

# World Economic Situation and Prospects

## Weekly Highlights

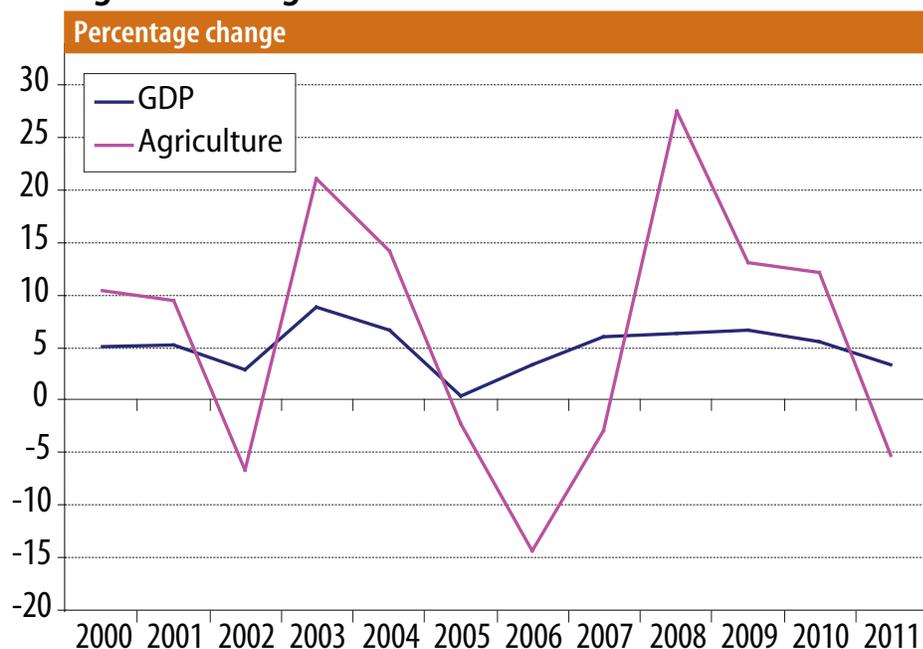
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### Gambia's zigzagging agricultural growth

In Gambia, one of the poorest countries in the world with a per capita income of \$500, growth of the agricultural sector has fluctuated significantly over the past years. Since the year 2000, agriculture has not expanded for more than three consecutive years. At the same time, the steepest contraction amounted to about 14.0 per cent in 2006, while the biggest increase registered at 27.5 per cent in 2008 (figure 1).

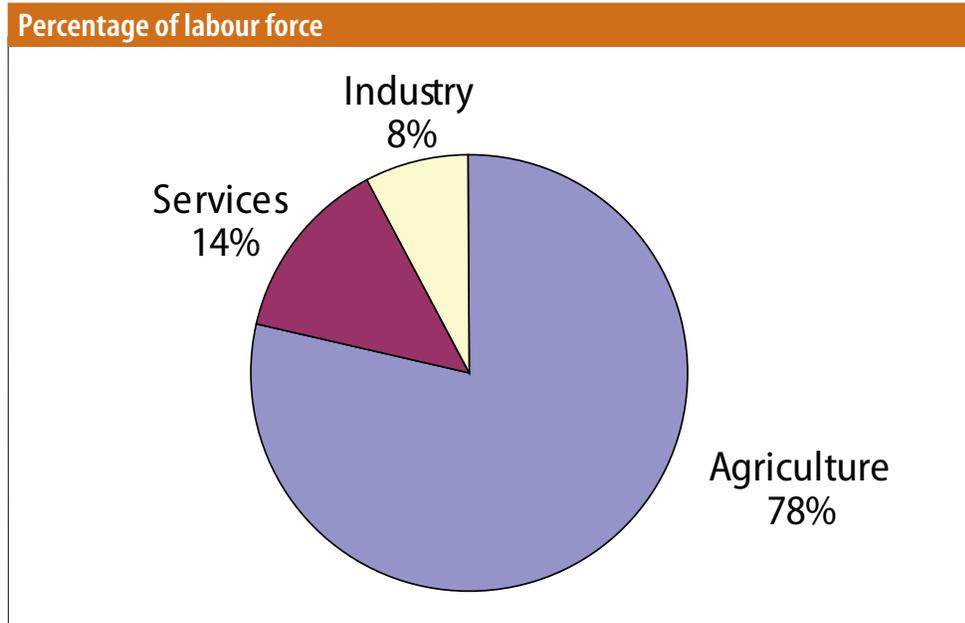
Figure 1: Real growth in Gambia



Sources: Central Bank of the Gambia, UN Statistics.

The sharp contractions in the agriculture sector were largely due to the impact of adverse weather conditions, such as a shortage of rain in the year 2011, on agricultural output. This, in turn, implied direct effects in several directions. First, weak performances by the agricultural sector have translated into corresponding weakness in total GDP, since agricultural output makes up about one third of GDP. Second, agricultural downturns have had a forceful impact on the population at large, since almost 80 per cent of the labour force works in agriculture (figure 2). This includes high levels of poverty as well as a pronounced vulnerability of incomes and, given the role of subsistence farming, food security.

**Figure 2: Sectoral employment in Gambia**



Source: UNECA.

While agricultural production is diverse, the sector suffers from a host of problems. Productivity levels are relatively low, while a significant share of the arable land is not being cultivated. Policy measures that focus on water management and support value-adding processing activities have already been taken to address these issues. However, a sustained effort is needed in this regard to create a growth profile that is ultimately more solid, with measurable benefits for a large share of the population.