	(8.54)	(7.31)	(7.73)	(10.63)	(8.60)
Corporate	(7.18)	(8.88)	(8.54)	(4.68)	(6.02)	(12.00)
Other	(0.05)	(0.02)	(0.03)	(0.19)	(0.15)	(0.40)
Payroll	0.59	0.32	0.39	0.30	0.66	1.00
Taxes on goods and services	3.16	3.74	3.99	4.69	6.70	10.30
Selective excises on goods	(0.96)	(0.98)	(1.71)	(1.20)	(2.82)	(5.32)
Selective taxes on services	(0.89)	(0.80)	(0.55)	(0.86)	(1.27)	(1.90)
Taxes on activities	(1.31)	(1.96)	(1.73)	(2.63)	(2.57)	(3.08)
Motor vehicle taxes	/1.13/	/1.39/	/1.38/	/2.12/	/1.81/	/2.53/
Other	/0.18/	/0.57/	/0.35/	/0.51/	/0.76/	/0.45/
Taxes on international trade	62.89	48.43	59.96	73.46	91.10	102.00
Import duties	(55.01)	(47.65)	(55.79)	(72.57)	(79.27)	(93.20)
Customs duties	/51.69/	/42.99/	/52.74/	/67.80/	(71.44)	/83.64/
Other charges	/3.32/	/4.66/	/3.05/	/4.77/	(7.84)	/9.56/
Export duties	(7.52)	(0.48)	(3.77)	(0.42)	(10.74)	(7.76)
Other taxes	(0.36)	(0.30)	(0.40)	(0.47)	(1.04)	(1.04)
Other taxes	0.26	0.17	0.18	0.24	0.38	0.40
Non-tax revenue	16.45	10.04	11.94	12.94	11.90	13.30
	-----	-----	-----	-----	-----	-----
Property income	3.28	2.82	3.73	3.46	0.70	3.50
Administrative fees and charges	6.14	2.00	7.53	8.44	10.40	8.50
Forfeits and fines	0.13	0.08	0.11	0.12	0.20	0.10
Contribution to pension funds	0.27	0.31	0.44	0.44	0.49	0.45
Other a/	6.63	4.83	0.13	0.48	0.11	0.25
Capital revenue	0.05	0.03	0.04	0.82	0.10	0.02
	-----	-----	-----	-----	-----	-----
Sales of fixed capital assets	0.05	0.03	0.04	0.82	0.10	0.02

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a/ Includes GPMB contributions.

TABLE 8B
GOVERNMENT REVENUE: SENEGAL, 1980/81 - 1984/5 1/
(IN BILLIONS OF CFA FRANCS)

	1980/81	1981/82	1982/83	1983/84	1984/85
I. Tax Revenue	118.2	139.7	164.5	177.2	190.1
1. Taxes on net income and profits	29.4	32.0	36.7	40.1	43.9
Taxes on industrial and commercial profits and professional income	10.3	8.9	9.8	10.6	13.2
Taxes on wages and salaries 2/	8.4	12.6	11.9	12.3	13.0
Tax on capital income	2.8	2.1	2.6	3.2	3.6
Tax on rental income 3/	--	--	--	0.2	0.3
Tax on real estate capital gains	0.1	0.1	0.2	0.2	0.2
General income tax	7.8	8.3	12.2	13.6	13.6
2. Employer's payroll tax	2.1	1.6	3.8	4.3	4.5
Payroll tax	2.1	1.6	3.8	4.3	4.5
3. Taxes on property	3.9	3.4	2.8	2.8	2.8
Taxes on real estate 5/	1.4	1.3	0.5	0.2	0.3
Registration duties	2.1	1.9	2.2	2.5	2.4
Mortgage duties	0.4	0.2	0.1	0.1	0.4
4. Taxes on goods and services	36.6	41.0	48.8	54.2	58.2
Value-added tax 6/	28.5	33.0	39.1	43.6	48.0
Other excises	3.9	3.7	4.2	5.1	4.3
Tax on insurance contracts	0.8	0.9	1.3	1.2	1.4
Tax on vehicles	1.2	1.1	1.2	1.2	1.6
Business license fees 5/	0.1	--	--	--	--
Tax on arms 3/	--	--	--	--	--
Taxes earmarked to the CAA 7/	2.1	2.3	3.0	3.1	2.9
5. Taxes on foreign trade	44.6	60.6	71.2	74.2	79.0
Import duties 8/	43.1	59.3	70.1	73.5	78.5
Export duties	1.5	1.3	1.1	0.7	0.5
6. Other taxes	1.6	1.1	1.2	1.4	1.7
Of which: stamp duties	(0.7)	(0.8)	(1.2)	(1.4)	(1.2)
II. Nontax revenue	7.3	12.2	11.2	12.0	13.8
Property income	1.1	1.0	1.4	1.2	2.0
Service fees	0.2	0.4	0.8	1.4	2.2
Revenue earmarked to the CAA 9/	0.8	2.4	5.8	4.1	5.8
Other 10/	5.2	8.4	3.2	5.3	3.8
TOTAL (I + II)	125.5	151.9	175.7	189.4	203.9

Source: International Monetary Fund (IMF)

1/ Budget year ending June 30.
2/ Including parts earmarked to the Caisse Autonome d'Amortissement (CAA) and the Housing and Urban Improvement Fund (FHU); earmarkings were abolished effective 1981/82.
3/ Insignificant amounts involved.
4/ Of which half was earmarked to the FHU; earmarking was abolished effective 1981/82.
5/ Earmarked to local authorities; amounts shown involve collection of arrears.
6/ Including the specific tax on petroleum products which was replaced by the value-add tax effective 1983/84.
7/ Taxes on alcohol and cement.
8/ Including Regional Cooperation Tax, value-added tax, and other surcharges on imports, for which no breakdowns are available.
9/ Consisting of profits from the central bank, interest on special deposits, and proceeds of water sale.
10/ Including unallocable revenue.

TABLE 9A

GOVERNMENT OF THE GAMBIA

ABSTRACT OF EXPENDITURE FY 1978-1985

Heading	1978	1979	1980	1981	1982	1983	1984	Estimates 1985	% Increase 1978-85
	'000 D	'000 D	'000 D	'000 D	'000 D	'000 D	'000 D	'000 D	
1 Office of The President	3,306	3.193	4,495	5,959	7,110	8,779	9,159	10,106	206%
2 Legislature	240	312	377	324	373	337	419	455	90%
3 Public Service Commission	42	42	53	60	70	73	82	85	102%
4 Audit	126	144	173	233	204	222	375	378	200%
5 Ministry of Defence	-	-	-	-	-	2,053	4,920	5,135	
6 Ministry of The Interior	-	-	-	-	5,634	5.657	7,964	7,544	
7 Ministry of Information & Tourism	1,132	1.447	1,436	1,858	3,225	3,898	4.214	4,294	279%
8 Ministry of External Affairs	6,080	5.991	8,919	5,195	5,479	5.267	5.547	5,383	-12%
9 Ministry of Justice	159	187	667	731	926	1,061	1.438	1,401	732%
10 Ministry of Finance & Trade	1,513	1.570	1,976	2,522	3,861	4.317	10.895	16.451	1119%
11 Pensions and Gratuities	2.570	3.077	3,125	3,067	3,411	4,331	4.622	4.850	89%
12 Dept. Service Charges	1,415	3.263	4,713	4,294	8,530	22,845	26.420	43,465	2972%
13 Miscellaneous Services	8,663	5.159	5,611	4,250	33,961	5,318	15.298	5,646	-35%
14 Ministry for Local Government & Lands	1,951	1.350	2,336	3,731	5,126	4.804	3.914	3,969	103%
15 Ministry of Agriculture	9,622	11.557	14,499	13,261	9,320	10,365	12.302	12,758	33%
16 Ministry of Water Resources and Environment	-	-	-	1,186	3,234	3,306	4,246	4,393	
17 Ministry of Works & Communications	7,377	9,444	9,778	12,663	16,163	14,024	14,979	13,001	76%
18 Ministry of Economic Planning and Industrial Development	1,056	1.114	1,595	2,129	1,421	728	1,591	1,660	57%
19 Ministry of Education, Youth, Sports and Culture	8,416	9,346	12,263	14,276	17,200	19.812	22,288	23,431	178%
20 Ministry of Health, Labour and Social Welfare	7,542	8,284	8,621	10,178	12,020	11,366	14,319	14,508	92%
Police and Fire Services	3,591	3.661	4.132	5,018	-	-	-	-	
Printing	562	653	792	763	-	-	-	-	
Administration	544	601	555	-	-	-	-	-	
Surveys	276	286	341	-	-	-	-	-	
Public Works Annually Recurrent	6,786	5.137	4,834	-	-	-	-	-	
Judicial	326	343	-	-	-	-	-	-	
TOTAL	73,29[illegible]	76.160	91,291	91,698	137.268	129,563	164.994	180,912	147%

Source: Recurrent Revenue and Expenditure, Government of the Gambia

TABLE 9B

SENEGAL: CURRENT BUDGETARY EXPENDITURES, 1980/81 - 1984/85

(In billions of CFA francs)

	1980/81	1981/82	1982/83	1983/84	1984/85
Economic classification 2/					
Wages and salaries	78.3	83.3	92.7	100.4	106.6
Materials, supplies, and maintenance	34.8	30.3	36.9	35.4	33.5
Interest on government debt 3/	11.7	18.3	26.7	36.9	44.4
Of which: external	(11.0)	(17.0)	(26.2)	(36.4)	(43.8)
Scholarships	2.5	2.7	2.8	3.0	2.5
Other transfers and subsidies	15.7	21.7	25.6	27.6	29.8
Unclassified	8.3	9.1	1.9	2.0	0.3
Total	151.3	165.4	186.6	205.3	217.1
Functional classification 2/					
General public services	48.5	48.4	62.2	70.4	65.7
National defense	19.7	22.8	23.2	26.0	27.5
Education	33.3	37.0	37.4	39.3	43.1
Health	7.3	7.6	7.9	8.8	8.1
Social and community services	4.6	5.0	6.7	6.3	5.9
Economic services	10.6	10.2	12.0	12.3	13.2
Unallocable	27.3	34.4	37.2	42.2	53.6
Of which: interest on government debt 3/	(11.7)	(18.3)	(26.7)	(36.9)	(44.4)
Total	151.3	165.4	186.6	205.3	217.1

Source: IMF

1/ Budget year ending June 30
2/ Including interest on government debt serviced by the Caisse autonome d'amortissement (CAA), operating as a treasury special account.
3/ On a contractual basis

TABLE 10A
THE GAMBIA: Balance of Payments, 1979-85
(millions of US dollars)

	1979	1980	1981	1982	1983	1984	1985 est.
Exports of Goods and NFS	104.6	134.0	103.0	100.3	105.6	111.2	81.4
Exports of Goods (FOB)	82.2	111.4	81.5	82.0	84.3	88.6	60.2
Domestic exports	35.0	36.0	22.1	19.7	28.4	34.5	18.6
Re-exports 1/	47.2	75.4	59.4	62.3	55.9	54.1	41.6
Non-factor services	22.4	22.6	21.6	18.3	21.3	22.6	21.1
Travel	16.7	17.9	18.2	11.8	15.8	18.5	18.4
Other	5.7	4.7	3.4	6.5	5.5	3.9	2.8
Imports of Goods and NFS	132.2	184.7	174.9	142.3	131.7	138.0	114.6
Imports of Goods (FOB)	95.6	138.3	127.8	96.8	91.3	95.5	73.4
Non-factor services	36.6	46.4	47.1	45.5	40.4	42.3	41.2
Freight & Insurance	16.0	23.1	21.3	16.2	15.2	16.0	12.3
Other	20.7	23.4	25.8	29.3	25.2	26.4	28.9
Net exports of Goods and NFS	-27.6	-50.7	-71.8	-41.9	-26.1	-26.8	-33.2
Net Factor Income	-2.5	-2.1	-2.8	-5.4	-9.1	-8.0	-7.9
Factor income receipts	1.8	0.0	0.0	1.0	0.2	0.3	0.2
Factor income payments	4.3	2.1	2.8	6.4	9.3	8.3	8.1
Net Transfers (private)	-0.9	3.6	3.4	3.0	2.6	2.4	2.1
Transfer receipts	1.0	3.6	3.4	3.0	2.6	2.4	2.1
Transfer payments	1.9	0.0	0.0	0.0	0.0	0.0	0.0
Current Account Balance 2/	-31.0	-49.2	-71.2	-44.3	-32.5	-32.4	-39.0
CAPITAL FLOW							
Direct Investment	6.9	5.9	1.0	0.5	-0.1	0.1	0.1
Official Transfer and grants 3/	35.5	37.8	44.7	43.8	35.3	30.4	30.4
Net M.L.T. Loans (DRS)	20.5	38.9	46.5	30.1	13.5	18.5	17.7
Disbursements	20.8	39.3	47.0	34.7	20.3	25.1	27.3
Amortization	0.3	0.4	0.4	4.6	6.8	6.6	9.7
Short term Cap. Errors & omission	-24.9	-37.3	-15.5	-43.6	-46.5	-19.2	-5.5
Other Capital n.i.e. 4/	-21.7	-17.6	-15.7	-3.3	-1.5	-9.1	-9.6
Overall Balance	-14.7	-21.5	-10.1	-16.8	-31.8	-18.2	-7.8

a/ Fiscal years end 30th of June.
1/ Includes Mission estimates of unrecorded re-exports.
2/ Excludes official transfers which appear below the line.
3/ OECD, Geographical Distribution of Financial Flows, Paris, 1984.
4/ Reflects the difference between DRS figures and IMF official loans.

SOURCE: IBRD

TABLE 10B
SENEGAL: BALANCE OF PAYMENTS
(MILLIONS OF U.S. DOLLARS AT CURRENT PRICES)

ITEM	1977	1978	1979	1980	1981	1982	1983	1984
EXPORTS (G+NFS)	869.4	686.6	870.7	852.8	814.9	829.9	777.2	797.6
MERCHANDISE (FOB)	667.1	402.0	547.2	480.8	511.6	515.2	509.6	524.5
NON-FACTOR SERVICES	202.3	284.6	323.5	372.0	303.3	314.7	267.6	273.1
IMPORTS (G+NFS)	989.0	1,022.2	1,150.4	1,327.0	1,365.5	1,193.5	1,143.5	1,105.7
MERCHANDISES (FOB)	772.5	744.7	852.4	973.0	1,039.7	895.7	847.5	-805.2
NON-FACTOR SERVICES	216.5	277.5	298.1	354.0	325.7	298.2	296.0	300.5
RESOURCE BALANCE	-119.7	-335.5	-279.7	-474.2	-550.6	-364.1	-366.3	-308.1
NET FACTOR INCOME	-55.8	-77.1	-79.0	-99.9	-93.9	-87.9	-104.7	-116.0
FACTOR RECEIPTS	8.5	9.8	14.6	21.3	17.7	16.1	15.2	15.5
FACTOR PAYMENTS	64.3	86.9	93.6	121.2	111.5	104.1	119.9	131.4
(INTEREST PAID)	25.6	25.6	44.7	64.8	67.0	63.3	81.3	93.8
NET CURRENT TRANSFERS (PRIVATE)	28.1	27.9	2.4	-	31.3	29.5	29.1	29.0
CURRENT ACCOUNT BALANCE	-147.3	-384.8	-356.4	-574.1	-613.2	-422.5	-441.9	-395.0
MLT CAPITAL INFLOW								
PRIVATE CAPITAL	36.2	42.6	150.4	60.6	65.9	44.4	51.4	46.9
OFFICIAL GRANT AID	79.4	92.6	85.6	119.7	122.2	106.5	112.8	114.3
NET MLT LOANS (DRS)	56.2	150.7	146.2	155.2	177.4	279.1	319.9	138.6
DISBURSEMENTS	90.4	225.6	221.0	272.6	169.7	210.6	278.1	164.3
RESCHEDULINGS	-	-	-	-	54.1	77.6	58.5	58.6
REPAYMENTS	34.2	74.9	74.8	117.4	46.4	9.1	16.8	84.3
OTHER MLT (NET)	-	-	17.9	48.7	7.0	-137.9	-160.1	21.7
NET SHORT TERM CAPITAL	-7.3	5.8	-3.8	-	11.0	3.0	2.6	-
CAPITAL FLOWS NEI	-	-	76.6	5.7	5.2	2.1	-	-
ERRORS & OMISSIONS	-26.1	20.9	-196.1	67.2	60.0	10.7	34.6	-
OVERALL BALANCE	-9.0	-72.3	-79.5	-116.9	-164.5	-114.4	-80.6	-73.6
NET CREDIT FROM IMF	-	11.5	5.2	47.8	60.7	43.2	22.6	41.9
OTHER FINANCING	9.0	60.7	74.3	59.2	97.5	82.8	58.0	31.7
ARREARS	-	-	-	9.9	6.3	-11.6	-	-

SENEGAL: BALANCE OF PAYMENTS (continued)

MEMO ITEM :								
CURRENT BALANCE (IMF DEF'N) 1.	-67.9	-292.2	-270.8	-454.3	-491.0	-316.0	-329.0	-280.7
GDP	1,968.3	2,192.8	2,735.8	2,970.2	2,465.2	2,569.4	2,476.0	2,420.5

SOURCES: STAFF ESTIMATES AND FORECASTS BASED ON DATA PROVIDED BY THE GOVERNMENT AGENCIES IN MARCH SEPTEMBER 1984; IMF. AUG. 1984
INCLUDES DISCREPANCY BERWEEN DRS AND IMF FIGURES.
1. IMF INCLUDES THE OFFICIAL GRANT AIDS ABOVE THE LINE.

SOURCE: IBRD

[illegible] 1979-1985 a/
(Millions of [illegible])

	1979	1980	1981	1982	1983	1984	1985
FOOD	48.8	63.9	63.7	74.8	65.6	123.8	120.9
BEVERAGES & TOBACCO	9.9	14.6	9.7	14.3	18.2	11.2	18.5
CRUDE MATERILS	4.4	3.4	6.0	4.7	4.2	4.9	4.0
MINERALS AND FUEL	21.0	26.2	39.3	29.8	32.0	44.7	54.2
ANIMAL AND VEGETABLE OILS	0.3	0.3	2.1	0.5	2.5	3.3	5.2
CHEMICALS	13.3	15.8	14.0	16.7	18.1	15.4	19.2
MANUFACTURED GOODS	57.0	87.8	76.8	49.3	59.6	59.1	67.3
MACHINERY & TRANSPORT EQUIPMENT	44.7	60.8	50.2	33.0	37.6	57.4	49.0
MISC. MANUFACTURED ARTICLES 1/	15.9	15.7	13.2	15.7	18.1	17.5	14.2
COMMODITIES NOT CLASSIFIED BY KIND	1.6	2.0	0.8	1.7	6.1	6.5	2.9
TOTAL IMPORTS (CIF)	220.9	290.5	275.8	240.5	262.0	343.8	355.4
FREIGHT AND INSURANCE	31.6	41.5	39.4	34.4	37.5	49.2	50.9
TOTAL IMPORTS (FOB)	189.3	249.0	236.4	206.1	224.5	294.6	304.5
NON-FACTOR SERVICES	72.5	83.6	87.1	96.9	99.4	130.4	171.0
TOTAL IMPORTS OF G&NFS	261.8	332.6	323.5	303.0	323.9	425.0	475.5
SHARES AS % OF TOTAL IMPORTS							
FOOD	22.1	22.0	23.1	31.1	25.0	36.[illegible]	34.0
BEVERAGES & TOBACCO	4.5	5.0	3.5	5.9	6.9	3.3	5.2
CRUDE MATERIALS	2.0	1.2	2.2	2.0	1.6	1.4	1.1
MINERALS AND FUEL	9.5	9.0	14.2	12.4	12.2	13.0	15.3
ANIMAL AND VEGETABLE OILS	0.1	0.1	0.8	0.2	1.0	1.0	1.5
CHEMICALS	6.0	5.5	5.1	6.9	6.9	4.[illegible]	5.4
MANUFACTURED GOODS	25.8	30.2	27.8	20.5	22.7	17.[illegible]	18.9
MACHINERY & TRANSPORT EQUIPMENT	[illegible].0	20.9	18.2	13.7	14.4	16.[illegible]	13.8
MISC. MANUFACTURED GOODS	[illegible].2	5.4	4.8	6.5	6.9	5.[illegible]	4.0
COMMODITIES NOT CLASSIFIED BY KIND	0.7	0.7	0.3	0.7	2.3	[illegible]	0.8
TOTAL IMPORTS (CIF)	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a/ Fiscal years ending June 30th.

1/ Footwear, clothing, travel goods (hand bags and similar articles,) furniture and sanitary, plumbing, heating and lighting fixtures.

TABLE 11B
REPUBLIC OF SENEGAL: IMPORTS
(BILLIONS OF CFA FRANCS, CURRENT PRICES)

ITEM	1977	1978	1979	1980	1981	1982	1983	1984
FOOD AND BEVERAGES	37.6	36.9	44.8	44.3	73.3	64.3	75.8	76.5
FOOD	34.5	33.5	41.2	40.9	69.1	59.0	69.8	69.9
RICE	11.3	12.6	14.8	18.1	28.4	26.3	32.0	32.0
WHEAT	4.6	2.9	5.4	5.0	5.8	6.0	8.2	8.5
SUGAR	5.5	3.7	3.3	5.4	7.6	4.9	3.1	2.4
OTHERS	13.1	14.3	17.7	12.4	27.3	21.8	26.5	27.0
BEVERAGES TOBACCO	3.1	3.4	3.6	3.4	4.2	5.3	6.0	6.6
OTHER CONSUMER GOODS	34.8	32.5	37.7	32.0	50.3	56.8	61.2	62.9
PETROLEUM	23.4	24.0	32.8	58.3	89.1	84.6	82.6	84.5
INTERMEDIATE GOODS	51.8	44.3	49.2	54.3	55.4	67.9	78.1	85.6
CAPITAL GOODS	39.9	32.7	33.5	33.3	32.5	40.0	46.6	51.0
COMMERCE SPECIAL	187.5	170.4	198.0	222.2	300.6	313.6	344.3	360.5
ENTREPOT ADJUSTMENTS	23.4	16.3	3.4	11.4	19.3	20.6	22.7	23.8
COMMERCE GENERAL	210.9	186.7	201.4	233.6	319.9	334.2	367.0	384.3
FREIGHT AND INSURANCE	-21.1	-18.7	-20.1	-28.0	-37.4	-39.9	-44.0	-46.1
IMPORTS (FOB)	189.8	168.0	181.3	205.6	282.5	294.3	323.0	338.2
NON FACTOR SERVICES	53.2	62.6	63.4	74.8	88.5	98.0	110.8	126.2
IMPORTS OF GOODS AND SERVICES	243.0	230.6	244.7	280.4	371.0	392.3	435.8	464.4

SOURCE: IBRD

TABLE 12A
EXPORTS: THE GAMBIA, Composition of Exports, 1979/85 a/
(millions of dalasis at current prices)

	1979	1980	1981	1982	1983	1984	1985
Groundnut products	62.7	55.6	30.9	33.8	62.8	98.0	65.3
Groundnuts, shelled and unshelled	40.1	35.8	12.6	22.1	47.4	54.7	32.3
Groundnut oil, unrefined	16.7	14.7	14.9	7.5	13.0	36.4	26.5
Groundnut meal and cake	5.9	5.1	3.4	4.2	2.4	6.9	3.[illegible]
Palm Kernels and nuts	0.8	0.8	0.9	0.1	0.6	0.6	0.2
Fish and fish preparations	3.7	6.6	6.4	4.7	3.3	4.2	5.4
Other products	2.1	1.8	2.7	3.3	3.2	3.6	5.3
Total domestic exports	69.3	64.8	40.9	41.9	69.9	106.4	77.[illegible]
Re-exports 1/	93.4	135.7	109.8	132.8	137.5	166.5	172.3
TOTAL EXPORTS (FOB)	162.7	200.5	150.7	174.7	207.4	272.9	250.[illegible]
Non-factor services	44.4	40.7	39.9	39.0	52.4	69.7	8[illegible].7
TOTAL EXPORTS OF G&NFS	207.1	241.2	190.6	213.7	259.8	342.6	33[illegible]
SHARES AS % OF DOMESTIC EXPORTS							
Groundnut products	90.5	85.8	75.6	80.7	89.8	92.1	85.2
Groundnuts, shelled and unshelled	57.9	55.2	30.3	52.7	67.8	51.4	4[illegible].5
Groundnut oil, unrefined	24.1	22.7	36.4	17.9	18.6	34.2	[illegible]
Groundnut meal and cake	8.5	7.9	8.3	10.0	3.4	6.5	4.0
Palm Kernels and nuts	1.2	1.2	2.2	0.2	0.9	0.5	[illegible].3
Fish and fish preparations	5.3	10.2	15.6	11.2	4.7	3.9	[illegible].0
Other products	3.0	2.8	6.6	7.9	4.6	3.4	[illegible].5
Total domestic exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Re-exports	134.6	209.4	268.5	316.9	196.7	156.5	223.7
TOTAL EXPORTS (FOB)	234.8	309.4	368.5	416.9	296.7	256.5	323.7

a/ Fiscal Year ending June 30th.
1/ Includes mission estimates of unrecorded re-exports.

SOURCE: IBRD

TABLE 12B
THE GAMBIA: DOMESTIC AND REEXPORT TRADE
(in millions of US$)

	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85
TOTAL IMPORTS (CIF)	112	162	149	113	107	112	86
of which:							
Domestic imports	81	112	109	69	71	75	57
of which:							
- fuel	11	14	21	14	13	15	13
- capital goods	25	34	27	15	15	19	12
Goods for reexport a/	31	50	40	44	36	37	29
TOTAL EXPORTS (FOB)	82	112	81	82	85	89	61
of which:							
Domestic exports	35	36	22	20	29	34	19
Reexports a/	47	76	59	62	56	54	42
DOMESTIC TRADE BALANCE	-46	-76	-67	-49	-42	-41	-38
REEXPORT TRADE BALANCE	+16	+26	+19	+18	+20	+17	+13
Memo item							
CURRENT ACCOUNT BALANCE	-31	-49	-71	-44	-32	-32	-39

a/ Goods for reexport were estimated on the basis of information obtained from private traders and from the ministry of Finance and Trade which suggests that 80-85% of all imports of sugar, tobacco, tomato paste, textiles, used clothing, tea, batteries, corrugated iron sheets and flour, and 50% of all imports of soap, cement, manufactured garments, footwear, matches, milk products and washing blue are reexported. Some reexports of rice were also estimated. The estimated value of reexports includes an allowance for duties paid on the imported items and a markup of about 20%.

SOURCE: IBRD

TABLE 12C
EXPORTS: SENEGAL
(BILLIONS OF CFA FRANCS, CURRENT PRICES)

ITEM	1977	1978	1979	1980	1981	1982	1983	19[illegible]
GROUND NUTS	75.5	23.5	45.3	17.6	9.1	44.3	59.4	57.[illegible]
CRUDE OIL	40.2	13.0	27.0	11.3	6.2	33.9	69.8	36.[illegible]
REFINE OIL	8.3	3.4	1.6	0.1	0.2	1.5	1.5	2.[illegible]
CAKE	16.6	6.3	12.5	4.2	1.9	9.5	14.3	14.[illegible]
SEEDS	-10.4	0.8	2.0	0.5	0.9	0.7	4.7	3.7
FISH AND FISH PRODUCTS	16.4	17.8	18.9	21.2	27.9	48.0	47.8	55.[illegible]
FRESH FISH	8.6	11.2	12.6	13.9	17.3	34.6	30.5	35.[illegible]
CANNED FISH	7.8	6.6	6.3	7.3	10.6	13.4	17.3	19.[illegible]
PHOSPHATES	14.9	13.7	15.6	16.5	19.9	21.6	22.7	25.[illegible]
PETROLEUM PRODUCTS	12.8	19.8	14.3	19.0	38.3	20.9	20.8	22.[illegible]
SALT	2.4	3.1	2.6	3.2	2.3	4.4	4.5	6.[illegible]
COTTON	4.9	3.4	2.2	2.1	2.0	5.5	9.7	6.[illegible]
FERTILIZER	1.3	0.7	1.1	2.4	2.6	1.1	1.8	18.[illegible]
OTHER	24.7	19.4	13.9	18.8	33.8	20.0	23.2	24.[illegible]
COMMERCE SPECIAL	152.9	101.4	113.9	100.8	135.9	165.7	18[illegible].9	215.[illegible]
ADJUSTMENT	11.0	-10.7	2.5	0.8	3.1	3.6	4.3	5.[illegible]
EXPORTS OF GOODS	163.9	90.7	116.4	101.6	139.0	169.3	194.2	220.[illegible]
NON FACTOR SERVICE	49.7	64.2	68.8	78.6	82.4	103.4	102.0	114.[illegible]
TOTAL EXPORTS	213.6	154.9	185.2	180.2	221.4	272.7	296.2	335.[illegible]

Source: IBRD

TABLE 13A
THE GAMBIA
SERVICE PAYMENTS, COMMITMENTS, DISBURSEMENTS AND OUTSTANDING AMOUNTS OF EXTERNAL PUBLIC DEBT

PROJECTIONS BASED ON DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DEC. 31, 1984
DEBT REPAYABLE IN FOREIGN CURRENCY AND GOODS
(IN THOUSANDS OF U.S. DOLLARS)

YEAR	DEBT OUTSTANDING AT		TOTAL TRANSACTIONS DURING PERIOD					OTHER	CHANGES
	DISBURSED ONLY	INCLUDING UNDISBURSED	COMMIT-MENTS	DISBURSE-MENTS	SERVICE PAYMENTS			CANCEL LATIONS	ADJUST-MENT*
					PRINCIPAL	INTEREST	TOTAL		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1970	4,445	8,583	2,126	729	99	14	113	--	--
1971	5,076	10,610	2,058	249	170	15	185	--	631
1972	5,479	13,129	1,300	2,618	251	24	275	--	-853
1973	7,363	13,325	3,539	1,799	309	20	329	--	-177
1974	8,360	16,378	6,368	3,651	362	55	417	--	184
1975	12,225	22,568	18,674	2,812	387	34	421	--	-3,015
1976	13,415	37,840	19,600	3,684	318	47	365	--	-820
1977	15,429	56,302	29,588	10,339	518	122	640	209	4,236
1978	26,737	89,699	19,172	17,654	223	203	426	20,261	4,942
1979	28,312	93,329	46,985	25,105	213	293	506	--	710
1980	53,671	140,814	84,351	53,476	327	418	745	--	-4,065
1981	105,481	221,273	7,055	40,455	543	1,962	2,505	2,778	-13,065
1982	140,381	211,942	40,968	28,999	8,698	2,008	10,706	2,364	-8,555
1983	155,292	233,293	28,617	11,561	4,804	1,920	6,724	600	-9,226
1984	161,693	247,280	37,775	14,628	4,147	3,119	7,266	1	-17,574
1985	160,220	263,333							
		****** THE FOLLOWING FIGURES ARE PROJECTED ******							
1985	160,220	263,333	--	38,976	11,216	5,066	16,282	--	--
1986	185,291	249,431	--	23,753	12,324	5,043	17,367	--	3
1987	196,720	237,110	--	14,883	12,155	4,965	17,120	--	5
1988	199,453	224,960	--	10,190	12,776	4,668	17,444	--	1
1989	196,866	212,185	--	7,276	12,953	4,277	17,230	--	1
1990	191,190	199,233	--	3,745	12,897	3,806	16,703	--	1
1991	182,039	186,337	--	2,686	11,992	3,342	15,334	--	6
1992	172,740	174,351	--	1,072	12,149	2,868	15,017	--	-2
1993	161,611	162,200	--	480	10,075	2,417	12,492	--	6
1994	152,023	152,131	--	108	9,636	2,138	11,774	--	--
1995	142,495	142,495	--	--	9,398	1,877	11,275	--	4
1996	133,101	133,101	--	--	9,612	1,649	11,261	--	-4
1997	123,485	123,485	--	--	9,128	1,413	10,541	--	3
1998	114,360	114,360	--	--	8,952	1,185	10,137	--	-1
1999	105,407	105,407	--	--	8,534	989	9,523	--	2
2000	96,875	96,875	--	--	6,732	835	7,567	--	2
2001	90,145	90,145	--	--	6,176	709	6,885	--	2

* THIS COLUMN SHOWS THE AMOUNT OF ARITHMETIC IMBALANCE IN THE AMOUNT OUTSTANDING INCLUDING UNDISBURSED FROM ONE YEAR TO THE NEXT. THE MOST COMMON CAUSES OF IMBALANCES ARE CHANGES IN EXCHANGE RATES AND TRANSFER OF DEBTS FROM ONE CATEGORY TO ANOTHER IN THE TABLE.

TABLE 13B
SENEGAL
EXTERNAL PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DEC. 31, 19[illegible]

TYPE OF CREDITOR / CREDITOR COUNTRY	DEBT OUTSTANDING			IN ARREARS	
	DISBURSED	UNDISBURSED	TOTAL	PRINCIPAL	INTEREST
SUPPLIERS CREDITS					
Argentina	750	-	750	-	-
Canada	1,745	-	1,745	-	-
Denmark	818	-	818	205	-
France	4,097	1,622	5,719	-	-
Italy	3,110	2,334	5,444	-	-
Kuwait	1,918	-	1,918	-	-
Netherlands	136	-	136	-	-
Switzerland	1,950	-	1,950	-	-
United Kingdom	1,217	-	1,217	-	-
TOTAL SUPPLIERS CREDITS	15,741	3,956	19,697	205	-
FINANCIAL INSTITUTIONS					
Belgium	917	-	917	-	-
Brazil	-	12,900	12,900	-	-
Canada	266	-	266	-	-
France	47,612	21,749	69,361		
Italy	2,265	16,226	18,491	-	-
Liberia	150	-	150	-	-
Netherlands	2,372	-	2,372	-	-
Norway	25,984	-	25,984	-	-
Switzerland	103	5,506	5,609	-	-
United Kingdom	215	-	215	-	-
United States	1,85[illegible]	7,953	9,808	-	-
Multiple Lenders	110,341	-	110,341	-	-
TOTAL FINANCIAL INSTITUTIONS	192,080	64,334	258,414	-	-
BONDS					
France	126	-	126	124	-
TOTAL BONDS	126	-	126	124	-
MULTILATERAL LOANS					
African Dev. Bank	28,759	25,620	54,379	-	-
African Dev. Fund	8,418	21,044	29,462	-	-
Arab African Bank	-	5,000	5,000	-	-
Badeabeda	10,267	7,992	18,259	-	-
EEC	1,649	1,431	3,080	-	-
European Dev. Fund	12,513	14,284	26,797	-	-
European Invest. Bank	39,219	14,161	53,380	-	-
IBRD	86,300	34,780	121,080	-	-
IDA	182,[illegible]93	115,629	298,322	-	-
IMF Trust Fund	34,170	-	34,170	-	-
Intl Fund ARG(IFAD)	[illegible]139	10,729	10,[illegible]	-	-

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TABLE 138
SENEGAL

SERVICE PAYMENTS, COMMITMENTS, DISBURSEMENTS AND OUTSTANDING AMOUNTS OF EXTERNAL PUBLIC DEBT

PROJECTIONS BASED ON DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DEC. 31, 1983
DEBT REPAYABLE IN FOREIGN CURRENCY AND GOODS
(IN THOUSANDS OF U.S. DOLLARS)

YEAR:	DEBT OUTSTANDING AT BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					OTHER CHANGES	
					SERVICE PAYMENTS				
	DISBURSED ONLY	INCLUDING UNDISBURSED	COMMIT-MENTS	DISBURSE-MENTS	PRINCIPAL	INTEREST	TOTAL	CANCEL-LATIONS	ADJUST-MENT *
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1969	65,238	138,758	15,134	34,258	4,908	1,432	6,340	2,103	(4,941)
1970	89,702	141,938	6,239	15,318	4,846	1,849	6,695	1,300	82
1971	100,123	142,113	31,328	33,788	7,689	4,021	11,710	4,400	9,524
1972	121,993	170,876	50,900	20,163	8,341	4,945	13,286	-	3,543
1973	136,710	216,978	178,652	99,812	22,083	7,298	29,381	30,428	21,791
1974	177,922	364,910	58,701	80,534	19,609	13,878	33,487	1,139	14,559
1975	246,644	417,422	135,759	74,783	20,689	18,484	39,173	-	(7,638)
1976	300,101	524,854	136,769	83,920	24,474	17,984	42,458	105	(14,050)
1977	350,506	622,994	209,105	90,111	34,094	20,635	54,729	3	23,011
1978	418,425	821,013	387,947	225,587	65,964	30,097	96,061	302	62,457
1979	607,700	1,205,151	184,381	221,148	74,623	43,020	117,643	3,591	45,864
1980	791,128	1,357,682	386,223	272,411	117,384	54,838	172,222	8,324	(74,305)
1981	895,208	1,543,892	342,803	223,881	46,466	40,667	87,133	393	(166,915)
1982	964,854	1,672,921	546,322	288,253	9,227	37,076	46,303	7,936	(71,567)
1983	1,213,408	2,130,513	212,037	336,624	16,651	39,076	55,727	64,871	(117,274)
1984	1,492,844	2,143,754							
	******** THE FOLLOWING FIGURES ARE PROJECTED ********								
1984	1,492,844	2,143,754	-	222,896	84,192	86,594	170,786	-	(9,167)
1985	1,622,384	2,050,395	-	167,740	94,214	89,247	183,461	-	(4)
1986	1,695,696	1,956,177	-	121,724	135,117	87,235	222,352	-	1
1987	1,682,518	1,821,081	-	70,418	144,254	80,491	224,745	-	(3)
1988	1,608,667	1,676,804	-	32,166	163,378	71,153	234,531	-	7
1989	1,477,459	1,513,433	-	18,360	153,571	59,878	213,449	-	7
1990	1,342,255	1,359,869	-	9,958	132,347	49,576	181,923	-	2
1991	1,219,870	1,227,524	-	5,766	115,939	41,170	157,109	-	(3)
1992	1,109,673	1,111,582	-	1,679	108,173	33,557	141,730	-	7
1993	1,003,186	1,003,416	-	230	84,754	27,586	112,340	-	(5)
1994	918,657	916,657	-	-	63,338	44,856	108,194	-	(3)
1995	835,316	835,316	-	-	77,508	18,422	95,930	-	-
1996	757,808	757,808	-	-	64,409	14,535	78,944	-	7
1997	693,406	693,406	-	-	55,217	11,723	66,940	-	(5)
1998	638,184	638,184	-	-	43,714	9,574	53,288	-	(3)
1999	594,467	594,487	-	-	37,159	8,327	45,406	-	4
2000	557,312	557,312	-	-	36,830	7,264	44,114	-	1

SAFA (SP AR Fund AF)	3,750	-	3,750	-	..
West Afr Dev Bank	6,070	4,257	10,327	-	.
TOTAL MULTILATERAL LOANS	461,067	295,261	756,328	-	-
BILATERAL LOANS					
Argentina	11,713	2,537	14,250	-	-
Belgium	3,421	1,797	5,218	-	-
Canada	16,882	990	17,872	-	-
China	50,482	-	50,482	-	-
Denmark	10,483	16,429	26,912	-	-
France	317,566	46,552	364,118	-	-
German, Fed. Rep. Of	58,851	53,279	112,130	-	-
Iran	1,578	-	1,578	-	-
Iraq	7,500	-	1,578	-	-
Italy	7,873	-	7,873	-	-
Japan	6,740	4,027	10,767	-	-
Kuwait	130,287	58,302	199,589	-	-
Netherlands	4,781	-	4,781	-	-
Norway	11,197	-	11,197	-	-
Oman	24,000	-	24,000	-	-
Saudi Arabia	75,352	65,963	141,315	-	-
Spain	44,860	-	44,860	-	-
Sweden	982	-	982	-	-
Switzerland	7,019	5,506	12,525	-	-
United Arab Emirates	10,537	23,097	33,634	-	-
United Kingdom	4,199	-	4,199	-	-
United States	16,669	8,877	25,546	180	127
USSR	858	-	858	-	-
TOTAL BILATERAL LOANS	823,830	287,356	1,111,186	180	127
TOTAL EXTERNAL PUBLIC DEBT	1,492,844	650,907	2,143,751	509	127

Notes: (1) Only debts with an original or extended maturity of over one year are included in this table.

(2) Debt outstanding includes principal in arrears but excludes interest in arrears.

Source: IBRD

TABLE 14A
THE GAMBIA
CONSUMER PRICES, FY 1975 - 1985

THE GAMBIA In current Dalasis (Percentages are increases)	Weight	1975	1976	1977	1978	1979	1980	1981	1982	1983	19[illegible]	
Food and drinks	58	100	136	161.6	174.3	185.1	193.9	207.1	220.2	241.5	284.7	[illegible]
			0.36	0.188	0.079	0.062	0.047	0.068	0.097	0.179	0.189	
Housing	5.1	100	109	121.1	136.6	144.1	172.8	182.9	193.1	197.3		
			0.09	0.111	0.112	0.07	0.071	0.12	0.059	0.004	0.051	[illegible]
Fuel and light	5.4	100	143.2	160.8	172.5	191.5	212.2	271.2	299.2	339.7	357.2	410.5
			0.432	0.122	0.073	0.11	0.108	0.278	0.103	0.135	0.052	0.149
Clothing, Textiles and footwear	17.5	100	95.9	104.9	128.2	145.8	150.3	156.2	169.6	183.2	217.9	291.4
			-0.041	0.094	0.222	0.137	0.031	0.04	0.085	0.08	0.19	0.337
Miscellaneous	14	100	123.4	[illegible]	159.2	168.9	178.7	192.3	221.3	243.4	269.9	349.9
			0.234	[illegible]	0.111	0.061	0.058	0.076	0.151	0.1	0.109	0.296
CPI: ALL ITEMS (1977=100)	100	100	120.3	[illegible]	154.3	166.1	174.[illegible]	188.4	203.8	222.5	257.3	313.3
			[illegible]	[illegible]	0.102	0.076	0.05	0.08	0.082	0.092	0.156	0.218

Source: IBRD

TABLE 14B

CONSUMER PRICE INDEX: SENEGAL FY 1975-1985

SENEGAL In current CFAF (Percentages are increases)	Weight	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	19[illegible]
Foodstuffs	56.0	100.0	98.4 -1.6%	108.3 10.1%	116.2 7.3%	126.0 8.4%	136.5 8.3%	137.5 0.8%	165.4 20.6%	184.6 11.4%	206.1 11.7%	2[illegible] [illegible]
Clothing	11.9	100.0	117.7 17.7%	124.8 6.0%	128.6 3.1%	146.3 13.8%	162.9 11.3%	183.6 12.7%	209.5 14.1%	224.8 16.9%	275.1 12.4%	306.8 11.5%
Housing	16.2	100.0	103.1 3.1%	105.1 2.0%	109.0 3.7%	131.0 20.3%	139.0 6.0%	152.2 9.5%	[illegible] 13.7%	186.3 7.7%	193.5 3.9%	232.7 20.3%
Household goods	4.0	100.0	98.5 -1.5%	103.8 5.4%	104.6 0.7%	106.5 1.9%	118.0 10.7%	135.4 14.8%	149.6 10.5%	166.6 11.4%	252.9 51.8%	329.4 30.2%
Transport and Leisure	11.9	100.0	107.5 7.5%	118.1 9.8%	122.5 3.7%	127.8 4.3%	143.1 12.0%	176.0 23.0%	194.0 10.2%	214.3 10.5%	233.6 9.0%	282.6 21.0%
CPI: ALL ITEMS (1975=100)	100.0	100.0	101.1 1.1%	112.5 11.3%	116.4 3.4%	127.6 9.7%	138.7 8.7%	147.0 5.9%	172.5 17.4%	192.6 11.6%	215.2 11.8%	243.4 13.1%

Source: IMF and Direction de la Statistique