

CENTRAL BANK OF THE GAMBIA



PRESS RELEASE

The Central Bank of The Gambia has observed that the transactions market for foreign exchange remains broadly consistent with economic fundamentals. However, speculative activity by market operators in the domestic foreign exchange market continues to exert pressures on exchange rates, resulting in continuing depreciation of the Gambian Dalasi.

Recently, the Monetary Policy Committee hiked the Rediscount Rate by two percentage points, increased the Required Reserve Ratio and reduced limits on Net Open Position (NOP) of banks. The measures were intended to encourage investment in Dalasi assets and dampen demand for foreign exchange in the market. The Bank further indicated that it would closely monitor developments and take additional measures if deemed necessary.

In order to reinforce the monetary policy stance and restore stability and confidence in the foreign exchange market, the Bank has decided to increase the Required Reserve Ratio further by three percentage points to fifteen percent.

This measure will take effect from June 24, 2013.

June 19, 2013