CENTRAL BANK OF THE GAMBIA

ANNUAL REPORT 2023

THE YEAR IN NUMBERS[1]

End December 2023

Monetary Policy Rate

17.0%

Headline Inflation

17.3%

Real GDP Growth

4.8%

Gross International Reserves

6.8 months

of import cover

[1] Additional data can be found on the Central Bank of The Gambia statistical webpage. Visit the website (www.cbg.gm) and click on Data Warehouse or simply follow the link provided here: CBG Data Warehouse (gambia.datawarehousepro.com).

PRIMARY OBJECTIVE

- Achieve and maintain price stability.
- Promote and maintain the stability of the currency of The Gambia.
- Direct and regulate the financial, insurance, banking, and currency system in the interest of the economic development of The Gambia and
- Encourage and promote sustainable economic development and the efficient utilization of the resources of The Gambia through the effective and efficient operation of a financial system.

OTHER OBJECTIVE

- Support the general economic policy of the government
- Promote economic growth and the effective and efficient operation of the financial system in The Gambia

ESTABLISHED IN 1971

OUR MISSION

To Achieve and Maintain Price and Exchange Stability Underpinned by a Sound and Vibrant Financial System to Encourage and Promote Sustainable Economic Development.

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LIST OF ABRIVIATIONS

AAT	Association of Accounting Technicians
ACH	Automated Clearing House
ACP	Automated Cheque Processing
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
AGD	Accountant General's Department
AMCP	African Monetary Cooperation Programme
AMI	African Monetary Institute
ASEAN	Association of Southeast Asian Nations
ATM	Automated Teller Machines
AUC	African Union Commission
BOP	Balance of Payments
CAR	Capital Adequacy Ratio
CAT	Certified Accounting Technician
CBG	Central Bank of The Gambia
CBWA	Central Bank of West Africa
CIB	Corporate and Investment Banking
CIEA	Composite Index of Economic Activity
CU	Credit Unions
CPI	Consumer Price Index
ECB	European Central Bank
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EFSTH	Edward Francis Small Teaching Hospital
EFT	Electronic Fund Transfer
EMCP	ECOWAS Monetary Cooperation Program
EMDE	Emerging Markets and Developing Economies
ERD	Economic Research Department
FAO	Food and Agriculture Organization
FRMD	Financial Market and Reserve Management Department
FFPI	FAO Food Price Index
FOB	Freight on Board
FD	Finance Department
FRMC	Foreign Reserve Management Committee
FSC	Financial Stability Committee
BSD	Banking Supervision Department
FSSR	Financial Sector Stability Review
GAAP	Generally Accepted Accounting Principles
GBOS	Gambia Bureau of Statistics
GDP	Gross Domestic Product
GIR	Gross International Reserves
GMD	Gambian Dalasi
GOVI	Gambia Organization for the Visually Impaired
IAD	Internal Audit Department
IAIS	International Association of Insurance Supervisors
ID	Insurance Department
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ICTD	Information and Communication Technology Department
MENA	Middle East and North Africa
MoFEA	Ministry of Finance and Economic Affairs
MFD	Microfinance Department
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
NACCUG	National Association of Cooperative Credit Unions in The Gambia
NAWEC	National Water and Electricity Company
NBFI	Non-Bank Financial Institutions
NFIS	National Financial Inclusion Strategy
OIC	Officer in charge
OPEC	Organization of Petroleum Producing Countries
PCPI	Primary Commodity Price Index
PPG	Public and Publicly Guaranteed
PV	Present Value
RMD	Risk Management Unit
ROA	Return on Assets
ROE	Return on Equity
RTGS	Real Time Settlement System
SACA	Savings and Credit Associations
SAS	Sukuk Al Salaam
SMP	Staff Monitored Program
SSA	Sub-Saharan Africa
UN	United Nations
UNCDF	United Nations Capital Development Fund
VISACA	Village Savings and Credit Associations
WAIFEM	West African Institute for Financial and Economic Management
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WAMZ	West African Monetary Zone
WB	World Bank
WEO	World Economic Outlook

FOREWORD BY THE GOVERNOR

I am delighted to present the Annual Report of the Central Bank of The Gambia (CBG) for the year 2023. This report offers a summary of the Bank's operations, policy endeavours and accomplishments over the past year. Our dedication to transparency, accountability, and the promotion of economic stability remains steadfast.

The global economy has encountered formidable challenges in recent times. The COVID-19 pandemic has left multifaceted scars on economies around the world. Geopolitical tensions, including the Russia-Ukraine war and the conflict in the Middle East, further exacerbated global economic uncertainties. In this turbulent landscape, many nations faced economic downturns and high inflation, with developing countries contending with additional challenges of currency depreciations, high debt burdens, and capital flow constraints.

In The Gambia, we have navigated through our share of difficulties. Despite narrowly avoiding a recession in 2020 with a modest growth of 0.6 percent, we confronted escalating inflation, which reached a two-decade high of 18.5 percent in September 2023. The dalasi faced significant depreciation pressures during the year, particularly against the US dollar, exacerbating the ongoing external sector challenges and global economic shifts.

The balance of payments challenges persisted into 2023. Although private remittance inflows remained robust and the tourism sector experienced some recovery, the current account deficit widened to 7.0 percent of GDP in 2023, from 4.4 percent in 2022. This was driven by increased imports fueled by domestic demand, declining domestic production of staple commodities and elevated global commodity prices. To put this into perspective, the country spent US$694.0 million (34 percent of GDP) in 2022 on imports of goods, significantly higher than US$51.6 million earned from exports of goods. This gap, which represents a deficit in the goods account, widened further to US$940.3 million or 32.2 percent of GDP in 2023. The external sector imbalances strained foreign currency liquidity in the domestic foreign exchange market. This necessitated a proactive response from the Central Bank, including the sale of external reserves to ensure the availability of essential goods and services.

Yet, amidst these challenges, The Gambian economy demonstrated remarkable resilience. Following the pandemic-induced slowdown, real GDP growth rebounded strongly to 5.6 percent in 2021. While growth slightly improved to 5.5 percent in 2022, recent data released from the Gambia Bureau of Statistics (GBoS) indicated that economic growth moderated in 2023, reaching 4.8 percent. This performance, despite the challenging environment, is underpinned by bold policy measures aimed at maintaining macroeconomic stability.

The Central Bank has been pivotal in this effort, implementing robust policies to restore macroeconomic stability. This includes the implementation of prudent monetary policies such as a gradual 700 basis points increase in the policy rate starting in 2022. This helped curb inflation, which moderated from its peak of 18.5

percent in September 2023 to 11.0 percent by April 2024.

The Bank also implemented strategic reforms aimed at easing pressures in the foreign exchange market and creating a more balanced and orderly environment. These reforms included the introduction of a comprehensive foreign exchange policy and the revision of the guidelines for foreign exchange bureaus. Under this policy, the Bank replaced the previous daily reference rate and weekly valuation rate published on its website with a unified official exchange rate that better reflects market dynamics. This official rate now serves as the benchmark for all transactions within the economy, fostering transparency and ensuring consistency in government and private sector transactions. Overall, the measures have significantly enhanced market functionality, bolstering confidence and contributing to the stabilization of liquidity conditions and the exchange rate.

The Bank has also made significant strides in strengthening its monetary policy framework. Notably, it has enhanced its forecasting and analytical capabilities, alongside improving its communication of monetary policy. The Macroeconomic Forecasting Unit (MFU) consistently produces quarterly updates of a three-year macroeconomic outlook. The forecasting and policy analysis system (FPAS) is now fully integrated into the monetary policy decision-making process. The MFU has continued to upgrade the quarterly projection model (QPM), with particular emphasis on expanding the inflation and real activity blocks. To further bolster their expertise, MFU staff continue to receive specialized training in macroeconomic modelling, Statistical Software and econometrics.

To improve monetary policy communication, the Bank has launched radio programs featuring the head of the Economic Research Department, who provides expert commentaries on the Monetary Policy Committee's decisions after each MPC meeting. This initiative complements our traditional communication methods, including the monetary policy report, press releases, and MPC meeting minutes available on the Bank's website. Additionally, our upgraded Data Warehouse continues to provide reliable and regularly updated macroeconomic data on the country. These efforts reflect our ongoing commitment to enhancing transparency and efficacy of monetary policy.

The financial sector in The Gambia remains robust, characterized by strong capital adequacy and liquidity ratios, and low non-performing loan ratio. Improvement in regulation, including the establishment of a dedicated macroprudential unit and adoption of risk-based supervision frameworks, underscore our commitment to a stable financial sector.

I acknowledge that while significant progress has been made, challenges remain that could derail the recovery process. Global economic uncertainties, geopolitical tensions and commodity price volatility continue to pose risks to growth, balance of payments and inflation. This is compounded by high public debt levels and limited fiscal space. Nonetheless, we remain steadfast in our commitment to safeguarding macroeconomic stability and promoting inclusive growth. Our focus is on maintaining stability, promoting quality growth and building resilience, including replenishing our gross reserves to safeguard against future shocks.

Our payment systems infrastructure continues to evolve, underpinned by our commitment to promoting a safe, secure and inclusive financial system. In the past year, we have commenced collaboration with stakeholders on an ambitious project of modernizing the national payment systems infrastructure. This includes upgrading the Bank's infrastructure and the national switch, GAMSWITCH, to improve efficiency and security as well as broadening their payment capabilities. These innovations, which are expected to be completed in the third quarter of 2024, will not only enhance transactional efficiency but will also expand access to financial services across diverse segments of our population. Our overarching objective is fostering greater financial inclusion, empowering more Gambians to participate actively in the economy and improving overall economic resilience. Furthermore, our participation in the Pan African Payment and Settlement System (PAPSS) demonstrates our dedication to regional economic integration by enhancing cross-border financial transactions.

In the face of rising cyber threats across the globe, the Bank is modernizing its ICT infrastructure, reinforcing our devotion to building resilience against evolving cyber risks. These efforts have included comprehensive upgrades to our data centres, network infrastructure, and cybersecurity frameworks. We have successfully restructured our ICT Department to enhance efficiency and responsiveness, cultivating a more agile and secure operational environment. These reforms are pivotal in bolstering our capability to safeguard financial stability and support sustainable economic development. Moving forward, we remain steadfast in our pursuit of technological innovation to meet the evolving demands of the financial landscape.

Finally, I wish to recognize that achieving these milestones would not have been possible without our committed and skilled workforce. In this regard, the Bank remains dedicated to nurturing a talented and diverse team, prioritizing continuous capacity building and gender parity.

In conclusion, achieving macroeconomic stability demands perseverance and foresight. The path to reform is often challenging, but with disciplined governance and prudence, we can steer our economy toward sustainable and inclusive growth.

I extend my heartfelt appreciation to the Board of Directors, the Monetary Policy Committee, Management, and staff for their unwavering dedication. Together, we are poised to continue our journey of progress with renewed vigour and collaboration.

Thank you.

Buah Saidy

Governor

Central Bank of The Gambia

MANAGEMENT OF THE BANK

Board of Directors

Top management

DR. ABDOULIE SIREH JALLOW
FIRST DEPUTY GOVERNOR

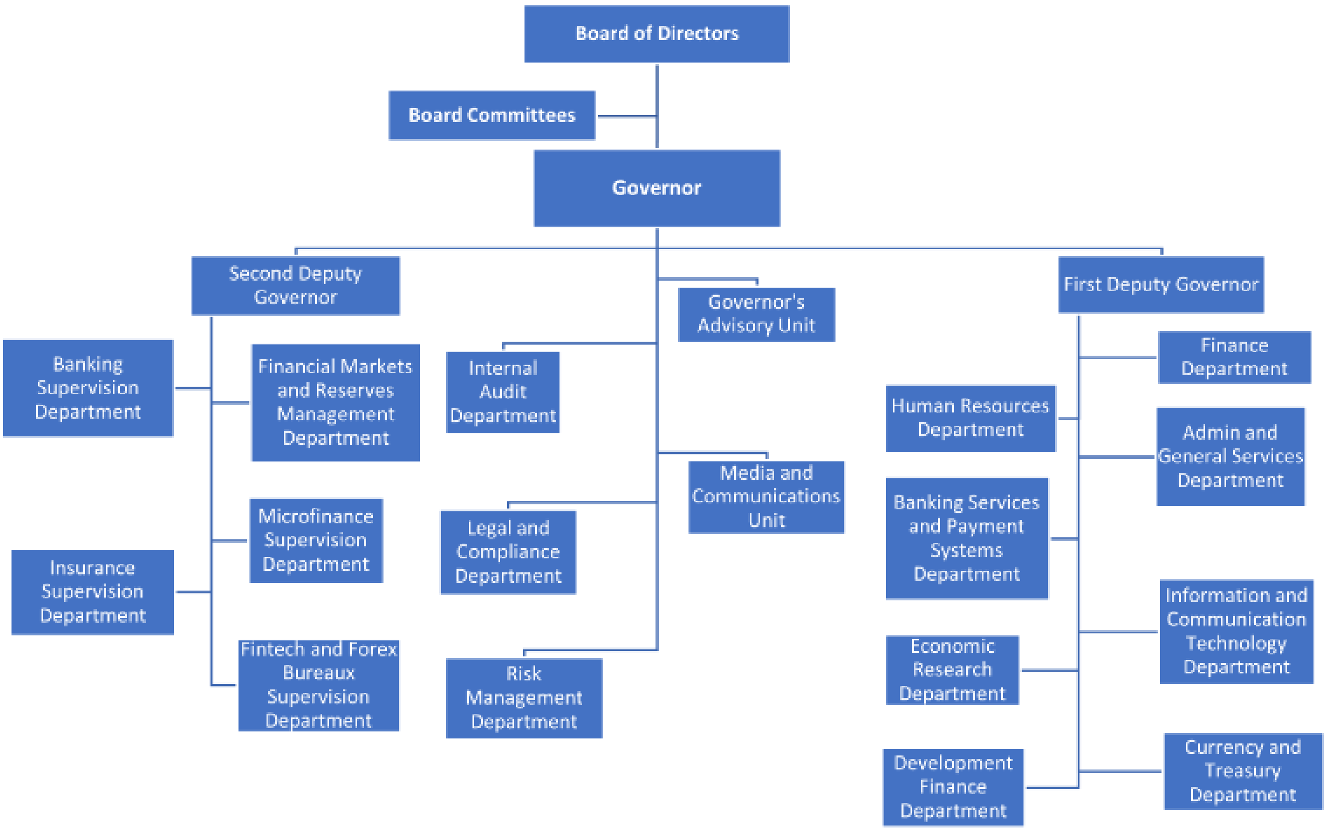
MR. BUAH SAIDY
GOVERNOR

DR. PAUL MENDY
SECOND DEPUTY GOVERNOR

Heads of Department

Department Name	Department Head
Administration and General Services	Mustapha Senghore
Banking Services and Payment System	Karamo Jawara
Banking Supervision	Halima Singhateh
Currency and Treasury	Bai Abi Jobe
Development Finance	Alagie Fadera
Economic Research	Ebrima Wadda
Finance	Attikan Dibba
Financial Markets and Reserve Management	Karafa Jobarteh
Fintech and Forex Bureaus Supervision	Abdou Ceesay
Human Resources	Babucarr Cham
Information and Communication Technology	Peter Prom
Insurance Supervision	Pa Alieu Sillah
Internal Audit	Michael Barai
Legal and Compliance	Aji Amie Jagne
Microfinance Supervision	Siaka Bah
Risk Management	Saikou Touray

Organizational Chart



GOVERNANCE

2023

1 GOVERNANCE

1.1 Mandate of the Bank

The Central Bank of The Gambia (CBG) derives its mandate from the 1997 Constitution of the Republic of The Gambia and the Central Bank of The Gambia Act, amended in 2018. The primary objectives of the Bank are outlined as follows:

- To achieve and maintain domestic price stability.
- To promote and maintain the stability of the domestic currency.
- To direct and regulate the financial, insurance, banking, and currency system in the interest of the economic development of The Gambia.
- To encourage and promote sustainable economic development and the efficient utilization of the resources of The Gambia through effective and efficient operation of the financial system.

In addition, the Bank has the oversight function of the country's payment and settlement systems and serves as an issuing agent for government securities and a paying/settlement agent for the Government. The Bank has a monopoly in issuing banknotes and coins.

1.2 Board of Directors

The Central Bank of The Gambia Act (2018) sets out the governance framework for the Bank. The governing body is the Board of Directors consisting of the Governor, who is the Chairman, and four other Executive Directors. Members of the Board are appointed by the President in consultation with the Public Service Commission, from among persons of good standing and experience in economics, finance, and any other field that relates to central banking. The Board members, other than the Chairperson, shall be appointed for a term of two years and are eligible for re-appointment for a further term. The main function of the governing body is to formulate policies necessary for the achievement of the Bank's mandate.

1.3 Statutory Committees

The Central Bank of The Gambia (CBG) Act (2018) has provided for the establishment of the Audit Committee, the Financial Stability Committee, and the Monetary Policy Committee. The roles and functions of these Committees are as follows.

1.3.1 Audit Committee

The Act mandates the Board to appoint three non-executive members to constitute the Audit Committee. The following are the functions of the Committee:

- Oversee the integrity of the financial statements of the Bank, the effectiveness of the internal controls, and the performance of the internal audit function.
- Deliver opinions on any matter submitted to it by the Board or Management of the Bank.
- Monitor compliance with laws applicable to the Bank and report on them to the Board.
- The Audit Committee shall meet at least once every three months.

1.3.2 Monetary Policy Committee

The Monetary Policy Committee (MPC) was also established by the Act as the apex monetary policy decision-making body of the Bank. The MPC is responsible for:

- Setting the policy interest rate to achieve the objectives of the Bank.
- Deciding on the provision of credit to the Government, purchasing, and selling government securities in accordance with the Act.
- Delegating specific tasks under defined terms and conditions to the executive board or Central Bank staff.
- Adopting its own rules of procedure.

- Receiving the statistical data and advice necessary for the formulation of monetary policies.

The MPC meets every quarter, but the Chairman may convene a meeting when necessary. The membership comprises the Governor, the two Deputy Governors, heads of Economic Research, Banking, and Financial Supervision Departments, and three other persons appointed by the Minister of Finance and Economic Affairs. The Minister is obliged by the Act to appoint persons with knowledge or experience relevant to the functions of the MPC. They shall not be employees, owners, or shareholders of a financial institution, members of the National Assembly, holders of political office, or an officer of a political party.

Members of the MPC

1.3.3 Financial Stability Committee

The Act mandates the Board to establish the Financial Stability Committee (FSC) to consist of three non-executive members. The Committee shall have the following functions:

- Establish appropriate supervisory guidelines, policies, and other reporting requirements for the financial sector.
- Monitor compliance with such guidelines, policies, and reporting requirements and report on them to the Board.

- Deliver opinions on any matter submitted to it by the Board or Management of the Bank.
- Receive and review examination reports and recommend to the Board any appropriate action to be taken.
- Review the work of the Financial Supervision, Microfinance, Foreign Exchange, and Insurance Departments of the Bank.

The Committee shall meet at least once every three months.

1.4 Committees of the Board

The Central Bank of The Gambia Act (2018) empowers the Board to establish as many Committees as it deems necessary. The membership and functions of the Committees shall be determined by the Board. Below is the list of existing committees.

1.4.1 Human Resource Committee

This Committee has the responsibility of advising the Board on matters relating to the recruitment of professional staff, staff retention policies, career development, succession planning, and remuneration policies.

1.4.2 Foreign Reserve Management Committee

The Foreign Exchange Reserve Management Guidelines, approved by the Board in July 2010, provide for the establishment of a Foreign Reserve Management Committee (FRMC) to guide investment strategies on behalf of the Bank. The Committee meets at least once a month to make investment decisions and to carry out market monitoring, analysis, and risk management. The Committee is charged with the following specific responsibilities:

- Periodically formulate and review investment and policy guidelines.
- Ensure that the guidelines are adhered to through regular reports from relevant departments.
- Measure foreign exchange reserves management performance.
- Submit quarterly reports to the Governor for submission to the Board of Directors of the Committee's activities.

The Committee is chaired by a deputy governor and comprises heads of the Financial Markets and Reserve Management Department, Finance Department, Banking Services and Payment Systems Department, Risk Management Department, and Economic Research Department.

1.4.3 Risk Management Committee

The Risk Management Committee (RMC) aids the Board in fulfilling its oversight functions of identifying and managing risk on an ongoing basis. The Committee monitors to ensure that the Bank has a risk management framework, that risks are reviewed by Management, and that the responses to the identified risks are within the Board's approved levels of tolerance.

1.4.4 Payment Systems Committee

The objective of the Payment Systems Committee is to promote and make recommendations to the Board and Management of the Bank about the safety and efficiency of payment, clearing, settlement, and related arrangements.

1.4.5 Treasury Bills Committee

The Treasury Bills Committee chaired by the Second Deputy Governor is responsible for determining the auction volumes for both the CBG bills and government Treasury bills, as well as government Treasury bonds. The volume of the CBG bills to be issued is guided by the level of excess liquidity in the system as may be predicted by the liquidity forecast. The volume of government Treasury bills is determined by the borrowing requirement of the Government. The Committee's secretariat resides in the Banking Department.

1.4.6 Development Finance Committee

The Committee on Development Finance oversees and advises on matters relating to development financing within the Bank's mandate in the realms of the Bank's agenda for development finance. Overall, it plays a critical role in guiding the Bank's efforts through strategic allocation of financial resources and effective management of development finance activities.

1.5 Departments of the Bank

1.5.1 Administration and General Services Department

The Administration and General Services Department is responsible for providing administrative, and corporate services and facilities management to support the work of the Board of Directors, Management, and staff of the Bank. The Department provides the tools necessary for a productive working environment, facilitating the functions of each department and the duties of each member of staff. Its areas of responsibility also include the provision of general services, protocol, communication, secretarial, and security services, as well as the management of the Bank's medical insurance scheme.

1.5.2 Human Resource Department

The Human Resources Department (HRD) was established in September 2021 to manage personnel functions at the Bank. This includes activities such as recruiting qualified employees, establishing a fair compensation structure, providing staff training and development, and managing staff relations.

1.5.3 Banking and Payments Systems Department

The Banking Department is responsible for the management of the Bank's payment systems, including the execution of domestic currency settlements and payments on behalf of the Bank, Government, and other financial institutions. It serves in the operational capacity as a banker to the Government and commercial banks and manager of accounts held with the Bank. The payment systems oversight function is also handled by the Department. Monetary operations, including the issuance of CBG bills, the auctioning and settlement of government securities such as Treasury and Sukuk Al-Salaam bills as well as government treasury bonds are handled by the Open Market Operations (OMO) Unit of the Department. The Department also records and maintains government domestic debt data.

1.5.4 Currency Management Department

The Currency Management Department (CMD) was created in September 2021 to divorce currency management functions from banking services operations. It was part of the broader reforms to restructure the Bank. Previously currency management functions resided in the Banking Services Department.

Key functions of the Department are the following:

- Management of the Bank's vault, cash payment system, including cash payments on behalf of the Bank, Government of The Gambia, and commercial banks in both local and foreign currencies.
- In the operational capacity as a banker to the Government and the deposit money banks.
- Forecasting and printing of both banknotes and coins for circulation into the economy.
- Maintaining statistics of all cash transactions.
- Coordinating the destruction of unfit banknotes and assisting law enforcement authorities in identifying and verifying counterfeit banknotes.

1.5.5 Economic Research Department

The main responsibilities of the Economic Research Department (ERD) are to provide technical input in the formulation and implementation of economic and financial sector policies. The Department is responsible for research and analysis for informed policy making. It is also responsible for the provision, compilation, and dissemination of macroeconomic statistics, and managing the Bank's database. The ERD serves as the Secretariat of the MPC of the Bank. The Department provides advice to the Management and the MPC through analytical work and presentations on economic policy matters.

1.5.6 Finance Department

The Finance Department (FD) is responsible for accounting, managing, and controlling the Bank's financial resources. The Department is also responsible for financial planning, maintaining, and safeguarding financial records for the Bank. It prepares and monitors the budget to ensure that financial transactions are consistent with the accounting procedures. The Department also prepares the annual accounts, payroll, and foreign currency budget as well as foreign currency payments and receipts, and external debt service payments on behalf of the Government.

The Department also provides back-office functions related to the foreign exchange reserve management responsibility of the Bank. This essentially involves the execution and control of all transactions initiated by the Financial Markets Department, including settlement, and bookkeeping of foreign exchange transactions.

1.5.7 Banking Supervision Department

One of the key mandates of the Bank is to maintain financial sector stability. The Banking Supervision Department (BSD) is charged with the responsibility of ensuring the stability of commercial banks operating in The Gambia. The BSD is charged with the responsibility of licensing, regulating, and supervising the commercial banks in The Gambia. The aim is to ensure stability at both the micro-prudential level through effective offsite monitoring and onsite examinations, and the macro-prudential level by reviewing trends over time and the interactions of the sector with the fiscal and real sectors. The Department provides support to the FSC of the Bank.

1.5.8 Insurance Supervision Department

The Insurance Department (ID) handles the regulation, supervision, and licensing of insurance institutions in The Gambia. The Department conducts on-site examinations of institutions to ensure that the insurance industry is safe and sound. The supervision of insurance companies was added to the mandate of the Bank by the 1997 Constitution.

1.5.9 Financial Markets and Reserve Management Department

The Financial Markets and Reserve Management Department (FMRM) was created in September 2021 to replace the Foreign Department with an expanded mandate. All matters relating to the capital market, the foreign exchange market and reserve management are under the purview of the Department. It is also charged with the responsibility of conducting foreign currency banknote shipment and foreign exchange interventions on behalf of the Bank.

The department serves as secretariat for the FRMC and the provisional exchange for the capital market.

1.5.10 Internal Audit Department

The department is mandated to evaluate and make recommendations that will improve the effectiveness and efficiency of operations in the Bank. It also gives assurance to management that the internal controls, risk management and governance processes of the bank are adequate, and that the Bank is adhering to the laws and regulations that govern it.

The department administratively reports to the Governor and functionally to the Board through the Audit Committee at the quarterly Audit Committee meetings. For the period under review, the department carried out 13 audits of auditable areas across departments, functions, and processes.

1.5.11 Microfinance Supervision Department

The microfinance supervision department was also created in March 2023. It replaced the then Other Financial Supervision Department (OFISD). The department licenses, regulates, and supervises Non-Banks Financial Institutions (NBFIS), which include finance companies, microfinance institutions (including Islamic microfinance institutions), savings and credit associations (SACAS), credit unions, leasing companies including Islamic leasing, hire purchase and debt financing companies and mortgage lenders. The department also provides support to the Financial Stability Committee (FSC) of the board. As a regulatory and supervisory department, MSD contributes to fostering financial stability.

1.5.12 Development Finance Department

The Development Finance Department is tasked with the responsibility of formulating and implementing policies and programs aimed at directing financing to key sectors of the economy. The Department ensures efficient and sustainable coordination of the Bank's efforts and interventions in key sectors of the economy to spur growth in a holistic manner. This is anchored on the Bank's recognition of the need for structural transformation of the economy to support the development of an inclusive and sustainable economy. This is aimed at making the economy less susceptible to external supply shocks which engender price and exchange rate instability, a core function of the Bank.

1.5.13 Legal And Compliance Department

The Legal and Compliance Department (LCD) provides advice on legal matters and ensures maximum protection of the Bank's interest concerning contracts and agreements. The Department provides legal advice by interpreting laws and regulations and proffering legal opinions that guide the Bank in policy formulation and implementation and business relationships with internal and external stakeholders.

1.5.14 Information and Communication Technology Department

The Information and Communication Technology Department (ICTD) is responsible for the management of the Bank's information systems. It provides information technology support to departments and coordinates the development of new information system projects.

1.5.15 Risk Management Department

The Bank's Risk Management Department (RMD) ensures a well-coordinated bank-wide risk management system that increases the Bank's likelihood of achieving its objectives by effectively managing all risk exposures, opportunities, and threats. The RMD also serves as the middle office in the management of the foreign reserves of the Bank. It reviews the daily reserve levels in the Bank's foreign accounts, highlighting and reporting on any risks and deviations from the Foreign Reserves Management Guidelines to the Governor and Senior Management. The Department, on a quarterly basis, reports to the Risk Advisory Committee and the RMC of the Board.

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REVIEW OF THE GLOBAL ECONOMY

2023

2 REVIEW OF THE GLOBAL ECONOMY

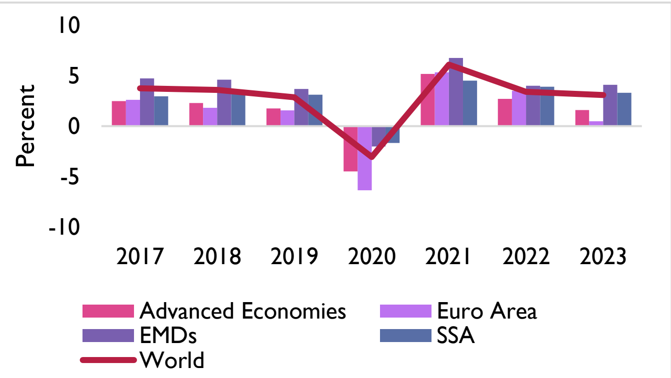
2.1 Overview

The ongoing challenges confronting the global economy continue to weigh on growth. In 2023, global growth generally weakened, with notable differences among countries and regions. Developments throughout the year were mixed: while growth exhibited remarkable resilience in the first half, driven by robust expansion in the US, China, and some emerging markets and developing economies, it subsequently decelerated in the latter part of the year. This resilience stemmed from strong performances in private consumption, fiscal spending, and improvement in supply conditions. However, these factors proved insufficient to counterbalance the slow demand that ensued from tight monetary policies to rein in the elevated inflation and mounting geopolitical tensions.

2.2 Global Output Growth

Despite demonstrating resilience in the first half of the year, the global economy experienced a slowdown in 2023 compared to the previous year, primarily due to tight monetary policy, restrictive financial conditions and heightened geopolitical unrest. According to the January 2024 World Economic Outlook estimates by the International Monetary Fund (IMF), global economic growth was estimated at 3.1 percent in 2023, down from 3.4 percent in 2022. (Chart 1) highlights the deceleration in global economic growth in 2023.

Chart 1: Global economic growth.



Source: IMF WEO update January 2024

In advanced economies, growth was subdued as tight monetary conditions, coupled with high inflation, constrained demand. Consequently, growth declined to 1.6 percent in 2023, after recording a growth rate of 2.6 percent in 2022. Nevertheless, there were variations in growth rates across economies within the group. Specifically, the United States experienced robust output in 2023, driven by resilient consumption demand and fiscal spending despite a tight monetary policy stance. The economy expanded by 2.5 percent in 2023, up from 1.9 percent in 2022. On the other hand, in the Euro area, real GDP growth significantly declined to 0.5 percent in 2023, compared to a growth rate of 3.4 percent in 2022. This decline was attributed to the region's high exposure to the conflict in Ukraine and elevated energy prices. In addition, the impact of monetary tightening aimed at moderating inflation exerted substantial pressure on growth. Similarly, the United Kingdom economy also experienced setbacks in 2023 primarily due to elevated inflationary pressures impacting disposable incomes and the restrictive monetary policy. Growth slowed to 0.5 percent, compared to solid growth of 4.3 percent in 2022.

In emerging markets and developing economies (EMDEs), output remained steady and surpassed that of advanced economies, buoyed by better-than-expected growth in China. The region recorded a growth rate of 4.1 percent in 2023, consistent with the estimate in 2022. In China, economic activities picked up in 2023 recording 5.2 percent against a growth of 3.0 percent in 2022, driven by increased demand for services, resilient manufacturing investment and government spending. Growth in India also remains strong but decelerated slightly to 6.7 percent in 2023 compared to 7.2 percent in 2022 explained by the resilience of domestic demand.

In Sub-Saharan Africa (SSA), multiple factors including inflationary pressures prompting high interest rates, slow external demand, volatile commodity prices, exchange rate fluctuations and structural issues unique to certain countries in the region, contributed to the decline in growth in the review period. Growth fell to 3.3 percent in 2023 from 4.0 percent the previous year. For Nigeria, the biggest economy in the region, growth declined to 2.8 percent in 2023 from 3.3 percent owing to the negative effects of high inflation and instability in the exchange rate market. In South Africa, growth also slacked to just 0.6 percent in the review period from 1.9 percent last year occasioned by power shortages and constraints around the transportation sector which hindered economic activities.

Table 1: Global economic growth (percent)

			Estimates			
Group Name	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
World	3.8	3.6	-3.1	6.1	3.4	3.1
Advanced economies	2.5	2.5	-4.5	5.2	2.7	1.6
Euro area	2.6	1.9	-6.6	5.3	3.5	0.5
Other advanced economies	3.1	2.8	-2.1	5.0	2.6	1.7
European Union	3.0	2.3	-6.1	5.4	3.7	0.6
Emerging market and developing economies	4.8	4.5	-2.0	6.8	4.0	4.1
Emerging and developing Asia	6.6	6.4	-0.8	7.3	4.4	5.4
Emerging and developing Europe	4.1	3.4	-1.8	6.7	0.8	2.7
ASEAN-5	5.5	5.3	-3.4	3.4	5.5	4.2
Latin America and the Caribbean	1.3	1.2	-7.0	6.8	4.0	2.5
Middle East and Central Asia	4.7	2.0	-2.9	5.7	5.3	2.0
Sub-Saharan Africa	1.5	3.2	-1.7	4.5	3.9	3.3

Source: IMF WEO update January 2024

Table 2: World annual average inflation

			Estimates			
Group Name	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
World	3.6	3.5	3.2	4.7	8.7	6.8
Advanced economies	2.0	1.4	0.7	3.1	7.3	4.6
Euro area	1.8	1.2	0.3	2.6	8.4	5.6
Other advanced economies	1.6	1.1	0.5	2.3	5.6	4.3
European Union	1.9	1.4	0.7	2.9	9.3	6.5
Emerging market and developing economies	4.9	5.2	5.1	5.9	9.8	8.5
Emerging and developing Asia	2.7	3.3	3.1	2.2	3.8	2.6
Emerging and developing Europe	6.4	6.6	5.4	9.5	27.9	18.9
ASEAN-5	2.9	2.1	1.4	2.0	4.8	3.6
Latin America and the Caribbean	6.6	7.7	6.4	10.0	14.0	13.8
Middle East and Central Asia	9.5	7.4	10.2	13.2	14.3	18.0
Sub-Saharan Africa	8.4	8.5	10.8	11 .0	14.5	15.8

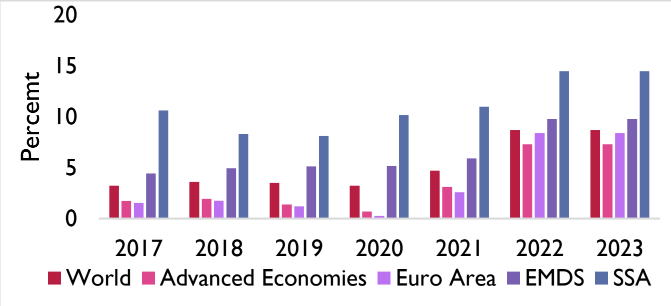
Source: IMF WEO update January 2024

2.3 Global Inflation

Overall, the combination of tighter monetary policy and reduced commodity prices helped to moderate global inflation in 2023 compared to the levels seen in 2022. Global average inflation rate is estimated to have decreased from 8.7 percent in 2022 to 6.8 percent in 2023 but varies among regions. In advanced economies, averaged consumer prices decelerated to 4.6 percent as at end December 2023 from 7.3 percent in 2022. Similarly, in emerging markets and developing economies inflation also dropped slightly to 8.5 percent from 9.8 percent. Conversely, in Sub-

Saharan Africa, the Middle East, and Central Asia, inflation rates experienced an upward trend, reaching 15.8 percent and 18.0 percent (WEO October Forecast 2023), respectively, in 2023 amid significant exchange pressures in these regions despite the tight monetary tightening and lower commodity prices.

Chart 2: Annual Average inflation.

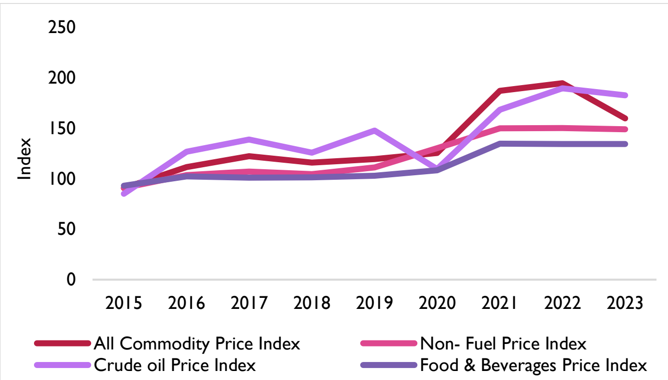


Source: IMF WEO Database, January 2024

2.4 Global Commodity Prices

Commodity prices declined in 2023 thanks to improved global supply conditions and somewhat weakening demand. The IMF global Commodity Prices Index (comprising of fuel and non-fuel price indices) in December 2023 declined by 17.9 percent relative to 4.1 percent in 2022. The IMF crude oil prices index which averages the price indices of Dated Brent, Dubai Fateh, and West Texas Intermediate also decreased by 3.3 percent in 2023. Similarly, all commodity non-fuel price index declined by 0.9 percent against a decline of 0.1 percent in the same period in 2022.

Chart 3: IMF Commodities Price Index-2016=100

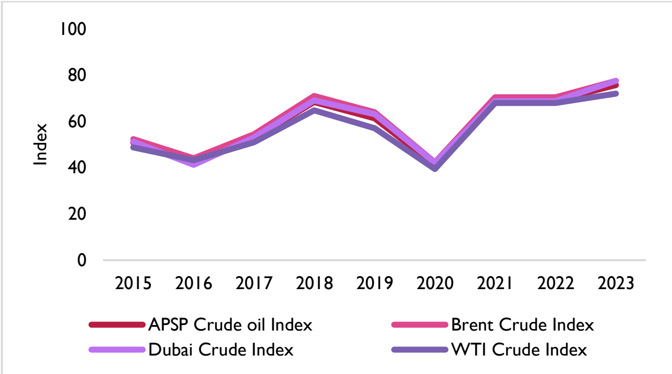


Source: IMF Primary Commodity Price System, January 2024.

2.5 Crude Oil Prices

Crude oil prices in 2023 experienced a decrease, primarily due to weaker demand and improved supply conditions from non-OPEC members, particularly the United States. This occurred despite the escalating conflict in the Middle East. The average price of crude oil in 2023 was US$77.5 per barrel, marking a 3.3 percent decline compared to 2022 levels. Particularly, Dated Brent and West Texas Intermediate (WTI) traded at an average of US$77.55 and US$77.6 per barrel, respectively, throughout the year. This represented a decline of 4.9 percent and 6.0 percent, respectively, compared to the previous year. Conversely, Dubai Fateh experienced a slight increase of 0.9 percent during the review period.

Chart 4: IMF Average Commodities Price Index Index-2016=100 (Annual Average)

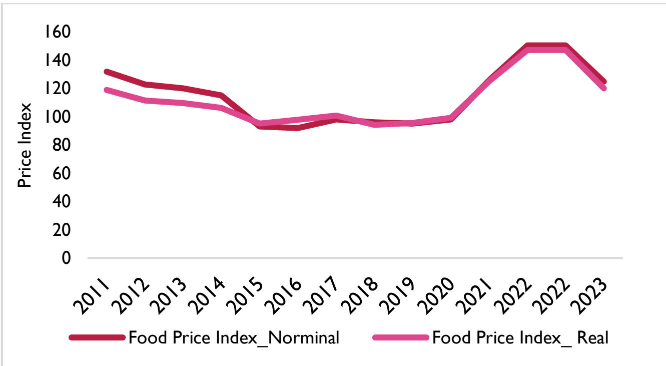


Source: IMF Primary Commodity Price System, January 2024

2.6 Global Food Prices

Global food prices plummet at end December 2023 reflecting ample supply and strong competition among exporters. As at end December 2023, the FAO food price index recorded 133.7 points representing 10.1 percent drop from the level it was in 2022. (See Chart 5)

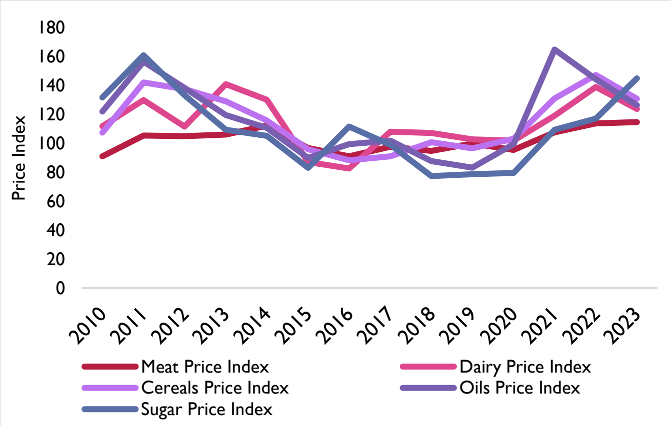
Chart 5: FAO Annual Food Commodity Price Index (2002-2004=100)



Source: FAO

All the indices in the food basket eased during the review period. The price indices of cereals and vegetable oil respectively declined by 15.4 percent and 32.7 percent relative to 2022. Similarly, meat and dairy prices dipped in 2023 by 16.1 percent and on the other hand, sugar price index is higher by 14.9 percent than it was in December 2022. Chart 6 below depicts the declining trend of the food indices.

Chart 6: Components of FAO Food Price Index

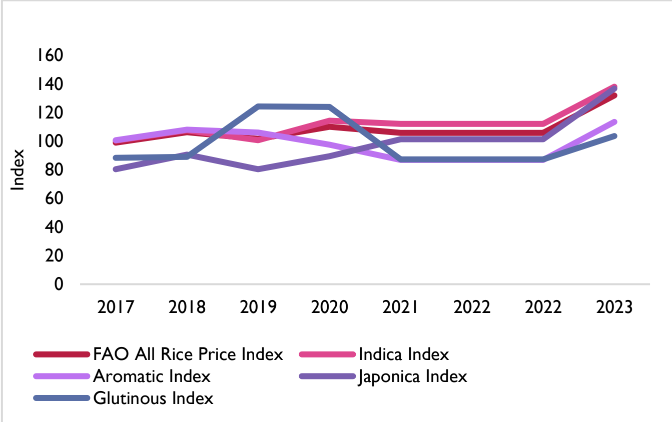


Source: FAO

Rice prices continued to increase for the second year in a row supported by export restrictions, adverse weather conditions and in some cases high demand. According to the Food and Agriculture Organization (FAO), international rice prices saw a notable uptick, averaging 21.3 percent higher than the previous year in nominal terms.

The rise in prices was primarily driven by the indica variety, which saw a substantial 25 percent annual increase. Additionally, other varieties such as Japonica, Aromatic, and Glutinous also witnessed price hikes, with increases of 6 percent, 11 percent, and 17 percent respectively.

Chart 7: FAO rice price index (2016=100)



Source: FAO

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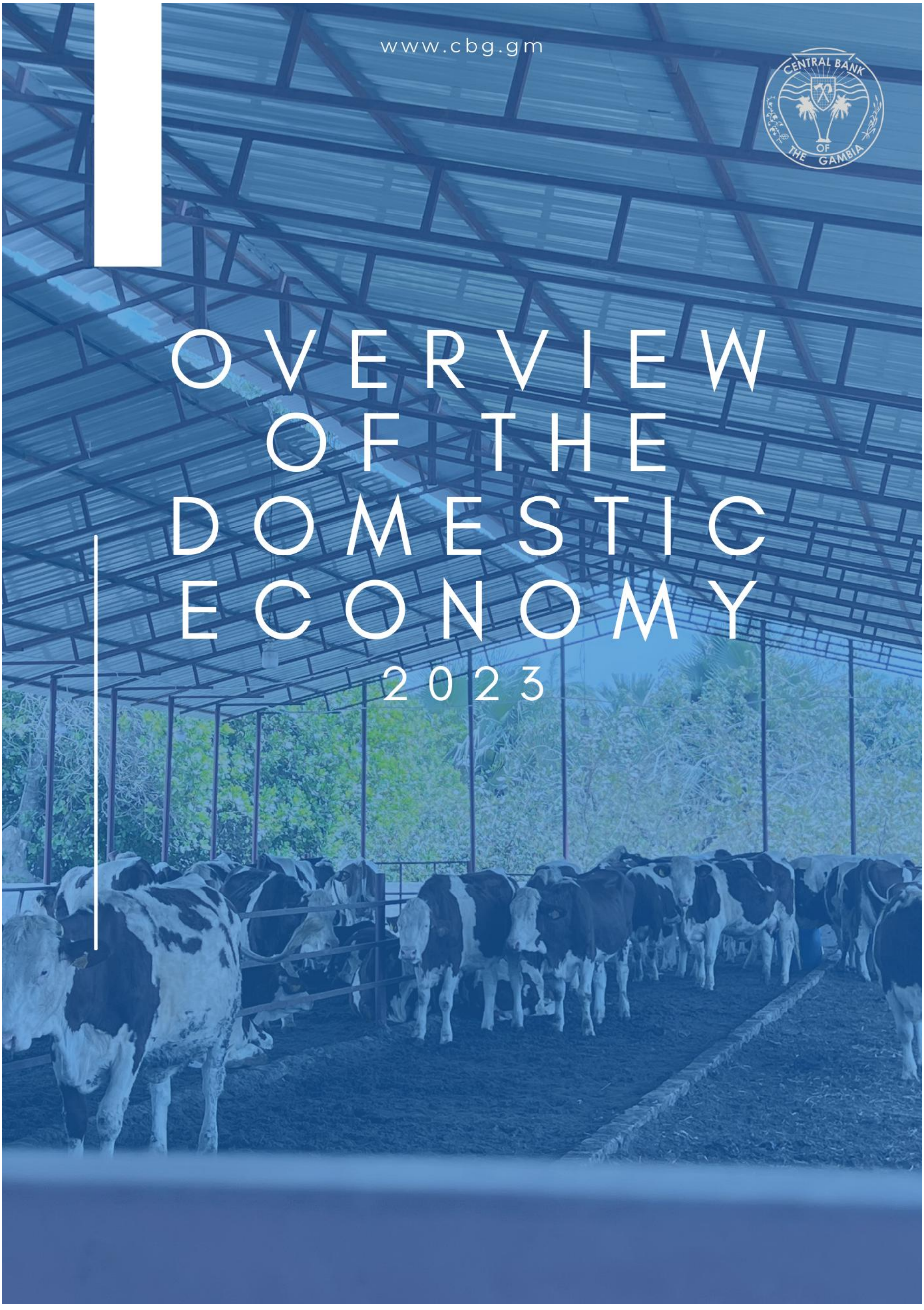
OVERVIEW OF THE DOMESTIC ECONOMY 2023



3 OVERVIEW OF THE DOMESTIC ECONOMY

In 2023, the Gambian economy exhibited remarkable resilience. It sustained the strong growth momentum, and although headline inflation remained elevated, price pressures began to fall in the third quarter of the year. Moreover, the foreign liquidity constraints also started to ease considerably toward the end of the year. Furthermore, the financial system proved to be resilient after registering robust performance throughout the year.

Provisional data released by the Gambia Bureau of Statistics (GBoS) indicated a real GDP growth of 5.3 percent in 2023, considerably higher than the 4.9 percent recorded in 2022. Growth was primarily supported by agriculture, services, and construction activities. The economy also benefited from the robust growth of the telecom sector and financial services. On the demand side, both public and private consumption and investment spending played pivotal roles in driving economic growth.

Looking beyond 2023, the prospects are favorable with growth projected at 5.5 percent for 2024. However, there are still significant uncertainties that cloud impact the outlook. The renewed global geopolitical risks and climate-related challenges can exacerbate commodity price volatility, disrupt trade, and potentially slowdown economic growth. These factors, combined with domestic structural bottlenecks may slow growth and increase inflationary and forex pressures in the domestic economy.

Price pressures eased during the year. In September 2023, headline inflation peaked at 18.5 percent, and decelerated to 17.3 percent in December 2023. The decline reflects the impact of the moderated global commodity prices and domestic policy actions. Moreover, the Bank's core measures of inflation also began declining from the third quarter of the year, reflecting subdued underlying inflationary pressures. Amid an encouraging inflation outlook, the monetary policy committee (MPC) paused rate hikes in the November 2023 meeting, following a cumulative rate hike of 300 basis points since the beginning of the year and 700 basis points since early 2022.

The current account of the balance of payments registered a slightly positive balance (0.2 percent of GDP) in the fourth quarter of 2023, reflecting significant official inflows, improvement in tourism receipts, growth in remittances and a drop in electricity imports from Senegal. However, the deficit widened for the entire year, at 7.0 percent of GDP, compared to 4.4 percent of GDP in 2022. Gross reserves have risen markedly to US$476.1 million, which is equivalent to 6.8 months of imports of goods and services. This was driven by the improvement in the current account in the fourth quarter which improved the foreign currency liquidity conditions and allowed the central bank to rebuild its foreign reserves buffers.

The foreign currency liquidity pressures eased somewhat towards the end of the year, but the dalasi still depreciated against the US dollar by 5.7 percent. In December 2023, the Bank published a new foreign exchange policy and revised the foreign exchange bureau guidelines. The reforms were necessary to ensure transparency, efficiency, and the smooth functioning of the market.

Limited fiscal space, high public debt, and rising debt servicing costs characterized fiscal policy in 2023. Revenue performance was robust, but expenditure pressures were enormous, arising from debt servicing, wages and salary payments and infrastructure spending. The overall budget deficit (excluding grants) widened to 12.9 percent of GDP in 2023, from 12.5 percent of GDP a year ago. However, the large inflow of grants reduced the deficit to 3.1 percent of GDP.

Gambia's financial sector remained stable and resilient, evident by strong liquidity and financial soundness indicators. The industry continued to be well-capitalized, liquid, and profitable. The industry risk-weighted capital adequacy ratio stood at 28.6 percent in December 2023, compared to 24.4 percent reported in December 2022. All the banks were within the regulatory requirement of 10 percent. The banking sector liquidity ratio increased to 82.3 percent in December 2023, from 63.7 percent reported in December 2022.

Table 3: Selected macroeconomic indicators.

Indicators	2016	2017	2018	2019	2020	2021	2022	2023
Annual percent change, unless otherwise stated								
National Income								
Real GDP	1.9	4.8	7.2	6.2	0.6	5.3	5.5	4.8
Nominal GDP (GMD billions)	64.39	70.14	80.45	90.79	93.33	105.49	121.09	146.70
Consumer price index (end-of-period)								
Overall	7.9	6.9	6.4	7.7	5.7	7.6	13.7	17.3
Food	8.7	7.3	6.4	7.7	7.0	10.2	18.3	22.5
Non-food	6.5	6.3	6.5	7.7	4.4	4.9	9.4	11.3
Exchange rate (end-of-period)								
GMD/USD	43.9	47.9	49.5	51.1	51.6	52.6	60.81	64.30
GMD/GBP	55.6	63.7	63.1	66.8	68.5	70.1	73.45	81.08
GMD/euro	46.9	56.6	56.9	57.1	61.9	60.6	64.05	70.50
GMD/CFA (5000)	377.1	416.2	418.0	418.5	440.93	478.14	456.51	514.05
Money and credit								
Reserve Money	25.2	22.6	16.5	17.2	33.9	13.6	-0.9	14.1
Broad Money Supply (M2)	15.3	20.9	20	27.1	22	19.5	7.1	8.8
Claims on government, net	22.1	3.1	7.4	6.0	6.5	21.5	13.2	-4.7
Credit to the private sector	-12.3	-1.2	32.9	35.8	0.8	20.7	25.0	11.7
Real credit to the private sector	-18.7	-7.6	24.9	26.1	-4.6	12.2	9.9	-4.7
Interest Rates (percent)								
Monetary policy rate	23	15	13.5	12.5	10	10	13	17
91-day treasury bill rate	13.7	5	5.1	2.2	2.8	0.7	9.5	3.2
182-day treasury bill rate	16.3	5.5	7.0	4.98	5.0	0.7	10.6	5.1
365-day treasury bill rate	17.7	6.7	9.5	7.4	7.3	1.6	12.6	7.6
Average lending rate	21.6	21.5	21.5	21.5	19	14.5	15.0	19.5
Average 3-month deposit rate	10.3	9.1	5.5	5.5	2.8	2.5	2.5	3.3
External Sector								
Current account (US$ millions)	-76.1	-95.2	-135	-135	-86.6	-86.9	-90.3	-204.1
Current account (% of GDP)	-5.7	-6.9	-8.4	-8.4	-5.0	-5.3	-4.6	-7.0
Exports FOB (USD millions)	91.2	139.4	157.7	157.7	70.1	32.9	51.6	286.6
Imports FOB (USD millions)	-310.5	-470	-579.1	-579.1	-581.8	-607.4	-694.0	-1226.9
Gross international reserves	60.1	143.96	157.14	157.14	352	530.4	454.73	476.1
Months of imports cover	1.5	3.6	3.9	3.9	4.9	7.1	6.5	6.8
Government Budget (percent of GDP)								
Domestic Revenue	12.1	11.5	12.7	12.7	12.6	14.3	11.8	12.4
Grants	1.1	8	5.8	5.8	8.0	4.2	6.9	8.1
Total Expenditure	19.9	24.2	24.5	24.5	24.0	24.2	24.3	24.3
Overall Balance	-6.7	-4.8	-6	-6	-3.4	-6.2	-5.7	-3.8

Source: CBG, GBoS

3.1 Monetary Policy

Throughout 2023, the Monetary Policy Committee (MPC) raised the monetary policy rate (MPR) thrice—in February, May and August—resulting in a cumulative increase of 400 basis points. These adjustments raised the MPR from 13.0 percent at the end of 2022 to 17.0 percent in the comparable period in 2023. However, the MPC paused rate hikes in the final meeting in November, amid indications that inflation has peaked. The Committee left the rate unchanged at 17.0 percent after observing a continued decline in headline inflation from the peak of 18.5 percent in September 2023. Inflation ended the year at 17.3 percent with the forecast suggesting encouraging signs of further decline in the near term. This development followed improvements in key factors that drive inflation, including largely external factors such as international commodity prices, and base effect. Despite the favourable inflation outlook, the Committee judged that it was premature to cut interest rates given the significant risks to the forecast, including the volatile energy and food prices.

The required reserves of commercial banks and the standing deposit rate remained unchanged at 13.0 and 3.0 percent, respectively, throughout the year. The interest rate on standing lending facilities was also aligned with the MPR, reaching 18.0 percent.

Table 4: Monetary policy decisions 2022 - 2023

Meeting Date	Policy Decision	Rate (percent)
Feb-22	Left MPR unchanged	10
May-22	Increase MPR by 1ppts	11
Sep-22	Increase MPR by 1ppts	12
Dec-22	Increase MPR by 1ppts	13
Feb-23	Increase MPR by 1ppts	14
May-23	Increase MPR by 2ppts	16
Aug-23	Increase MPR by 1ppts	17
Nov-23	Left MPR unchanged	17

Source: CBG

3.1.1 Monetary Policy Committee Meetings In 2023

The MPC convened four meetings in 2023 against the backdrop of rising global uncertainties and elevated domestic inflation. The Committee maintained a more restrictive monetary policy stance compared to the previous year, as inflation continued to diverge from the Bank's implicit medium-term target of 5 percent.

In three of the four sittings, the MPC raised the Bank's monetary policy rate (Table 4). The Committee left the rates unchanged at 17 percent in the final meeting of the year when the forecast suggested a downward inflation trajectory.

Throughout the year, the Committee approached its decision-making process with caution, mindful of the delicate balance between the fight to bring down inflation and the fragility inherent in the ongoing economic recovery.

3.1.1.1 February Meeting

In February 2023, the MPC convened the first meeting of the year and raised the policy rate by 100 basis points to 14.0 percent. Although the headline inflation showed signs of moderation with a slight decline in January 2023, it was still well above the Bank's medium-term target of 5 percent. Additionally, the risks to the outlook were significant and tilted to the upside, including volatility in international commodity prices. Moreover, the positive output gap was widening, and the Business Sentiment Survey results indicated that inflation expectations were high.

The Committee observed an improvement in global economic conditions, with higher growth prospects and declining inflation, which was influenced by the fall in commodity prices and monetary tightening. However, the persistent rise in international prices of rice remained a concern given its importance in the food basket of the Gambia.

On the home front, a more robust economic performance was projected for 2023, underpinned by an expanding positive output gap. Real GDP was forecast to grow by 6.0 percent in 2023, predicated on a sustained recovery in tourism, ongoing public sector infrastructure projects, and steady inflows of private remittances. However, there were notable risks that continued to cloud the forecast, including uncertainties stemming from the global economic and geopolitical landscape, and the impact of monetary tightening on domestic demand.

In the domestic foreign exchange market, improvements have been observed in foreign currency supply conditions since the Committee's previous meeting, fostering expectations of continued stability in the dalasi exchange rate. This was supported by the Bank's robust external reserve of 4.8 months of prospective imports of goods and services.

During deliberations, the Committee acknowledged that previous policy actions were paying dividends, as evidenced by the decline in inflation, albeit slightly, and the more favourable inflation forecast. However, given the magnitude of the upside risks to the inflation forecast and the elevated level of inflation expectations, the Committee decided that further policy action was necessary. As a result, the policy rate was raised by 100 basis points from 13.0 percent to 14.0 percent.

3.1.1.2 May Meeting

The May 2023 meeting of the MPC showed the most aggressive policy rate hike since the beginning of the tightening cycle in February 2022. The MPR was increased by 200 basis points to 16.0 percent, after inflation numbers for March and April drifted significantly away from the forecast. Headline inflation accelerated, reaching 17.4 percent by April 2023 following the announcement by the national utility company of a 30 percent rise in electricity and water tariff.

Moreover, uncertainties continued to fraught the global economic landscape. In addition to the adverse effects of rising geopolitical fragmentations, financial sector stress re-emerged in advanced economies. Bank failures in advanced economies in the first quarter of the year, triggered by high interest rates, threatened financial stability and growth. Although there were positive indications that international prices of key commodities would stay subdued, the overall outlook remained volatile and uncertain. The upward trajectory of rice prices, a staple in The Gambia, was particularly worrisome. Additionally, the strength of the US dollar and rising interest rates in advanced economies continued to exert pressure on exchange rates, amplifying external debt burdens in emerging and developing economies.

Despite these challenges, the Gambian economy exhibited resilience, with newly released numbers by the Gambia Bureau of Statistics (GBoS) indicating a real GDP growth of 4.9 percent in 2022, slightly below the 5.3 percent for 2021. Driving growth in 2022 were services (mainly wholesale and retail trade, accommodation and food services, information and communication, and financial activities), construction, and agriculture. For 2023, staff downgraded the growth projection in the May forecast round, reflecting a delay in some major government infrastructure projects that were factored in the baseline in the earlier forecast round. The staff forecast the economy to grow by 4.4 percent in 2023, 1.5 percentage points lower than the February forecast. Balance of payments challenges, which resulted in foreign currency shortage, and adverse global developments also contributed to the downgrade.

For inflation, the forecast suggested, although headline inflation was anticipated to ease towards the end of the year, it will remain in double digits and above the Bank's medium-term target. However, should global inflation continue its downward trajectory and monetary policy effectively anchor inflation expectations, headline inflation might moderate and align with the medium-term target sooner than current projections suggest.

3.1.1.3 August Meeting

The August 2023 MPC meeting, which was the third meeting of the year, witnessed a lesser tightening compared to the May decision. The Committee increased the MPR by 100 basis points to 17.0 percent as inflation reached the high of 18.4 percent in July 2023. This was the highest level of inflation registered since 2003.

On the global front, there were encouraging signs of improving global economic conditions with the continued easing of global supply chain, relatively brighter growth prospects, and declining inflation. However, geopolitical uncertainties, and volatility in commodity prices, especially for food and energy remained.

On the domestic economy, the Committee projected a continuation of the post the post-pandemic recovery momentum, underpinned by a healthy real GDP growth of over 5.0 percent for 2023. Growth will continue to be supported by the recovery in tourism activity, public and private sector consumption, and investments, as well as better harvest expected this cropping season.

Domestic price pressures continue to a be critical concern. The headline inflation rate of

18.4 percent in July 2023 surpasses the Bank's tolerable level, and the outlook is unfavorable. In this regard, the MPC remained steadfast in its commitment to bring it down to the medium-term target. The Committee noted the challenges posed by the complex global environment and domestic economic dynamics.

3.1.1.4 November Meeting

The MPC had its final meeting of the year in November 2023, amid indications that inflation had likely peaked in the previous quarter. In September 2023, inflation rose to 18.5 percent, the highest it had been in almost two decades. However, it slowed down to 18.0 percent in October, and the forecasts suggested that it would peak sooner and lower than previously anticipated.

Despite this positive development, the Committee recognized that there were still significant upside risks to the outlook, and they judged that it was necessary to keep policy tight until inflation was firmly on a downward trajectory. Therefore, the policy rate was maintained at 17.0 percent.

The Committee noted a discernible loss of momentum in the global economy since the previous meeting, with slowdowns observed in manufacturing, trade, and services. On a positive note, global inflation declined, driven by the aggressive monetary tightening and the decline in international commodity prices, owing to the combination of weakening global demand and improved supply conditions. Nonetheless, the Committee expected monetary policy around the world to remain tight for long, although the pace of rate hikes may slow.

On the domestic economy, the forecast indicated a continuation of the recovery momentum with real GDP growth averaging around 5.3 percent. Growth was projected to be supported by strong tourism activity, public infrastructure developments, and private sector consumption, and investments, as well as better harvest expected this cropping season.

In the foreign exchange market, liquidity conditions had started to improve, supported by private remittance inflows and recovery in tourism receipts. Going forward, substantial improvement in the supply of foreign currency was expected from inflows from development partners, including the anticipated balance of payments support from the IMF after approval of the new ECF program that was agreed upon in October 2023. Meanwhile, the Central Bank continued to maintain a comfortable level of external reserves.

The Committee strongly believed that although past monetary policy actions have been effective, evidenced by a more favourable inflation outlook, enhanced coordination between fiscal and monetary authorities was necessary to combat inflation.

3.2 Analysis of Monetary Aggregates

3.2.1 Annual Money Supply Growth

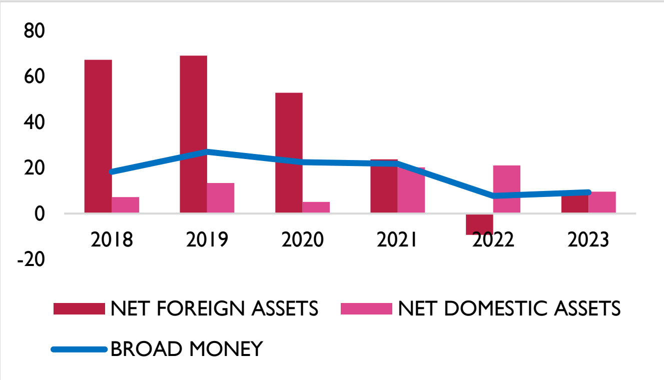
After experiencing a notable deceleration in 2022, attributed to the contraction in the Net Foreign Assets (NFA) of the depository corporations[2], annual money supply growth rebounded in 2023. However, the pace of credit expansion in the economy decelerated.

The depository corporations' net claims on government widened by 2.7 percent (year-on-year) relative to 11.6 percent in 2022. This increase can be attributed to the substantial amount of grant disbursement in the fourth quarter of the year, which lessened the government's reliance on borrowing from the domestic market. Similarly, growth in credit to the private sector increased by 9.2 percent (year-on-year). These developments resulted in

[2] Depository corporations comprise of the central bank and commercial banks.

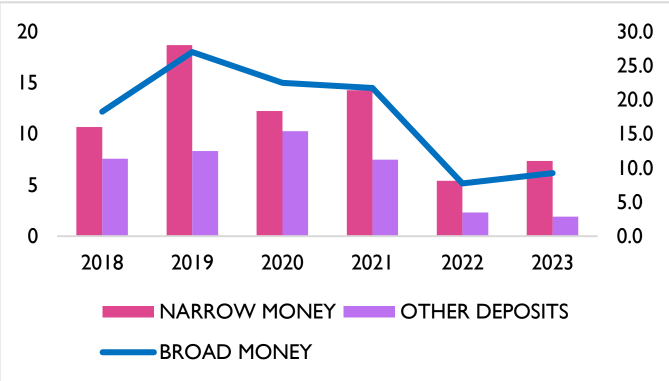
a higher annual money supply growth of 9.3 percent in 2023, compared to 7.7 percent in 2022.

Chart 8: Drivers of money supply, NFA and NDA (percent change)



Source: CBG

Chart 9: Drivers of money supply, Narrow Money and Other Deposits (percent change)



Source: CBG

3.2.1.1 Net Foreign Assets

Foreign currency shortages in 2022, which stemmed from external shocks, adversely impacted the net foreign assets position of both the Central Bank and other depository corporations (ODCs), leading to a slowdown in money supply growth. However, significant improvements were observed in 2023, thanks to the substantial disbursement of donor funds, recovery in tourism receipts and increase in private remittances. Consequently, external reserves drawdown declined markedly from US$139.6 million in 2022 to US$59.4 million in 2023, facilitating the rebuilding of the net foreign assets position of the Central Bank. The improvement in the foreign currency liquidity condition also enabled commercial banks to accumulate foreign assets.

The stock of NFA of the depository corporations rebounded from a contraction of 9.3 percent in 2022 to grow by 8.8 percent in 2023. This growth was fueled by the increases in both the NFA of both the Central Bank and other depository corporations, after benefiting from the improvement in the foreign currency liquidity supply constraints. The gross claims of depository corporations on non-residents grew by 3.5 percent to reach D15.8 billion, compared to a contraction of 0.2 percent in 2022. The stock of liabilities to non-residents also increased by 5.4 percent, from D18.8 billion in 2022 to D19.8 billion in 2023.

The Central Bank's NFA improved by 11.3 percent (year-on-year) in 2023, compared to a contraction of 18.7 percent in 2022. The increase in the Bank's NFA reflects an improvement in the amount of official inflows from budget support received during the year and the decline in external reserve drawdowns. The Central Bank claims on non-residents increased by 9.0 percent to D31.6 billion. The easing of liquidity constraints in the foreign exchange market limited the sale of foreign currency during the review period. In 2023, the Bank sold US$59.4 million to the market to augment foreign currency liquidity. This is significantly lower than US$139.6 million sold in 2022. The Bank's liabilities to non-residents increased by 6.9 percent to D16.2 billion.

Similarly, the NFA of Other Depository Corporations (ODC) increased by 5.5 percent in 2023, which represents a moderation from the 7.7 percent recorded in 2022. ODC's claims on non-residents grew by 3.8 percent, driven by the rise in deposits held with banks abroad. Liability to non-residents declined by 0.9 percent.

3.2.1.2 Net Domestic Assets

As of the end of December 2023, the stock of net domestic assets (NDA) of depository corporations stood at D44.7 billion, reflecting year-on-year growth of 9.5 percent. This represents a much slower annual growth compared to the 21.1 percent recorded in the previous year, mirroring the slowdown in the pace of credit expansion in the economy.

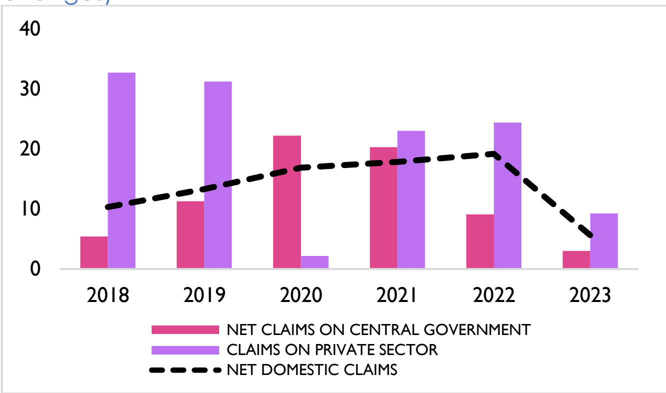
Domestic credit, which comprises the depository corporations' net claims on government, private sector, and public entities, grew by 5.6 percent in 2023, substantially lower than the 19.2 percent growth seen in 2022. The stock of domestic credit stood at D58.0 billion as of the end of December 2023.

The marked increase in government deposits at the Central Bank in the fourth quarter, driven by significant budget support, reduced the government's need to borrow from the domestic market during this period. Consequently, there was a year-on-year moderation in the net claims of depository corporations on the government by 2.7 percent, a stark contrast to the 11.6 percent growth in 2022. The stock of net claims on the government stood at D41.0 billion as of the end of December 2023, constituting 70.8 percent of the stock of domestic credit relative to 72.8 percent in 2022. This contraction reflected a decrease in government's reliance on domestic financing, easing upward pressure on short-term money market interest rates in the fourth quarter of 2023.

Despite this, private sector credit growth also slowed significantly, from 24.0 percent in 2022 to 9.2 percent in 2023. The combined effects of high lending rates and a cautious lending environment among other depository corporations largely explain the deceleration in private sector credit growth. As of the end of December 2023, the stock of private sector credit was D12.7 billion, accounting for 22.0 percent of the stock of domestic credit.

In contrast, the depository corporations' claims on public entities increased markedly by 28.1 percent, benefiting from a financing facility for the purchase of groundnuts from farmers by the Gambia Groundnut Corporation. Nevertheless, the stock of depository corporations' claims on public entities, which stood at D4.1 billion, accounted for only 7.2 percent of domestic credit.

Chart 10: Growth in NDA and components (percent changes)



Source: CBG

As of end December 2023, CBG stock of Net Domestic assets (NDA) stood at 8.5 billion compared to 7.1 million dalasis, reflecting year-on-year growth of 19.7 percent. The Bank's net claims on government grew by 0.3 percent (year-on-year) as at end-December 2023, lower than the 24.8 percent in 2022. The major factor behind the moderation in the Central Bank's net claims on the government was the inflow of budget support. On the other hand, CBG credit to the private sector contracted by 57.9 percent reflecting a decline in the CBG claim on the private sector.

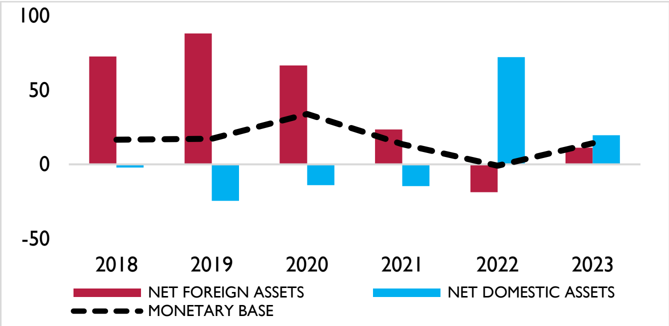
The Other Depository Corporations (ODC) saw a notable increase in their Net Domestic Assets (NDA) from 41.7 billion in December 2022 to 45.9 billion in December 2023. This growth reflects an expansion in the domestic asset base, driven by increased claims on the private sector, which rose from 11.1 billion to 12.5 billion reflecting an annual growth of 10.1 percent. Claims on public nonfinancial corporations increased by 28.1 percent to 4.2 billion, these changes indicate heightened lending activity and investment within these sectors. The ODC claim on central government grew by 4.1 percent reflecting the continuous holding of government securities.

3.2.2 Reserve Money

Reserve money (RM), the Bank's operating target, surged by 14.1 percent (year-on-year) in 2023, as opposed to the contraction of 0.9 percent the previous year. The NFA of the Central Bank accounted for 64.3 percent of RM stock and contributed 7.4 percentage points to RM growth. In contrast, the NDA represented

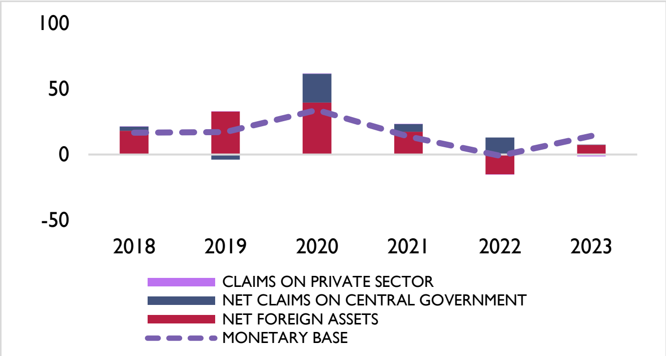
35.7 percent of RM stock and contributed 6.7 percentage points to RM growth.

Chart 11: Growth in reserve money and components (percent change).



Source: CBG

Chart 12: Contribution to growth in reserve money growth.



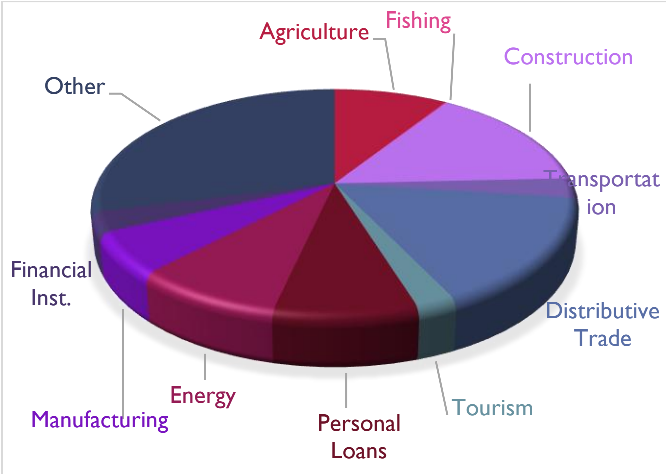
Source: CBG

Analysis of the components of reserve money indicates a shift in liquidity preferences and banking sector conditions. The stock of currency in circulation, which includes currency in the hands of the public and the vaults of commercial banks, stood at D15.5 billion as of the end of December 2023. This represents a slowdown in annual growth from 12.3 percent in 2022 to 10.7 percent in 2023. Additionally, depository corporations held a substantial amount of excess reserves, indicated by a 21.1 percent rise in their reserves at the Central Bank to D8.4 billion. This is a stark contrast to the 20.0 percent contraction recorded in the previous year.

3.2.3 Distribution Of Commercial Bank Credit

After experiencing a robust recovery in 2021 and 2022 from the pandemic-induced slowdown, private sector credit growth decelerated in 2023. The total stock of gross loans and advances extended by commercial banks to various sectors of the economy grew by 16.7 percent, reaching D16.9 billion in 2023. This growth rate was significantly lower than the 54.9 percent registered in 2022. The deceleration can be attributed to a cautious lending environment among commercial banks, high lending rates influenced by tight monetary policy, and a base effect from the previous year when a substantial financial facility was extended to the agriculture sector by a commercial bank.

Chart 13: Distribution of commercial bank credit



Source: CBG

Agriculture continues to receive minimal credit from the financial system. This is attributed to the seasonal nature of production, reliance on rainfall, and the dominance of smallholder farmers with limited financial knowledge. In 2023, the sector received 19.6 percent less credit compared to the previous year, reducing the share of the credit stock to 9.0 percent from 13.1 percent. This decrease is partly due to a base effect, mirroring a significant financial facility extended to the sector in 2022. The high lending rates, the low level of financial literacy among farmers and the decline in productivity continue to lower the demand for loans among farmers. In addition, perceived risks related to the seasonal nature of production and the unique challenges faced by smallholder farmers play a significant role in shaping credit allocation decisions of commercial banks. Loans to the fishing sector also remained minimal, accounting for less than 1 percent of total credit. This indicates persistent underinvestment in the sector.

The manufacturing industry in The Gambia, though still small and dominated by small-scale production, saw significant credit growth. The sector experienced a marked increase in credit allocated to it, driven by a rise in start-ups and small and medium-sized businesses. In 2023, the outstanding credit to manufacturing grew by 102.8 percent but still accounted for only 6.0 percent of the stock of commercial bank credit.

The construction sector experienced a decline in credit allocation but remained a key driver of credit growth, driven by private real estate activity. The stock of credit to this sector decreased by 15.7 percent year-on-year, reducing its share of total commercial bank credit from 21.0 percent in 2022 to 15.1 percent in 2023.

Credit to the distributive trade sector grew by 19.1 percent year-on-year in 2023, indicative of a strong recovery since the pandemic. Its share of the stock credit was 15.8 percent in 2023, reinforcing its position as one of the dominant sectors in the credit market due to the crucial role it plays in the economy. This strong demand for loans in the sector is reflected in ongoing expansion in retail trade activities and rising consumer demand.

Table 5: Outstanding stock of commercial bank credit to the private sector (millions of GMD)

	Millions of GMD						Percent Change	Percent share
Sectors	2018	2019	2020	2021	2022	2023	2023	2023
Agriculture	86.60	138.50	276.40	24.10	1894.20	1522.52	-19.6	9.0
Production	*20.70*	*12.60*	*3.20*	*4.40*	*2.40*	*9.59*	*299.7*	0.1
Processing	-	*2.10*	*2.70*	*0.90*	*452.00*	*2.22*	*-99.5*	0.0
Marketing	65.90	123.80	270.50	18.80	1439.80	1510.71	4.9	8.9
Fishing	7.20	6.30	2.10	5.90	27.10	20.10	-25.8	0.1
Manufacturing	23.50	90.80	71.70	97.40	496.90	1008.10	102.9	6.0
Construction	1091.10	1454.50	2041.40	3074.30	3039.00	2560.20	-15.8	15.1
Companies & Corporations	*1046.70*	*1292.10*	*1783.50*	*2786.40*	*2528.60*	*2021.80*	*-20.0*	12.0
Individuals & Partnerships	*44.40*	*162.40*	*257.90*	*287.90*	*510.40*	*538.40*	*5.5*	3.2
Transportation	360.90	555.60	565.00	283.60	409.10	469.50	14.8	2.8
Companies & Corporations	323.60	525.20	535.50	263.20	369.10	424.30	15.0	2.5
Individuals & Partnerships	37.30	30.40	29.50	20.40	40.00	45.20	13.0	0.3
Distributive Trade	1726.60	1684.90	1733.60	1957.40	2247.40	2675.60	19.1	15.8
Companies & Corporations	*1686.40*	*1409.50*	*1376.10*	*1594.60*	*1757.40*	*2231.50*	*27.0*	13.2
Individuals & Partnerships	*40.20*	*275.50*	*357.50*	*362.80*	*489.90*	*444.10*	*-9.4*	2.6
Tourism	595.80	408.50	416.00	316.00	381.30	391.10	2.6	2.3
For Premises	*490.10*	*199.30*	*223.20*	*202.90*	*201.40*	*166.80*	*-17.2*	1.0
For Capital equipment	-	*12.90*	*9.80*	*15.30*	*13.70*	*12.10*	*-11.8*	0.1
For working capital	*105.70*	*196.30*	*183.00*	*97.80*	*166.20*	*212.30*	*27.7*	1.3
Financial Institutions	178.50	356.90	190.30	264.00	270.50	483.10	78.6	2.9
Energy	66.20	107.60	104.90	175.00	140.00	1465.80	947.0	8.7
Personal Loans	463.20	560.70	569.90	833.80	1210.00	1415.00	16.9	8.4
Other Unclassified	905.60	1986.00	1430.90	2329.70	4383.70	4900.80	11.8	29.0
Total Outstanding	5505.20	7350.30	7402.20	9361.20	14498.20	16911.90	16.6	100.0

Source: CBG

3.3 Interest Rates Developments

The declining trend of interest rates reversed in the first quarter of 2022, due to a shift in monetary policy stance and the increased borrowing by the public sector. The MPR was raised by 300 basis points during the year, triggering a liquidity squeeze in the banking system and causing market interest rates to rise. The Bank's operations in the foreign exchange market and the central government's growing appetite for domestic borrowing also contributed to the liquidity drain, pushing interest rates higher.

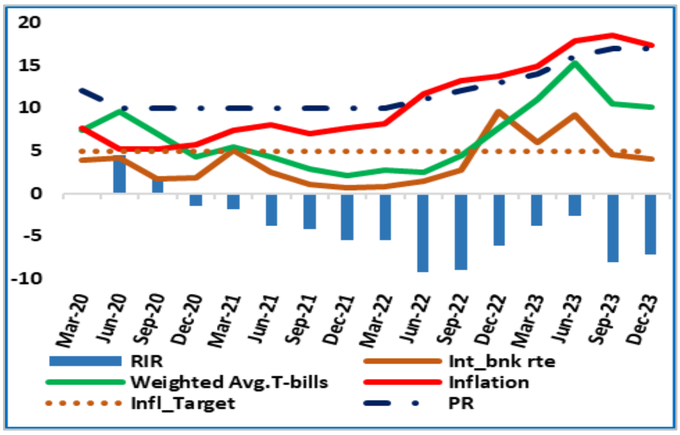
The interest rate rise was most notable in the money market. The weighted average interest rate on treasury bills increased from 1.8 percent in December 2021 to 11.2 percent in December 2022. As at end December 2023, all money market interest rates declined reflecting improved liquidity conditions and moderate government demand for private funds (Table **6**).

Table 6: Short-term interest rates

Facility	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
3M T-Bill	2.2	3.6	2.2	11.5	6.1
6M T-Bill	5.1	7.3	0.5	12.8	8.0
12M T-Bill	7.5	8.4	4.3	12.8	10.8
3M SAS	2.2	3.6	2.8	10.2	3.4
6M SAS	4.8	7.3	3.1	12.8	3.9
12M SAS	7.3	8.4	3.1	13.0	4.6
Weighted avg.T-bills					
Interbank	2.3	1.9	0.7	9.5	3.6
MPR	12.5	10	10	13	17
SDF	2.5	3	3	3	3
SLF	13.5	11	11	14	18

Source: CBG

Chart 14: Inflation, Nominal and real interest rates



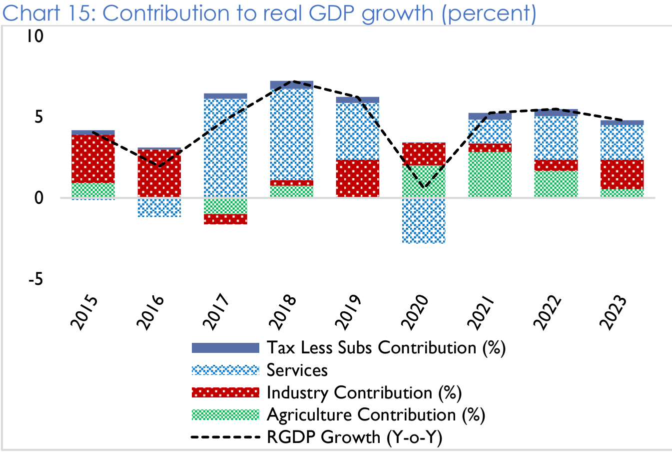
Source: CBG

3.4 Real Sector developments

3.4.1 Real GDP Growth

Despite facing significant challenges over the past two years, the Gambian economy continues to exhibit strong growth on an annual basis, setting a favourable trajectory for macroeconomic improvement. The Central Bank of the Gambia (CBG) forecasts real GDP growth at 5.3 percent in 2023 from 4.9 percent estimated in 2022, with recovery anticipated in both the services, Agric and industry sectors. Notably, the full recovery of the tourism industry, along with contributions from construction, transportation, as well as energy sectors.

Chart 15: Contribution to real GDP growth (percent)

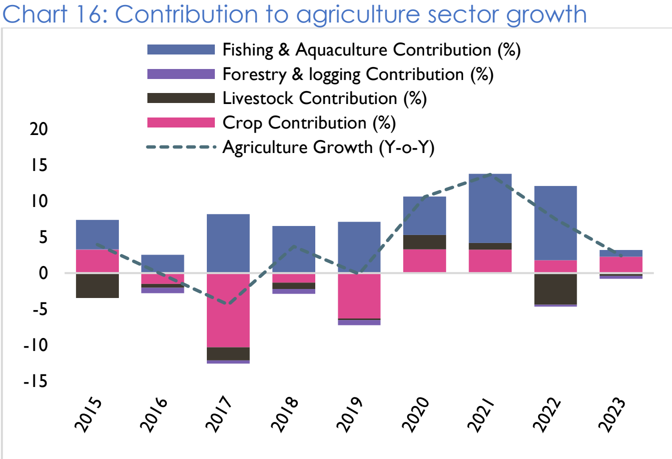


Source: GBOS, CBG staff calculations

3.4.1.1 Agricultural Sector

Growth in agriculture, a key but vulnerable sector of the economy due to climate-related developments, further moderated in 2023, growing by 2.4 percent compared to 7.5 percent in 2022. The decline in growth during the review period is mainly attributed to the negative growth and contribution from livestock, forestry and logging and the moderating growth and contribution from fishing and aquaculture. Meanwhile, crop production saw a slight improvement, growing by 6.5 percent in 2023, up from 5.0 percent in 2022. Overall, the sector's performance highlights the challenges and vulnerabilities faced, particularly by sub-sectors.

Chart 16: Contribution to agriculture sector growth

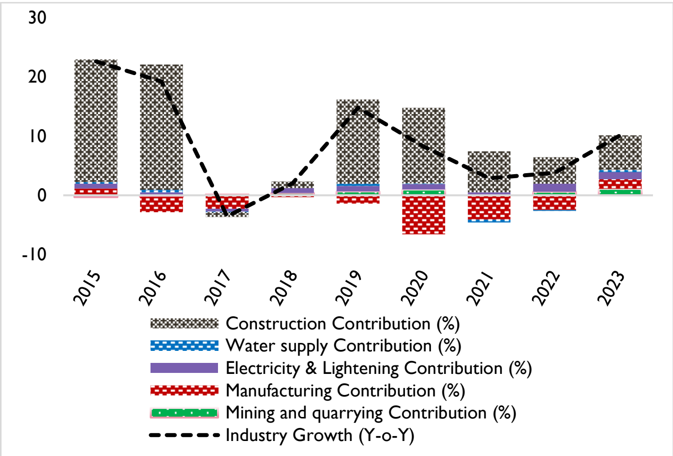


Source: GBOS, CBG staff calculations

3.4.1.2 Industry Sector

Growth in the industry sector improved to 10.1 percent in 2023, up from 3.8 percent in 2022, supported by the cumulative effects of an improved contribution from construction activities, manufacturing, electricity, lighting, and mining. This sector saw diverse performance across its sub-sectors in recent years. For instance, construction activities rebounded with a significant 5.9 percent growth in 2023 compared to 4.5 percent in 2022. Manufacturing also showed resilience with an increase of 1.6 percent in 2023, up from a decline of 2.5 percent in 2022. The mining sub-sector recorded growth of 1.1 percent in 2023, a notable improvement from 0.6 percent in 2022. Conversely, the electricity and lighting sub-sector faced some challenges, moderating to 1.2 percent in 2023 compared to a growth of 1.3 percent in 2022.

Chart 17: Contribution to growth in industry sector

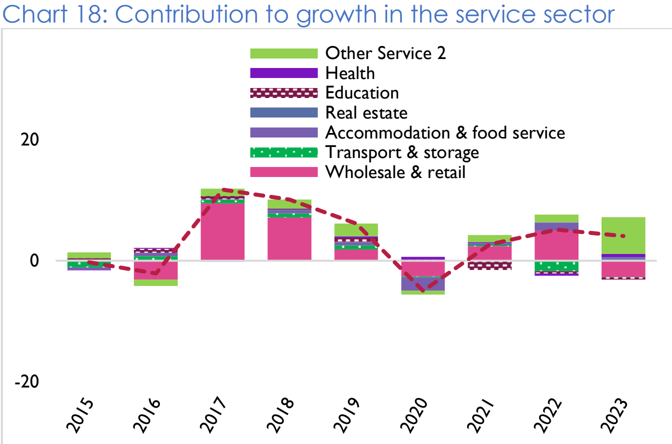


Source: GBOS, CBG staff calculations

3.4.1.3 Services Sector

Activity in the services sector was estimated to have moderated by 1.0 percentage point to 4.1 percent in 2023, down from 5.1 percent in 2022. The sector benefited from improvements in contributions from other sectors, including information and communication, insurance, professional services, administrative support, and entertainment. However, wholesale and retail trade, transportation, education, and other service activities saw a slowdown. Overall, significant contributions to the services sector in 2023 emerged from other services including information & communication, public administration, financial insurance and entertainment. While education, transportation and wholesale & retail trade (the largest component in the services sector), moderated, contributing to the overall slowdown in the sector's activity.

Chart 18: Contribution to growth in the service sector

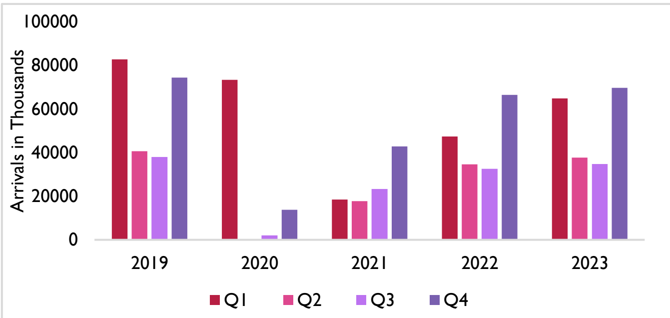


Source: GBOS, CBG staff calculations.

3.4.1.4 Tourism Industry

The tourism sector continues to recover, evidenced by the pick-up in arrival numbers and is on track to return to pre-pandemic level next year. Tourist arrivals improved by 14.4 percent, from 180,938 arrivals recorded a in 2022 to 206,936 in 2023.

Chart 19: Annual tourist arrival numbers.

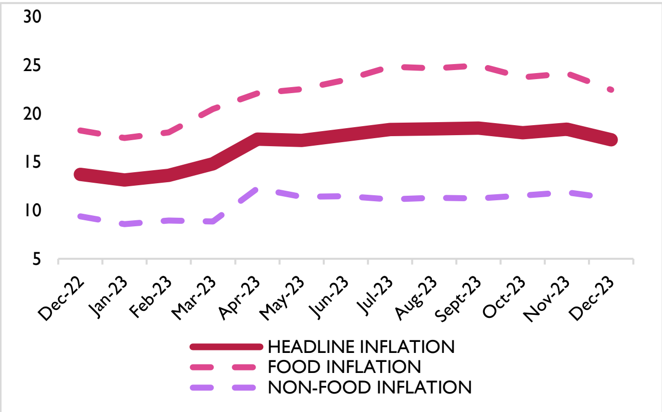


Source: Gambia Tourism Board (GTB)

3.5 Price Developments

The year 2023 witnessed a notable escalation in price pressures in the Gambian economy, causing headline inflation to diverge from the Central Bank's implicit medium-term target of 5 percent. This surge in inflationary trends was a consequence of a confluence of both domestic and external factors. Domestically, imbalances in supply and demand dynamics played a pivotal role, compounded by the rising cost of imports, adjustments in fuel and utility prices, and the depreciation of the domestic currency. Notably, in March 2023, the National Water and Electricity Company (NAWEC) declared a 30 percent hike in electricity and water tariffs, set to take effect from April onwards. This announcement triggered a marked increase in inflation in March, with subsequent increases observed post-implementation in April, and further amplified by second-round effects in the ensuing months. Moreover, persistently high inflation expectations and underlying inflation added to the challenges throughout the year.

Chart 20: Consumer price inflation

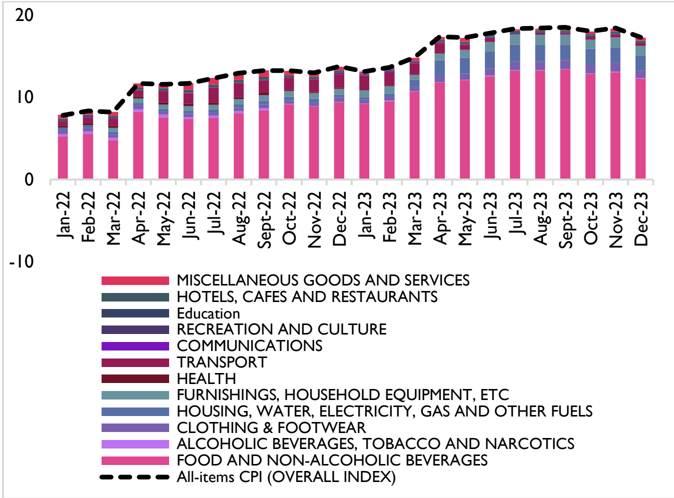


Source: GBoS and CBG staff calculations

Data published by the Gambia Bureau of Statistics (GBoS) revealed that headline inflation reached a two-decade high in September 2023 at 18.5 percent. This increase was driven primarily by food, utility, and fuel prices. Towards the end of the year, however, inflationary pressures began to ease, influenced by lower global commodity prices and domestic policy actions. After reaching a peak of 18.5 percent in September 2023, headline inflation decreased to 17.3 percent in December 2023 but was still higher than the 13.7 percent recorded in the corresponding period in the previous year.

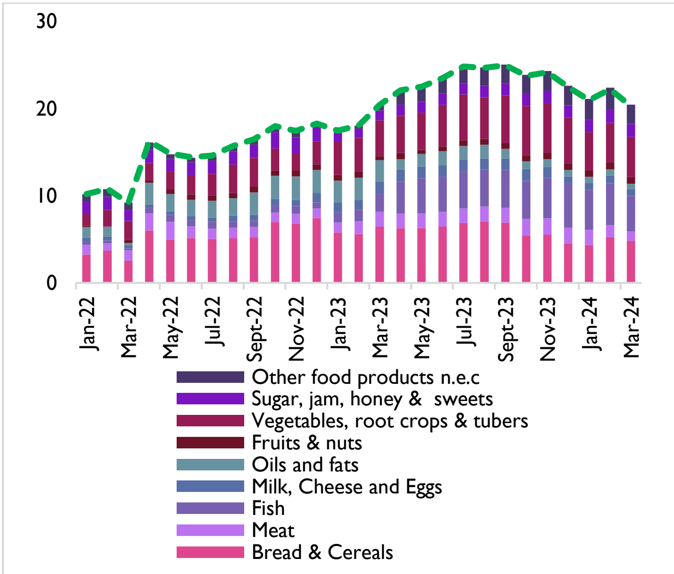
Food inflation was the primary driver of headline inflation, rising by 4.2 percentage points rise, to 22.5 percent in December 2023. This marked increase in food inflation can be ascribed to the acceleration in the price indices of fish, imported food items, vegetables, non-alcoholic beverages, and meat.

Chart 21: Contributions to headline inflation (percent)



Source: GBoS, CBG staff calculation

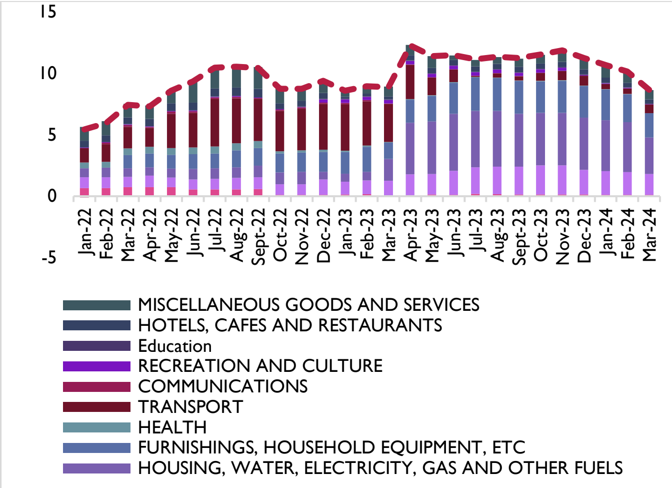
Chart 22: Contributions to food inflation (percent)



Source: GBoS, CBG staff calculation

Similarly, non-food inflation witnessed a notable surge in 2023, reflecting adjustments in administered prices such as fuel, transport, and utility. For instance, the 30 percent increase in electricity and water tariffs by NAWEC in April 2023 led to an immediate jump in electricity and water price indices. This also triggered additional increases in the price indices of other items in the CPI basket. The second-round effects in the subsequent months compounded the impact on headline inflation. The adjustment in utility prices came after a sequence of transport fare hikes throughout the year, which were in response to changes in pump prices.

Chart 23: Contribution to non-food inflation (percent)



Source: GBoS, CBG staff calculation

In April 2023, non-food inflation jumped from 8.9 percent in March 2023 to 12.3 percent. Although, by December 2023, non-food inflation decelerated to 11.2 percent, it remained significantly higher than the 9.4 percent observed in the corresponding period of the preceding year. The high prices of textiles in the international commodities market also contributed to the elevated non-food inflation.

Throughout the year, both core inflation measures exhibited a discernible upward trajectory. Core 1, which excludes the price effects of volatile energy and utility items, accelerated to 20.8 percent in December 2023, from 19.8 percent in 2022.

The Core 2 inflation, which further excludes volatile food items, revealed a more tempered trajectory, at 19.2 percent in December 2023, indicating a modest increase from the 18.8 percent recorded in 2022. The subdued rise in Core 2 inflation signals the Bank's success in managing the impact of volatile food prices. The resilience exhibited in the face of these challenges reaffirms the effectiveness of the Central Bank's policies and interventions.

3.6 Government Fiscal Operations

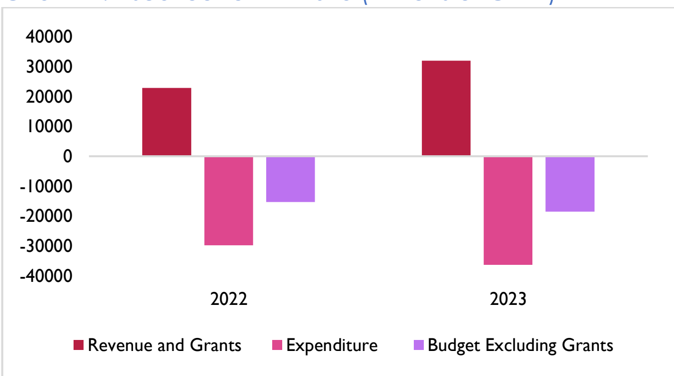
3.6.1 Fiscal Policy

In 2023, The Gambia's fiscal policy aimed at enhancing revenue collection and managing public expenditures to reduce the fiscal deficit and public debt levels. Fiscal consolidation was the cornerstone of the IMF Extended Credit Facility (ECF)-supported program, which was concluded in December 2023. The program aimed to reduce debt vulnerabilities, build fiscal resilience, and foster long-term fiscal sustainability in the country.

The government focused on improving tax collection mechanisms, which resulted in higher tax revenues. Efforts were made to widen the tax base and improve compliance through the digitalization of tax administration, which played a significant role in boosting overall revenue. The government also benefited from external assistance in the form of budget support and project grants, which contributed to the revenue side. These grants were crucial for supporting public investment and development projects.

Despite efforts to control the deficit, public expenditure remained elevated, particularly due to increased investment in infrastructure projects, such as road construction. Expenditure on personnel emoluments, debt servicing and social spending also weighed on the budget in 2023. As a result, the fiscal position deteriorated in 2023 compared to the previous year, due to spending pressures.

Chart 24: Fiscal outturn in 2023 (millions of GMD)

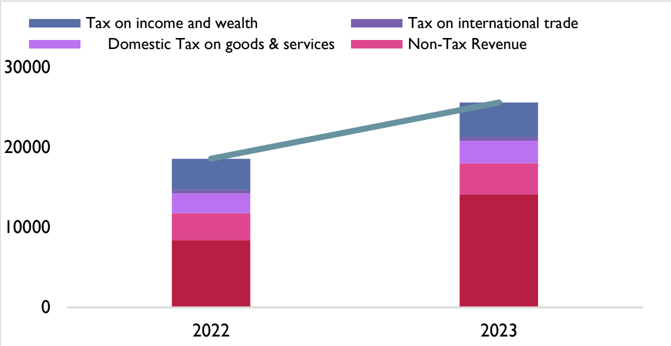


Source: MOFEA, CBG staff calculations

3.6.1.1 Revenue Performance

The total revenue and grants mobilized in 2023 amounted to D31.9 billion (22.2 percent of GDP), an increase of 39.4 percent compared to last year. The increase in the total revenue and grants mirrors enhanced domestic revenue mobilization and donor support. The government benefited from budget support and project grants from development partners such as the World Bank, European Union, and African Development Bank. Consequently, grants received during the year increased by 68 percent to D14.1 billion (9.4 percent of GDP) in 2023, from D8.4 billion (6.9 percent of GDP). Of the grants received in 2023, 71 percent comprise project grants, and the remaining 29 percent accounts for program grants.

Chart 25: Government receipts (millions of GMD)



OFEA, CBG staff calculations

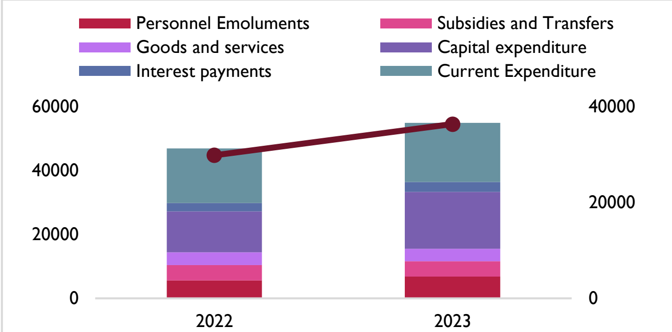
Domestic revenue, comprising tax and non-tax revenues, rose by 23.1 percent to D17.8 billion (12.4 percent of GDP) in 2023, from D14.5 billion (11.8 percent of GDP) a year ago. Domestic revenue collection exceeded the target by D506.2 million or 2.8 percent, following an increase in both tax and non-tax revenues.

Tax revenue rose by 24.7 percent to D13.9 billion (9.7 percent of GDP) in 2023, from D11.1 billion (9.1 percent of GDP) last year and surpassed the annual target by D498.1 million or 3.7 percent. The tax administration measures such as digitalization aimed at improving revenue collection, expanding the tax base and improving simplicity have helped increase tax revenues. Both direct and indirect tax revenues increased, by 10.6 percent and 32.2 percent, respectively. Corporate and personal taxes also increased by 4.9 and 19.8 percent, respectively. Similarly, non-tax revenue rose by 17.7 percent which is D3.9 billion (2.74 percent of GDP) in 2023, from D3.3 billion (2.72 percent of GDP) in 2022.

3.6.1.2 Expenditure and Net Lending

The government's total expenditure and net lending increased by 21.8 percent to D34.9 billion (17.1 percent of GDP), from D29.8 billion (24.3 percent of GDP). The increase in total expenditure was driven mainly by the surge in development expenditures that are largely externally financed, although recurrent expenditure was also a significant contributor.

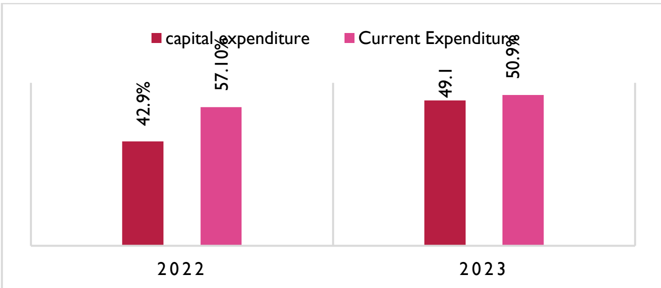
Chart 26: Government expenditure (millions of GMD)



Source: MOFEA, CBG staff calculation

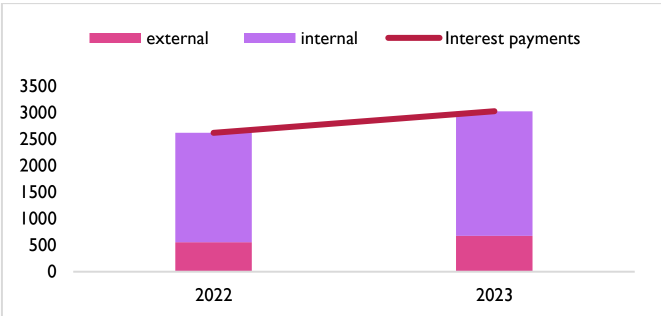
Recurrent expenditure increased by 8.7 percent to D18.5 billion (12.9 percent of GDP) in 2023, compared to D17.0 billion (13.9 percent of GDP) in 2022. The key drivers of recurrent expenditure were personal emoluments and interest payments, which expanded by 20.9 percent and 15.5 percent, respectively. In contrast, spending on other charges (goods and services, subsidies, and transfers) contracted during the review period by 1.1 percent, explained by the decline in subsidies and transfers that offset the increase in spending on goods and services.

Chart 27: Government capital and recurrent expenditure



Source: MOFEA, CBG staff calculations

Chart 28: Government interest payments (mill of GMD)



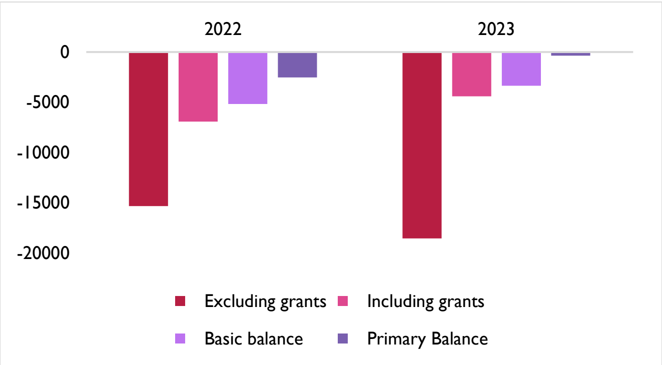
Source: MOFEA, CBG staff calculations

Capital expenditure continued to increase owing to the ongoing infrastructure developments. Over the reviewed period, capital expenditure increased to D16.4 billion (11.4 percent of GDP), from D12.7 billion (10.4 percent of GDP) in 2022. It constituted 47.0 percent of total expenditure and net lending. Of the components, externally financed capital expenditure and GLF capital surged by 35.0 and 1.6 percent, respectively. Capital expenditures that were externally financed through loans and grants accounted for 83.9 percent of capital expenditures, while the remaining 16.2 percent was sourced from the domestic debt market, primarily via the issuance of long-term bonds.

3.6.1.3 Budget Balance

The overall deficit (including grants) narrowed from D6.9 billion (5.7 percent of GDP) in 2022 to D5.4 billion (3.8 percent of GDP) in 2023. However, the overall budget deficit (excluding grants) widened to D17.1 billion (11.9 percent of GDP) in 2023, from D15.3 billion (12.5 percent of GDP) a year ago.

Chart 29: Fiscal performance (millions of GMD)



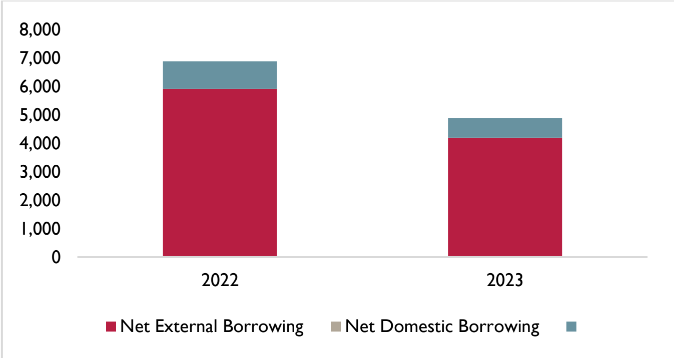
Source: MOFEA, CBG staff calculations

The deficit in the basic balance, which excludes grants and externally financed project spending, decreased from D5.2 billion (4.2 percent of GDP) in 2022, to 3.3 billion (2.3 percent of GDP) at the end of the year 2023. Moreover, the primary balance improved to 315.8 million (0.2 percent of GDP) in 2023 from D2.5 billion in the previous year.

3.6.1.4 Financing

Of the total budget deficit, 83.9 percent was financed through external borrowing, while 13.8 percent was sourced domestically. In 2023, net external financing of the budget deficit grew by an impressive 60.7 percent compared to the 52.4 percent growth observed in 2022. The significant increase highlights a growing reliance on external funds. Conversely, domestic financing saw a further contraction in 2023, decreasing by 79.1 percent, a much steeper decline than the 21.3 percent contraction experienced in 2022. This shift underscores a notable reduction in the use of domestic sources to finance the budget deficit.

Chart 30: Deficit financing mix (millions of GMD)

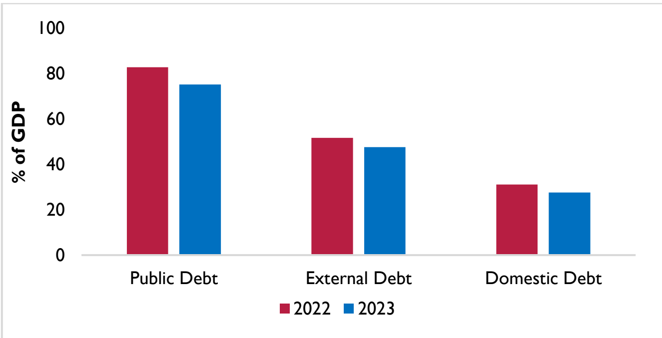


Source: MOFEA, CBG staff calculations

3.7 Public Debt

The outstanding public and publicly guaranteed debt rose to D112.5 billion (US$1.8 billion) in 2023, up from D101.5 billion (US$1.7 billion) in 2022. Meanwhile, the nominal debt-to-GDP ratio dropped to 75.1 percent in 2023, down from 82.8 percent in 2022, primarily due to improved nominal output growth. External debt continued to make up a significant portion of the total public debt stock, constituting 63.3 percent in 2023.

Chart 31: Outstanding public debt of The Gambia (Face value)

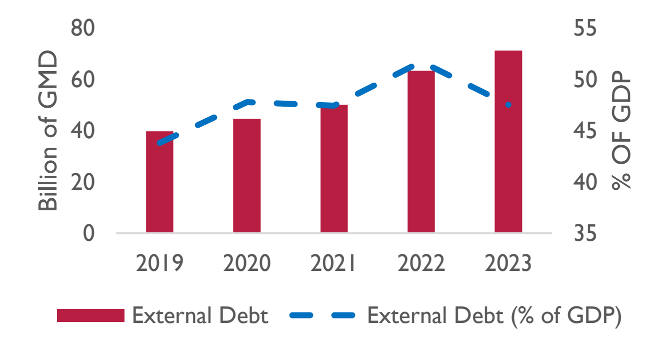


Source: MoFEA, CBG staff calculations

3.7.1 External Debt

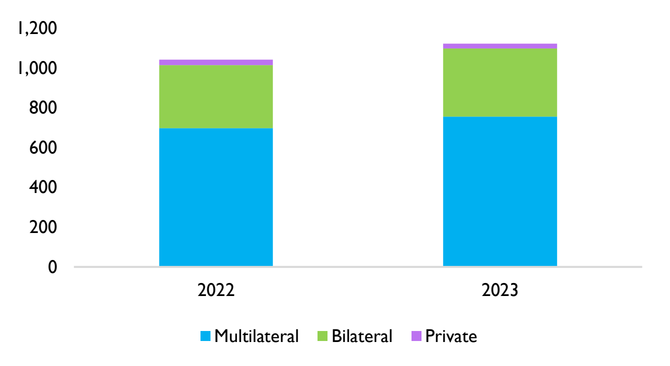
The external debt stock stood at US$1.1 billion, compared to US$1.0 billion in 2022, representing an increase of 7.7 percent. Similarly, the nominal external debt stock to GDP ratio decreased from 51.7 percent in 2022 to 47.5 percent in 2023.

Chart 32: External debt stock dynamics



Source: MoFEA, CBG staff calculations

Chart 33: Composition of external debt by type 2022-2023

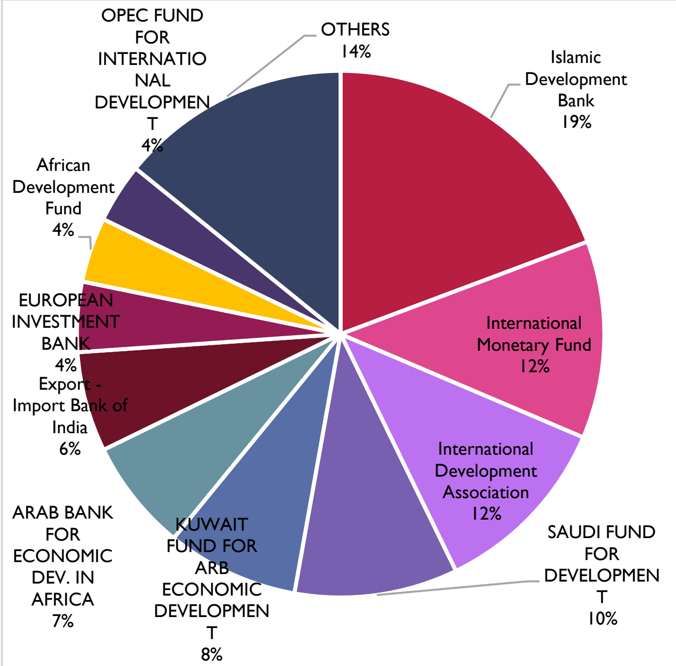


Source: MoFEA, CBG staff calculations

Loans from multilateral creditors comprise the majority of the country's external debt stock at 69.5 percent (Chart 33). The Islamic Development Bank (IsDB) is the largest multilateral creditor, representing 219 percent of this debt. Other creditors collectively account for 14 percent of the total external debt, with the International Development Association (IDA) making up 12 percent. Other creditors collectively account for 14 percent of the total external debt, with the International Development Association (IDA) making up 12 percent.

Bilateral creditors represent 30.5 percent of the total external debt stock (Chart 33). The main bilateral creditors were the Saudi Fund for Development, which constituted 10 percent and the Kuwait Fund for Arab Economic Development, 8 percent and Export-Import Bank of India, 6.1 percent.

Chart 34: Composition of external debt by creditors 2023.

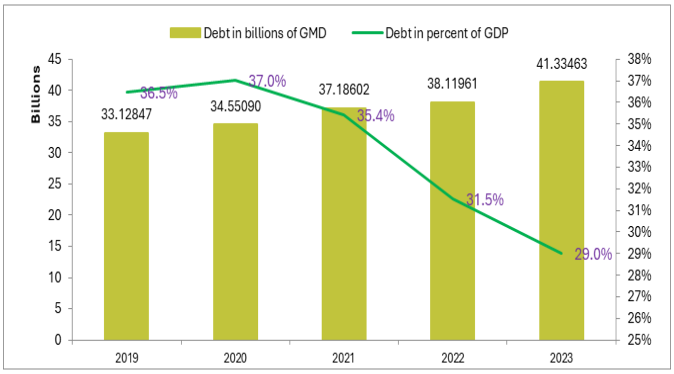


Source: MoFEA, CBG staff calculations

3.7.2 Domestic Debt

Outstanding domestic debt grew from D38.1 billion in 2022 to D41.3 billion in 2023. The increase in the domestic debt resulted from the accumulation of short-term debt instruments to the magnitude of D3.5 billion. As a result, the share of short-term debt (instruments with a maturity of one year or less) increased to 52.7 percent in 2023 from 48.0 percent in 2022. This represents a reversal of the declining trend of short-term debt since 2020, posing significant risks to rollovers with extreme interest rate vulnerabilities. Commercial banks held 82.9 percent of the short-term stock in 2023 with the remaining share held by non-banks.

Chart 35: Stock of Government Domestic Debt



Source: CBG

Domestic debt service grew from D2.7 billion in 2022 to D4.7 billion in 2023. This is due mainly to the amortization of the 2-year securitized bond, resumption of repayment of the on-lent IMF facilities to government as well as higher domestic interest rates.

In terms of the maturity structure, the proportion of short-term domestic debt increased from 48.0 percent in 2022 to 52.7 percent in 2023. On the other hand, medium-term and long-term debt decreased from 29.4 percent and 22.6 percent to 27.3 percent and 20.0 percent respectively.

Commercial banks and the central bank held 68.8 percent and 20.0 percent of the total domestic debt respectively in 2023, with the remaining share (11.2 percent) held by non-banks.

Table 7: Domestic debt composition (face value)

Instruments	2020	2021	2022	2023
Type of instrument		***In billions of GMD***		
Treasury Bills	19,755.18	19,034.39	17,262.51	20,394.92
sukuk-Al-Salam Bills	749.31	1,036.94	1,046.64	1,376.23
Treasury Bonds	3,861.25	7,529.75	10,825.75	11,179.00
Nawec Bond	843.22	602.30	361.38	120.46
7% -30 Year Gov't Bond	9,341.94	8,982.64	8,623.33	8,264.03
Total	**34,550.90**	**37,186.02**	**38,119.61**	**41,334.63**
Growth rate	**4.30%**	**7.60%**	**2.50%**	**8.40%**
Share by tenure		***Percent***		
Short-term	59.4	54	48	52.7
Medium-term	13.6	21.9	29.4	27.3
long-term	27	24.2	22.6	20
Value by holders		***In billions of GMD***		
Central Bank	9341.94	9133.28	8623.33	8264.03
Commercial Bank	20965.95	24451.70	25533.84	28440.27
Non-Banks	4243.01	3601.04	3962.44	4630.34
Share by holders		***Percent***		
Central Bank	27.0	24.6	22.6	20.0
Commercial Bank	60.7	65.8	67.0	68.8
Non-Banks	12.3	9.7	10.4	11.2

Source: CBG

3.7.3 Domestic Debt Market Development Project

The West African Monetary Institute has secured a grant of UA 1.5 million from the African Development Bank through the transitional support facility for the development of domestic debt markets in The Gambia, Guinea, Liberia, and Sierra Leone. The objective is to deepen the debt markets of these countries to enhance regional integration, strengthen the capacity of debt management and improve domestic resource mobilization. The project components comprise an upgrade of the Securities Settlement System (SSS), establishment of a harmonized primary dealership (PD) and institutional investors' frameworks, preparation of a harmonized debt management roadmap, and capacity building on liquidity and cash forecasting.

The upgrade of the SSS has been concluded and User Accepting Tests are being run to validate system functionalities and go-live is scheduled for the first quarter of 2024. On the harmonized primary dealer and institutional investors' component, the consultant undertook a mission in November 2023 to benchmark the status of PD and institutional investor segments against Ghana to develop the frameworks, based on gaps between best practice and what exists now. The training on liquidity and cash forecasting was conducted in November 2023, while the debt market development roadmap was validated in December 2023.

The SSS, which will serve as the auctioning infrastructure for securities and bonds, is set to go live in the second quarter of 2024. This advanced system will facilitate the online auctioning of treasury bonds and Central Bank of The Gambia (CBG) bills. As a web-based platform, it will provide multiple access points across various workstations, featuring robust security measures. These enhancements are expected to significantly improve the efficiency, transparency, and overall functioning of the domestic financial market, fostering greater investor confidence and market participation.

3.8 External Sector Developments

3.8.1 Balance of Payments

The Gambia's balance of payments (BoP) challenges created by exogenous shocks persisted in 2023. However, policy measures and international support helped mitigate some of the adverse impacts.

The BoP developments in 2023 were characterized by a growing current account deficit and fluctuating financial flows. Despite strong remittance inflows and growth in tourism receipts, the trade deficit continued to exert pressure on the current account.

The development in financial account indicated that. Foreign direct investment (FDI) remained robust, driven by investments in the tourism and real estate sectors. However, there was a slowdown in portfolio investments, partly attributed to global economic uncertainties. External borrowing increased, aimed at financing infrastructure projects and supporting economic reforms.

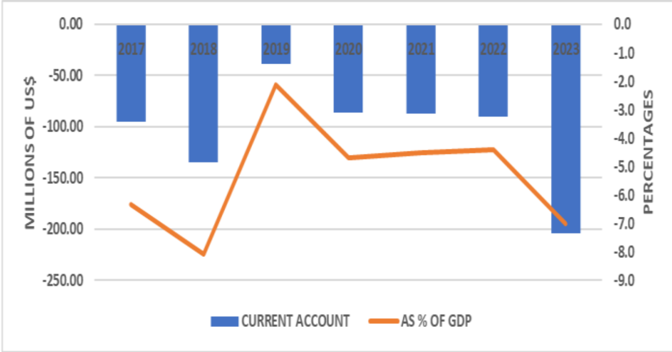
Reserve assets end the year at a comfortable level reflecting an easing supply constraint. This improvement led to reduced central bank intervention in the foreign exchange market compared to the previous year.

3.8.1.1 Current Account

The current account deficit deteriorated to US$204.1 million (7.0 percent of GDP) in 2023, from a deficit of US$90.3 million (4.4 percent of GDP) in 2022. The deteriorated current was partly due to increased imports of goods and services, reflecting higher domestic demand and rising global commodity prices. Income from tourism, which forms the largest share of the services accounts rebounded in 2023 albeit below the pre-pandemic level.

Tourism activity surged significantly in 2023, approaching pre-pandemic levels seen in 2019. Private remittance inflows also experienced a slight increase, maintaining their status as the leading source of foreign exchange. However, these developments could not offset the large deficit in the goods account.

Chart 36: Current account deficit



Source: CBG

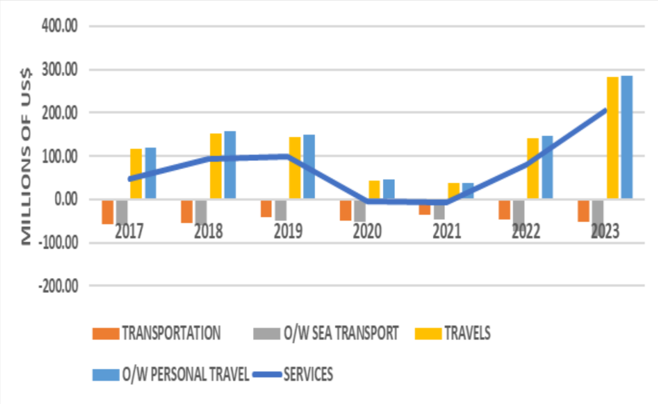
The goods account deficit widened to US$940.4 million (32.2 percent of GDP) in 2023, from US$642.2 million (31.5 percent of GDP) recorded a year ago. The value of total imports increased in response to the rise in domestic demand and the elevated international commodity prices, especially food and energy and the consumption of electricity from Senelec, Senegal. Total imports (FOB) amounted to US$1226.9 million (42.1 percent of GDP) in 2023, compared to US$694.0 million (34.0 percent of GDP) in 2022. The major imported items during the year were food, electricity, and fuel. Exports of goods (FOB) also increased, to US$286.6 million in 2023, from US$51.6 million in 2022. Major products exported during the review period were cereals and oil seeds, fish, and fruits.

Chart 37: Merchandise trade (millions of GMD)

Source: CBG

Conversely, the services account balance improved remarkably in 2023, with a surplus of US$204.2 million, a significant improvement from the US$80.2 million recorded the previous year. This was largely attributed to the rise in travel income, which recovered after a near collapse in tourism receipts in 2020. Secondary income, which mainly comprises workers' remittances, inflows amounted to US$553.9 million in 2023, compared to an inflow of US$503.0 million in 2022. Net inflows of remittances over the review period amounted to US$488.2 million, compared to US$476.2 million in 2022, representing an increase of 2.5 percent.

Chart 38: Services account balance. (millions of GMD)



Source: CBG

3.8.1.2 Capital Account

The capital account balance improved to a surplus of US$148.0 million in 2023, from an excess of US$44.0 million in 2022. These developments resulted in a net borrowing (capital account + current account) of US$56.2 million in 2023, indicating that The Gambia is a net borrower from the rest of the world.

3.8.1.3 Financial Account

The financial account recorded a net incurrence of liability of US$301.90 million in 2023, compared to US$280.9 million a year ago, mainly highlighting an increase in inflow from foreign direct investments and other investments (trade credits, loans, currency and deposits components.

3.8.1.4 International Reserves

The stock of gross official reserves as at end-December 2023 remained robust at US$476.1 million adequate to cover 6.8 months of the import requirements, compared to US$454.7 million (6.5 months of import cover) at the end of 2022. This improvement reflects an easing supply constraint leading to a reduced central bank intervention in the foreign exchange market compared to the previous year. The bank received US$6.7 million from the IMF in 2023 for balance of payment support under the Extended Credit Facility (ECF) program. The stability in reserve assets also indicates a healthier BoP position and a more resilient economy.

Table 8: Central Bank intervention (millions of GMD)

Period	Purchase (Mill of GMD)	Sales (Mill of GMD)	Net Purchase (Mill of GMD)
2017	2,313.61	-	2,313.61
2018	1,324.60	-	1,324.60
2019	2,062.86	-	2,062.86
2020	2,156.58	-	2,156.58
2021	1,436.29	-	1,436.29
2022	30.63	8,751.21	8,720.59
2023	1,260.31	3,508.71	2,248.40

Source: CBG

3.9 Foreign Exchange Market Developments

The foreign exchange liquidity challenges witnessed during the second half of 2022 moderated in the latter part of 2023. This improvement was driven by a strong recovery in tourism receipts, an increase in private remittances, and substantial donor inflows. However, the demand for foreign currency remained robust, due to rising imports, which continued to exert pressure on the exchange rate. Amidst these pressures, prudent central bank policies continue to maintain relative stability in the foreign exchange market. This included maintaining a tight monetary policy stance and occasionally intervening in the FX market to eliminate friction and ensure the smooth function of the FX market and the economy as a whole.

Moreover, the Bank implemented strategic reforms that successfully improved transparency and restored orderliness in the foreign exchange market. This includes the publication of a Foreign Exchange Policy and the revision of the Foreign Exchange Bureau guidelines. These reforms were part of broader measures to address the foreign exchange liquidity challenges and to restore stability and smooth functioning of the market. They were also aimed at narrowing the spread between the official and parallel exchange rates to curtail speculative activities.

3.9.1 Transaction Volumes

The total volume of FX transactions, measured by the purchase and sale of foreign currency, has been declining since the pandemic. Total volumes exhibited a significant decline, from $2.5 billion in 2022 to $2.0 billion in 2023. This marked a notable reduction of $528.9 million or 21.3 percent. Supply conditions proxied by the purchase of foreign currency, declined by 20.6 percent (year-on-year) to US$970.5 billion, while demand conditions measured by the sales of foreign currency contracted by 22.0 percent (year-on-year) to US$982.4 million in 2023. This resulted in an excess demand of US$11.8 million.

Table 9: FX market activity volumes (millions of USD)

PERIOD	PURCHASES (Supply) US$	SALES (Demand) US$	MARKET TURN OVER US$
2017	678,160	669,090	1,348,250
2018	973,474	983,371	1,956,845
2019	1,099,537	1,099,001	2,198,538
2020	1,074,923	1,099,495	2,174,419
2021	1,265,016	1,266,137	2,531,153
2022	1,222,333	1,259,500	2,481,833
2023	970,555	982,353	1,952,908

Source: CBG

3.9.2 Exchange Rate

These developments resulted in depreciation pressures on the exchange rate of the dalasi relative to major international currencies. While relatively stable when compared to its peers within the sub-region, the dalasi depreciated against the dollar, euro pound sterling and the CFA franc. As at end-December 2023, the dalasi depreciated by 5.7 percent against the US dollar, 10.1 percent against the euro, 10.4 percent against the pound sterling and 12.6 percent against the CFA franc.

Table 10: End-of-period mid-market exchange rates

	USD	EURO	GBP	CFA
2019	51.1	57.08	66.86	418.46
2020	51.64	61.92	68.52	440.93
2021	52.61	60.57	70.07	478.14
2022	60.81	64.05	73.45	456.51
2023	64.3	70.5	81.08	514.05

Source: CBG

Table 11: Annual Dep(+)/Apr(-) rate of the Dalasi

	USD	EURO	GBP	CFA
2020	1.1	8.5	2.5	5.4
2021	1.9	-2.2	2.3	8.4
2022	15.6	5.7	4.8	-4.5
2023	5.7	10.1	10.4	12.6

Source: CBG

3.9.3 Remittances

The volume of private remittance inflows has displayed a consistent upward trend, becoming the leading source of foreign currency in The Gambia.

Table 12: Remittance dynamics

PERIOD	INFLOWS (US$)	OUTFLOWS (US$)	NET INFLOWS (US$)
2019	329,793,948.77	9,496,441.38	320,297,507.39
2020	589,809,699.51	10,546,049.25	579,263,650.26
2021	776,432,989.42	15,443,651.39	760,989,338.03
2022	712,454,303.00	15,186,918.00	697,267,385.00
2023	746,802,415.33	25,283,761.23	721,518,654.10

Source: CBG

In 2020, amidst the COVID-19 pandemic, remittance figures experienced a substantial increase due to restricted movements and grounded flights, prompting individuals to utilize formal financial channels to send money. This resulted in a notable surge in remittance inflows.

In 2021, this upward trend continued, with remittance figures spiking up even further. However, in 2022, remittance inflows and outflows experienced a modest decrease compared to the previous year.

Moving into 2023, remittance activity resurged, with figures slightly surpassing those of 2022. However, they remained modestly below the peak figures recorded in 2021. The notable improvement in remittance volumes in 2023, can be attributed to several factors including the implementation of revised remittance report receipts, an updated list of Money Transfer Operators (MTOs), and enhanced accuracy in capturing remittance figures.

Recognising the importance of remittances to the development of the Gambian economy, the Bank initiated measures geared towards formalising the informal money transfer channels. Leveraging technology through digitalisation will reduce the cost of remitting money and create the incentive to use formal channels. Moreover, with the launching of the capital market, remittance inflows are expected to play a critical role in financing key infrastructural projects in the form of investments. It will present an avenue for Gambians in the diaspora to have opportunities to invest at home and contribute to national development while enjoying competitive returns on their investments.

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DEVELOPMENTS IN THE FINANCIAL SYSTEM

2023

4 DEVELOPMENTS IN BANK AND NON-BANK FINANCIAL INSTITUTIONS

4.1 Overview of The Gambia's Financial System

The Gambia's financial system is composed of banks, deposit-taking non-bank financial institutions, insurance companies, and pension funds, with the Central Bank as the primary regulatory authority. The pension funds provided by the Social Security and Housing Finance Corporation (SSHFC) and GAMPOST, which offers post office financial services, are not regulated by the Central Bank.

Commercial banks dominate the sector, providing services such as savings and current accounts, loans, foreign exchange, and money transfers. There are 12 commercial banks with approximately 90 branches across the country. Additionally, microfinance institutions play a significant role by offering financial products to low-income individuals and small businesses, with around 30 branches operating nationwide. Banks accounted for about 89.7 percent of the industry's assets at the end of 2023, followed by deposit-taking non-bank financial institutions with 7.7 percent. The insurance industry makes up 1.1 percent. Mobile Money and Fintech make up 1.0 percent and Forex Bureau constitute 0.5 percent. The pension fund and GAMPOST financial services do not report data to the Central Bank and are, therefore, not captured in this analysis. The country has around 133 ATMs, primarily located in urban areas, which provide essential access to cash withdrawal services.

Table 13: Composition of the financial system

	No. of Institution	Assets (in Millions of GMD)	Industry share
Commercial Banks	12	86,516.0	89.7
Insurance Companies	14	1,109.0	1.1
Micro Finance (FCs & CUs)	63	7,449.4	7.7
Financial Technology (MM & Fintech)[3]	10	919.7	1.0
Forex Bureau	147	441.0	0.5
Total	**246**	**96,435.1**	**100**

Source: CBG

Despite challenges of limited access to finance and low financial literacy, the sector has resiliently weathered successive exogenous shocks, namely the COVID-19 pandemic and the Russia-Ukraine conflict. Banks and microfinance institutions continue to maintain adequate capital and liquidity buffers. Moreover, the outlook remains positive with opportunities for growth through the increasing adoption of digital financial services and expansion of the microfinance sector.

The use of electronic and digital financial services in The Gambia is growing, driven by efforts to improve financial inclusion and modernize the financial sector. The Central Bank and financial institutions are actively promoting digital financial services to reach the unbanked population and enhance the efficiency of financial transactions. Mobile banking has become increasingly popular, especially in urban areas. Many commercial banks offer mobile banking services, allowing customers to perform various transactions such as transferring funds, paying bills, and purchasing airtime through their mobile phones. This service is particularly valuable in rural settlements where physical bank branches and ATMs are limited.

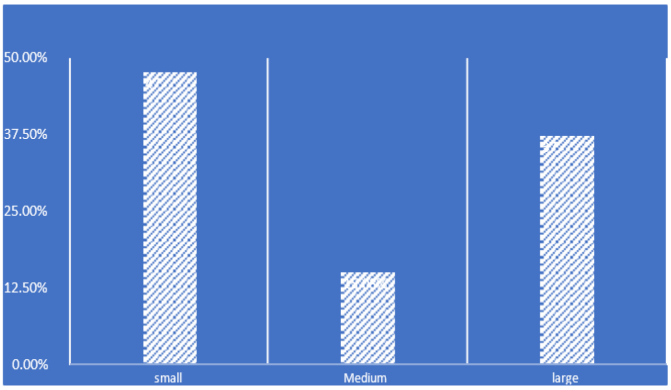
In addition, mobile money services, provided by telecom and Fintech companies in partnership with financial institutions continue to grow. These services enable users to store money, transfer funds, and make payments using their mobile phones without needing a traditional bank account. Major mobile money providers include Africell Money, QMoney and Wave. These services are accessible even in remote areas, helping bridge the gap between urban and rural financial services.

[3]This comprises the assets size of two Mobile Money (MM) companies and one fintech company.

4.2 The Banking Sector

The banking sector in The Gambia consists of 12 banks, categorized as large, medium, and small based on their asset size. The two large banks hold 37.3 percent of the industry's total assets, while one medium bank represents 15.1 percent. The remaining nine small banks make up 47.6 percent of the industry's total assets. The banks operate 85 branches across The Gambia with 133 Automated Teller Machines.

Chart 39: Peer grouping of banks by asset size (millions of GMD)



Source: CBG

In 2023, the banking industry's asset base expanded by 10 percent, reaching D86.5 billion. Investments in government papers represent the largest asset item, accounting for 30.9 percent of total assets. This reflects banks' increasing interest in government sector investment due to its low risk. Investments in the government sector increased by 3.0 percent in 2023, reaching D26.7 billion, with treasury bills accounting for 58.7 percent, followed by other government securities at 40.7 percent, and 0.6 percent in parastatal debt securities.

Capital and reserves increased by 20.0 percent year-on-year to D10.2 billion by the end of December 2023 due to an increase in retained earnings and statutory reserves. All banks meet the minimum capital requirement of D200 million, with Tier 1 capital accounting for 81 percent of the industry's capital and reserves, indicating resilience in the face of unforeseen losses.

Customer deposits continue to be the largest source of funding for banks in The Gambia, representing 67.9 percent of total liabilities. In 2023, customer deposits increased by 8.7 percent to reach D58.7 billion, with both demand and savings deposits increasing by 3.7 percent and 5.7 percent, respectively. Time deposits, considered one of the more expensive deposits, declined by 8.3 percent.

Table 14: Consolidated assets of commercial banks (millions of GMD)

	2020	2021		2022		2023	
	Level	**Level**	**% change**	**Level**	**% change**	**Level**	**% Change**
Cash-in-hand	4,236.0	3,539.0	-16.5	3,598.0	1.7	3,049.0	-15.3
Balances due from other banks	16,062.0	20,814.0	29.6	18,475.0	-11.2	21,891.0	18.5
Cheque & other items in transit	529.0	-34.0	-106.4	6.0	-117.6	57.0	850.0
Gov't sector investment	20,742.0	25,913.0	24.9	25,998.0	0.3	26,770.0	3.0
Investment account securities (private sector)	559.0	421.0	-24.7	437.0	3.8	481.0	10.1
Bills purchased & discounted	41.0	57.0	39.0	12.0	-78.9	12.0	0.0
Loans and advances	7,106.0	9,045.0	27.3	13,979.0	54.5	16,529.0	18.2
Fixed assets	2,155.0	2,532.0	17.5	2,651.0	4.7	2,933.0	10.6
Acceptance endorsement & guarantees	5,882.0	8,702.0	47.9	11,739.0	34.9	12,764.0	8.7
Other assets	1,508.0	2,057.0	36.4	1,675.0	-18.6	2,031.0	21.3
Total assets	**58,820.0**	**73,058.0**	**24.2**	**78,572.0**	**7.5**	**86,516.0**	**10.1**

Source: CBG

Table 15: Consolidated liabilities of commercial banks (millions of GMD)

	2020	2021		2022		2023	
	Level	Level	% change	Level	% change	Level	% Change
Capital& reserves	7,083.0	7,517.0	6.1	8,586.0	14.2	10,301.0	20.0
Long term borrowing	123.0	147.0	19.5	90.0	-38.8	92.0	2.2
Balance due to other banks	284.0	985.0	246.8	10,378.0	953.6	679.0	-93.5
Deposit	42,216.0	51,007.0	20.8	54,027.0	5.9	58,730.0	8.7
Other borrowings	916.0	1,155.0	26.1	740.0	-35.9	778.0	5.1
Acceptance, endorsement & guarantee	5,882.0	8,702.0	47.9	11,739.0	34.9	12,763.0	8.7
Other liabilities	2,316.0	3,546.0	53.1	2,352.0	-33.7	3,174.0	34.9
Total Liabilities	**58,820.0**	**73,058.0**	**24.2**	**78,572.0**	**7.5**	**86,516.0**	**10.1**

Source: CBG

4.2.1 Financial Soundness Indicators

4.2.1.1 Capital Adequacy Ratio (CAR)

The Capital adequacy ratio of the bank as at end December 2023 stood at 28.6 percent, representing an increase of 3.8 percentage points. This is reflective of the increment in both the risk-weighted assets and adjusted capital within the industry, indicating that there is enough capital to absorb some unforeseen losses. All the banks are within the minimum requirement of 10 percent.

4.2.1.2 Asset Quality

The industry's non-performing loans (NPL) ratio showed some improvement to 3.3 percent in 2023, from 4.6 percent recorded in 2022. This is an indication that the risk of default amongst customers has decreased. The NPL's absolute value is well below capital and reserves, indicating that the industry has enough buffer to absorb loan losses.

The credit reference bureau, a system put in place by banks to monitor and reduce the issuance of loans to defaulters, contributed to the reduction in NPLs.

4.2.1.3 Credit Concentration

The banking industry sectoral loan distribution at end December 2023 shows that there is a sectoral concentration of 25 percent with other loans and advances. This is followed by other commercial loans and advances at 21 percent and distributive trade at 16 percent. The concentration had been the same in the prior year.

The Banking Supervision Department is currently in the process of revising the loan report form which will help improve the granularity of data.

4.2.1.4 Earnings and Profitability

The banking industry's earnings performance improve in 2023. Return on assets and return on equity both increased to stand at 2.5 percent and 21.7 percent, respectively as at end December 2023, compared with end December 2022 at 2.2 percent and 20.8 percent. This is evident by the significant increase in profit coupled with the fact that banks are managing their assets with relative efficiency.

4.2.1.5 Liquidity

The liquidity ratio of the industry is at 82.3 percent from 63.7 percent the prior year, indicating that banks will be able to meet their short-term obligation should the need arise. All the banks are within the minimum requirement of 30 percent.

4.2.1.6 Strengthening the Financial Infrastructure, Prudential and Regulatory Framework

4.2.1.6.1 Banking and Deposit Insurance Bill

In strengthening the banking sector stability and regulation of The Gambia, the Banking Act 2009 was reviewed in line with the Model Banking Act to align with the regional banking practices in the banking sector.

The Banking Bill drafted in line with the Model Banking Act of the WAMZ, has been validated and presented to the Board Sub-committee on

Financial Stability. It's currently awaiting Board approval before forwarding it to the Ministry of Finance and subsequently, the National Assembly for assent into law.

The key new provisions include crisis management, corporate governance, Anti-Money Laundering/Counter Financing of Terrorism (AML/ CFT), regulation and supervision of bank holding groups, etc.

Similarly, the Deposit Insurance Bill has also been validated with an objective to protect and enhance financial safety nets, maintain confidence in the banking sector, maximize recoveries, and protect depositors and public funds. Once the bill is enacted into law, all banks will be required to contribute a premium to the scheme based on deposit size.

4.2.1.6.2 New Guidelines

To strengthen governance and the supervisory toolkits, four guidelines have been developed and issued to the banks. These are the Islamic Finance, Outsourcing, Risk Management and Corporate governance guidelines.

4.2.1.6.3 Online Data Rendition System

The upgrade of the online data platform, VRegCoss version 2.0, has enhanced the granularity, reliability and accuracy of data from the banks. The Bank has also hired two IT programmers who have been trained to manage the source code of the system. This has minimized dependency on the vendors for support.

4.2.1.6.4 Capacity Building

AFRITAC West 2 provided technical assistance on International Financial Report Standards (IFRS) and trained the IFRS Unit on key aspects of IFRS 9. The purpose is to strengthen financial reporting and address issues of under-provisioning of credit losses.

In addition, the AFRITAC West 2 in collaboration with the Reserve Bank of Rwanda, organized a professional attachment for 4 members of the Risk- Based Supervision (RBS) team to Rwanda. The aim is to provide hands-on training on harnessing data to implement RBS and leveraging on regulatory infrastructure to enhance data quality.

The Macro-prudential Unit benefited from Technical Assistance Mission from IMF on Financial Modeling to enhance the current stress testing framework. The objective of the training was to develop satellite models for credit risk and update the liquidity risk cash flow analysis to complement the vulnerability exercises conducted on the banking sector quarterly. To the extent that the stress test report has become an integral part of the supervisory process and is now presented to the Monetary Policy Committee (MPC) for decision making.

As a result of the stress testing reports coupled with the need to migrate to Basel II/III, the Board has approved the augmentation of Paid-up capital from GMD200 million to GMD500 million. The capital increase will be done in 3 tranches of GMD100 million from end December 2024 to end December 2026.

4.2.1.6.5 Anti-Money Laundering and Terrorist Financing (AML/CFT)

AML/CFT risk-based supervision (RBS) working templates have been developed for onsite examination of the banking sector. The banking supervision department is collaborating with the FIU to revise the AML/CFT onsite examination manual and risk assessment guidelines for financial institutions.

The AML/CFT Unit, in partnership with the Financial Intelligence Unit (FIU), is developing a comprehensive administrative sanction manual to hold financial institutions accountable for breaches of their AML/CFT obligations. This is geared towards enhancing financial institutions' compliance with FATF requirements.

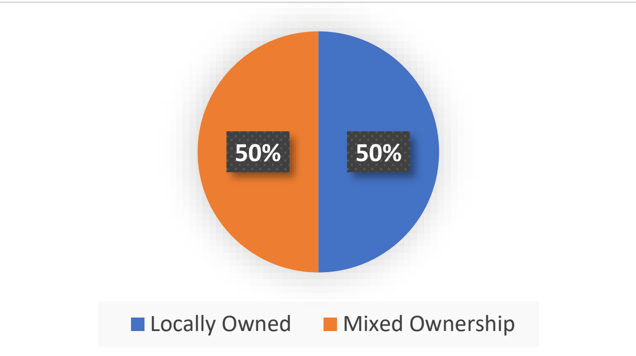
Overall, the department has been proactive in developing and updating key supervisory frameworks such as the banking act, new guidelines on Risk, Based Supervision, AML/CFT, stress testing, IFRS and Basel II/III. The main focus is to develop the necessary building blocks for a stable and sound financial system.

4.3 Insurance Industry

The insurance industry in The Gambia is small. It accounted for only about 1 percent of the total assets of the financial sector in 2023. The industry consists of 14 insurance companies, including 4 Takaful or Islamic insurance operators. Of the total number of insurance companies, 10 underwrite general insurance or short-term business (non-life), whilst the remaining 4 underwrite life or long-term insurance. As at end-2023, nine insurance brokerage firms existed in the industry with over 160 agents operating as intermediaries in the market. A network of around 49 branch offices is spread across the administrative regions of the country.

The industry continues to be regulated and supervised by the Central Bank, but there is a plan to establish an independent supervisory authority. The industry continues to be regulated and governed by the Insurance Act 2003, the Insurance Regulations 2005, and the Insurance Amendment Act (2006), which caters for the operation of Takaful (Islamic Insurance). In terms of ownership structure, the industry is 50 percent domestically owned, while the remaining 50 percent has mixed ownership (Chart 40).

Chart 40: Ownership structure of the insurance industry



Source: CBG

4.3.1 Performance of the Insurance Industry

The asset base of the industry expanded by 17.9 percent to D1,109 million in 2023, from D940 million in 2022. The total liabilities grew significantly from D281 million in 2022 to D457 million in 2023 signifying a 62 percent increase. As a result, net assets expanded by 55 percent to D562 million. Non-life short-term insurance activity constituted 75 percent of the industry's total assets, whilst life and long-term business accounted for the remaining 25 percent.

Total industry premium income increased by 11 percent from D552 million in 2022 to D613 million. Non-life or general insurance businesses contributed the most (75 percent) to the overall industry income premium, while life and long-term insurance businesses account for the remaining 25 percent.

Takaful (Islamic Insurance) was first introduced in The Gambia in 2008 and has since become an important player in the industry. A second Islamic insurer was licensed in 2021, followed by two more in 2022 and 2023. This has brought the total premium from Takaful businesses to D126 million in 2023 (21 percent of the industry premium).

Insurance penetration remains low, mirroring the underdevelopment of the sector. The insurance penetration rate, which is measured by the contribution of the sector to GDP, expressed as a percentage of gross premium output/income to GDP remained at 0.2 percent. Lack of awareness and low-income level are major contributing factors stunting the growth of the insurance business in The Gambia.

4.3.2 Regulation and Supervision of Insurance Industry

The Insurance Department of the Central Bank is responsible for the regulation and supervision of the insurance industry. However, efforts are being made to establish an independent regulatory body. The legal framework for the creation of such a body has been endorsed by the Board and Management of the Bank. Work has started in earnest for the necessary legal amendments to establish the independent regulatory authority, the Insurance Commission.

Meanwhile, the Bank continues to implement reforms that will strengthen the regulation and supervision of the industry. The migration from the Generally Accepted Accounting Principles (GAAP) reporting system to the International Financial Reporting Standards (IFRS) was completed in 2021. The ongoing reforms also include migration from compliance to risk-based supervision.

4.4 Microfinance Sector

Currently, the Non-Bank Financial Institutions (NBFIs) under the supervisory purview of the Central Bank comprise of seven Finance Companies (including two Islamic Microfinance Institutions), and fifty-six Credit Unions (CUs). These institutions offer financial services to low-income groups and the informal sector of the economy, which are considered by commercial banks as high-risk sectors. As a result, this segment of the population finds it difficult to access financial services from the banking sector.

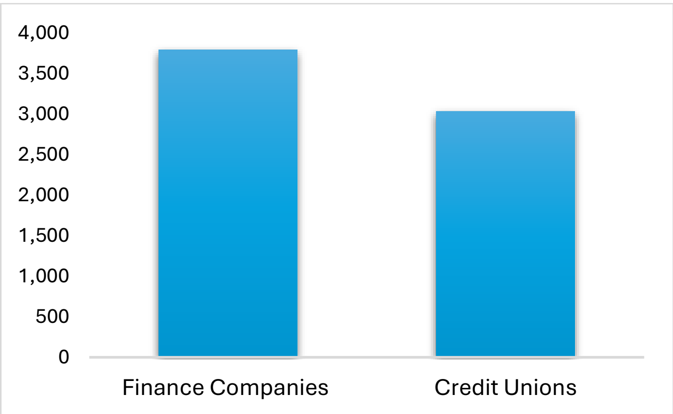
In accordance with the NBFI Act 2016, the Microfinance Supervision Department (MSD) is mandated to regulate and supervise the operations of all the non-bank financial institutions in The Gambia.

Table 16: Composition of micro-finance sector

	No. of Institution	Assets (in Millions of GMD)
Finance Companies	7	3, 788.10
Credit Unions	56	3, 661.34

Source: CBG

Chart 41: Distribution of assets in the microfinance sector (in millions of GMD)

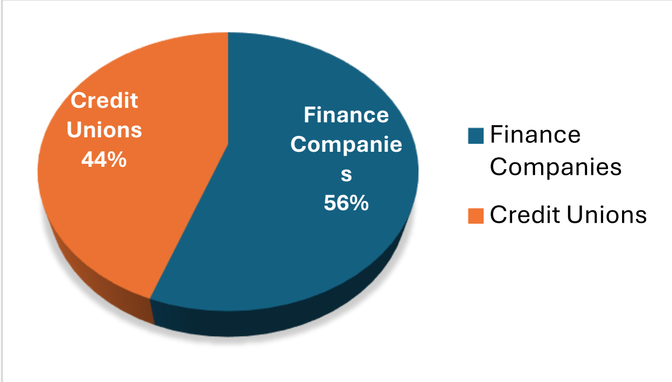


Source: CBG

4.4.1 Finance Companies

As at December 2023, a total of 7 licensed Finance Companies (FCs) operated in the country, comprising 5 conventional microfinance institutions and 2 Islamic microfinance institutions. The 7 institutions dominated 50.9 percent of the total assets of deposit-taking NBFIs (Chart **42**).

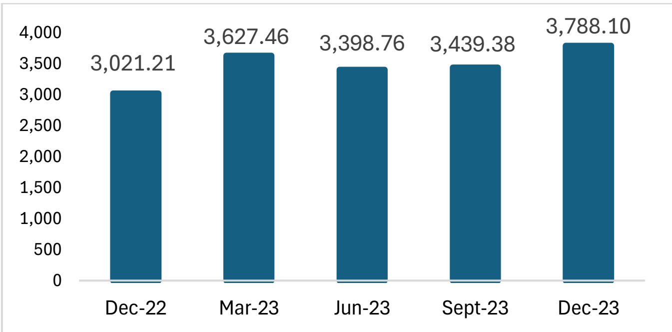
Chart 42: Asset distribution of deposit-taking NBFIs in 2022



Source: CBG

The FCs maintained sound financial indicators in most of the key regulatory requirements including capital and liquidity positions. The risk-weighted capital adequacy ratio recorded 28 percent at end-December 2023, above the 20 percent Minimum. The liquidity ratio declined to 66 percent in December 2023 from 76 percent a year ago, both remained above the 30 percent regulatory benchmark. However, asset quality of FCs stood at 8 percent of gross loans as at end-December 2023, slightly above the 5 percent benchmark for profitable MFIs.

Chart 43: Total assets of Finance Companies (mill of GMD)



Source: CBG

The total assets of the 7 FCs stood at D3.8 billion as at end-December 2023 compared to D3.0 billion a year ago. Total deposits grew by 25% to D2.7 billion in December 2023 from D2.1 billion a year ago, due to a rise in savings and customer base. Notwithstanding, deposit mobilization remains the primary source of funding for NBFIs in The Gambia.

Gross Loans expanded marginally by 4 percent to D1.1 billion in December 2023, thus reflecting a loan-to-deposit ratio of 42 percent. The sectoral distribution of loans indicated that Petty SME trading was the core business model of microfinance institutions, which accounted for 68 percent of the total loan portfolio. This was followed by personal loans and Agriculture 9 percent, Construction 7 percent, Services 5 percent and Cottage 1 percent.

4.4.2 Savings and Credit Associations (SACAs)

The SACAs consist of the Village Savings and Credit Associations (VISACAs) and the CUs. However, the VISACAs are largely dormant and data on their operations is scanty. Therefore, the analysis in this section will only focus on the CUs.

4.4.3 Credit Unions

As mentioned earlier, there were fifty-six Credit Unions (CUs) as at December 2023. Credit Unions are membership-based financial institutions, owned and managed by its members. Generally, CUs provide financial services to their members, including deposit accounts, provision of loans, and other financial services. A total number of 56 CUs operated in The Gambia with a total membership of 109, 833 as at end-December 2023.

The National Association of Cooperative Credit Unions (NACCUG) is the Apex body of all registered Credit Unions in The Gambia. It is also licensed by the Central Bank as an NBFI. However, the 12 largest CUs are directly regulated and supervised by the central bank due to their asset size and deposit liabilities.

Total assets of the CUs grew by 35 percent to D3.7 billion at end-December 2023 from D2.7 billion in the prior year, mainly due to expansion of their credit portfolio. It is important to note that the 12 largest CUs controlled more than 85 percent of industry assets. The deposit liabilities amounted to D2.5 billion at end-December 2023, reflecting an increase of 6 percent over the total recorded in 2022. Total loans extended to members expanded by 63 percent (year-on-year) to D2.47 billion in December 2023. The loan-to-deposit ratio of CUs stood at 93 percent in 2023 compared to 82 percent in 2022, thus representing a 11 percentage points increment.

4.5 Financial Technology & Forex Bureau

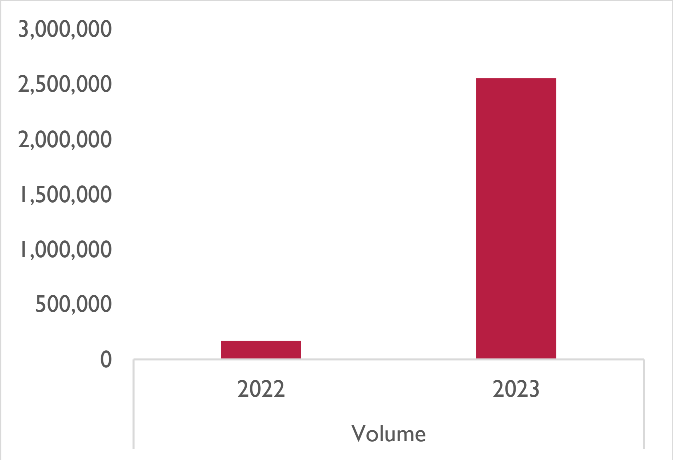
4.5.1 Mobile Money Financial Services

The mobile money industry in The Gambia is relatively small but has grown rapidly in recent years. Presently, there are three licensed Mobile Money Operators (MMOs), namely Afrimobile Money (AMM), QMoney Financial Services (QFS) and Monty Mobile Money Services (Comcach). The rapid growth of the industry demonstrates the potential to accelerate financial inclusion and is widely regarded as the future tool of conducting financial services.

Total active users of mobile money increased by 8.6 percent to stand at 121,841 in December 2023, compared to 112,157 recorded in December 2022. This increase is mainly influenced by the upsurge in the total number of active customers as economic agents embracing mobile money as an alternative means of conducting financial transactions.

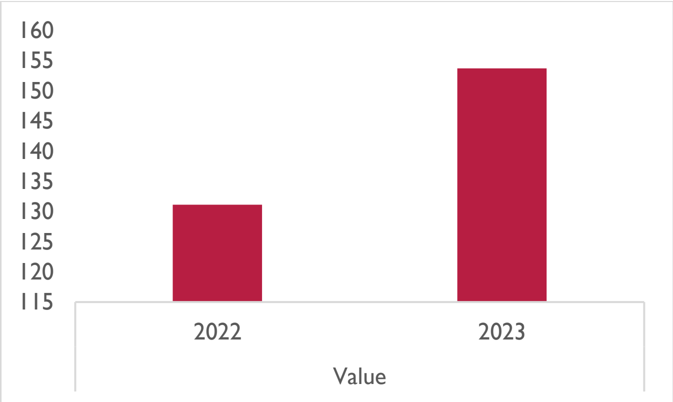
The value of cash-in transactions increased significantly by 30 percent to D104.93 million at end-December 2023, compared to D80.5 million at end-December 2022. The total value of transactions (the sum of cash-in and cash-out transactions) rose by 22.6 percent to D153.7 million, from D131.1 million in 2022. The increase in cash-in transactions and the total electronic value held in agents' wallets is attributed mainly to the increased use of services such as mobile payments and money transfers.

Chart 44: Volume of mobile money transactions



Source: CBG

Chart 45: Value of mobile money transactions (mill of GMD)



Source: CBG

4.5.2 Fintech Companies

As at end December 2023, there were seven Fintech Companies, six of which are newly registered and yet to commence business. The total assets size of this sector decreased from D784.15 million in 2022 to D644.83 million in 2023.

4.5.3 Foreign Exchange Bureaus

Foreign Exchange Bureaus continue to play an integral role in the financial ecosystem of The Gambia. Their primary role is to provide foreign exchange services. They also act as agents to MTOs for the payout of remittances. As of end-December 2023, there were 147 licensed foreign exchange bureaus, with cumulative assets of D441 million, compared to 165 bureaus with total assets of D418.39 million in the prior year. In addition, more than 1000 branches were operating across the country, providing much-needed financial services to the low-income segment of the population.

Table 17: Composition of fintech & forex bureau

	No. of Institution	Assets (in Millions of GMD)
Mobile Money[4]	3	274.86
Fintech Companies[5]	7	644.83
Forex Bureau	147	441.0

Source: CBG

4.5.4 Financial Inclusion

Accelerating the level of financial inclusion from 19 percent to 70 percent by 2025 is one of the key objectives of the Bank as highlighted in the National Financial Inclusion Strategy (NFIS 2022-2025). Enhancing financial inclusion by harnessing financial technology is a crucial facet of the National Financial Inclusion Strategy (NFIS) 2020 to 2025. Central to the strategy is the recognition of the high mobile phone penetration rate that has the potential to enhance access and utilization of digital financial services, including mobile money. By leveraging the power of existing technology, the NFIS seeks to foster a more inclusive financial ecosystem, particularly for those who have been historically excluded or underserved by traditional financial institutions.

Modernizing the national payment system infrastructure has been central to the reform agenda. This includes upgrading the Bank's payment systems infrastructure and the national switch, GAMSWITCH, to improve efficiency and security as well as broadening their payment capabilities. Furthermore, the Bank has signed up to the Pan African Payment and Settlement System (PAPSS) membership agreement and completed the integration process. This endeavor is designed to streamline cross-border digital payments with regional counterparts, making transactions faster and more cost-effective. Four of the twelve commercial banks in the country have

[4]This is the assets size of two Mobile Money (MM) companies. Data on one of the MM companies was not available.

[5]As end December 2023, data was available on one fintech company.

embraced the membership agreement and three are in the process of integration.

The strategy takes into consideration the fact that rural and sparsely populated areas are more financially excluded than urban or densely populated settlements. In this regard, agency financial services are being promoted to bridge the inclusion imbalance. In recent years, the Bank has granted agent network license approval to various institutions, including commercial banks and NBFIs.

A Draft Gender Sensitive Consumer Protection Framework was developed to aid the Bank in putting in place effective legal and regulatory structures to protect consumers in an inclusive and non-discriminatory manner in their dealings with financial institutions.

To enhance reporting, templates for Mobile Money Operators (MMOs) have been designed to better gauge the level of penetration of digital financial services. The templates capture the gender of the users, their geographical location (rural and urban), and the frequency of using mobile financial services. Also, agency financial services have been promoted at a massive scale to bridge the inclusion imbalance. Over the years, the CBG has granted agent network approval to various institutions, including commercial banks, microfinance institutions, and foreign exchange bureaus.

Finally, the Bank intends to conduct a midterm evaluation (subject to the availability of funding) to ascertain whether the financial inclusion policies have any impact on the level of financial inclusion. More significantly, the

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Governor has approved the creation of a high-level national steering committee to spearhead the implementation of the NFIS. The steering committee comprises key ministries such as the Ministry of Finance and Economic Affairs (MOFEA), Ministry of Trade Integration and Employment, Ministry of Youths and Sports, Ministry of Foreign Affairs, Ministry of Gender, Children and Social Protection, among others. Financial sector players such as the Bankers' Association, Insurance Association, and NACCUG are also members of the national steering committee. It is envisaged that the national steering committee will enhance accountability and expedite the implementation of the NFIS.

4.5.5 Supervision and Regulation of NBFIs

Cognizant of the critical role of NBFIs in the financial architecture and in promoting financial inclusion, the Central Bank continues to strengthen its regulatory and supervisory oversight, aimed at promoting the development and stability of the sector. Plans are in motion to gradually transition to risk-based supervision from a compliance-based framework.

Meanwhile, the Bank developed a tier-based capital framework that ensures that the deposits of the FCs commensurate with their level of capital. With this framework, FCs are required to augment their capital as their deposit levels increase. The Bank also issued guidelines on corporate governance, financial reporting, fit and proper, and Islamic finance during the year under review.

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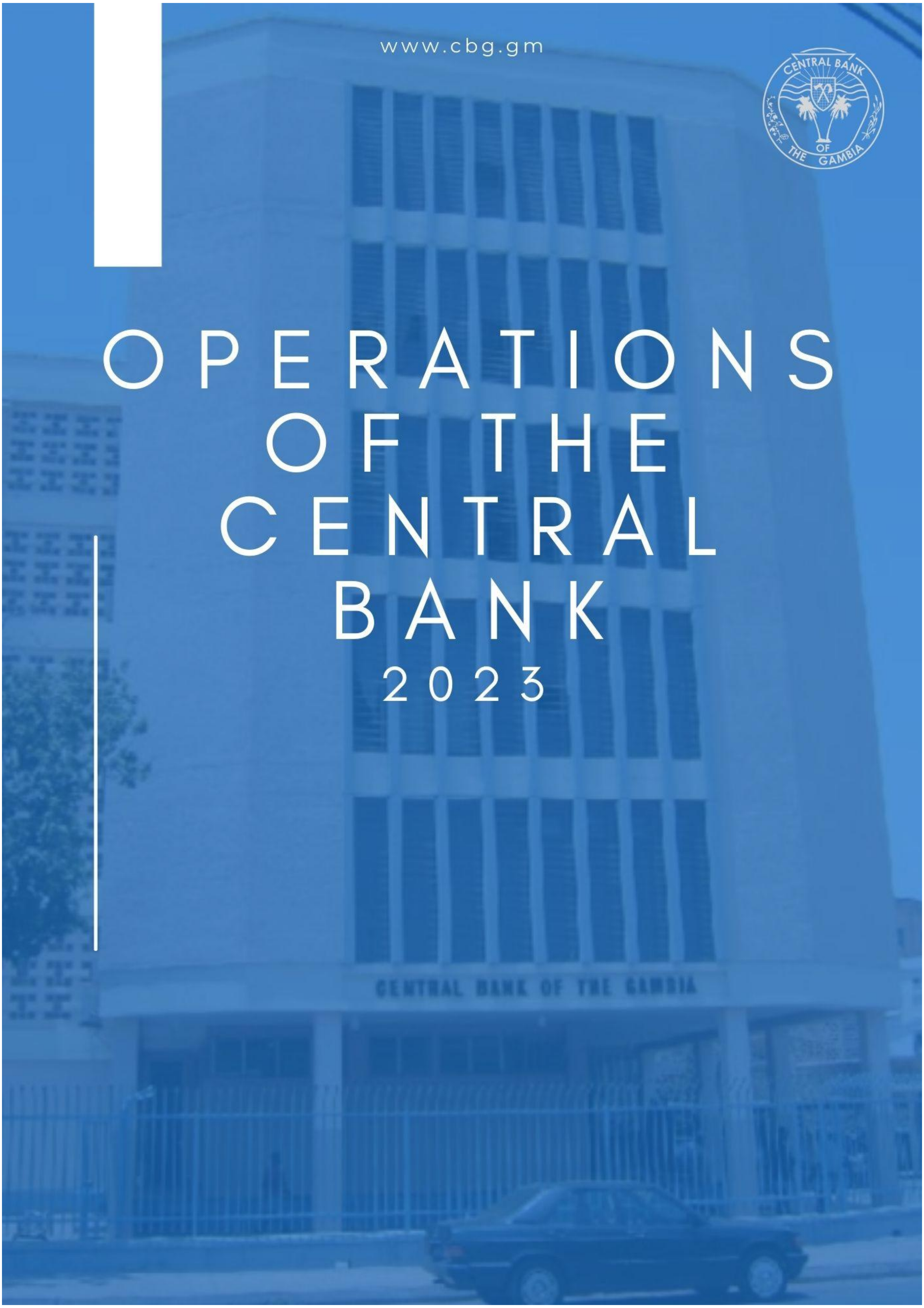
OPERATIONS OF THE CENTRAL BANK 2023



5 OPERATIONS OF THE OF THE CENTRAL BANK

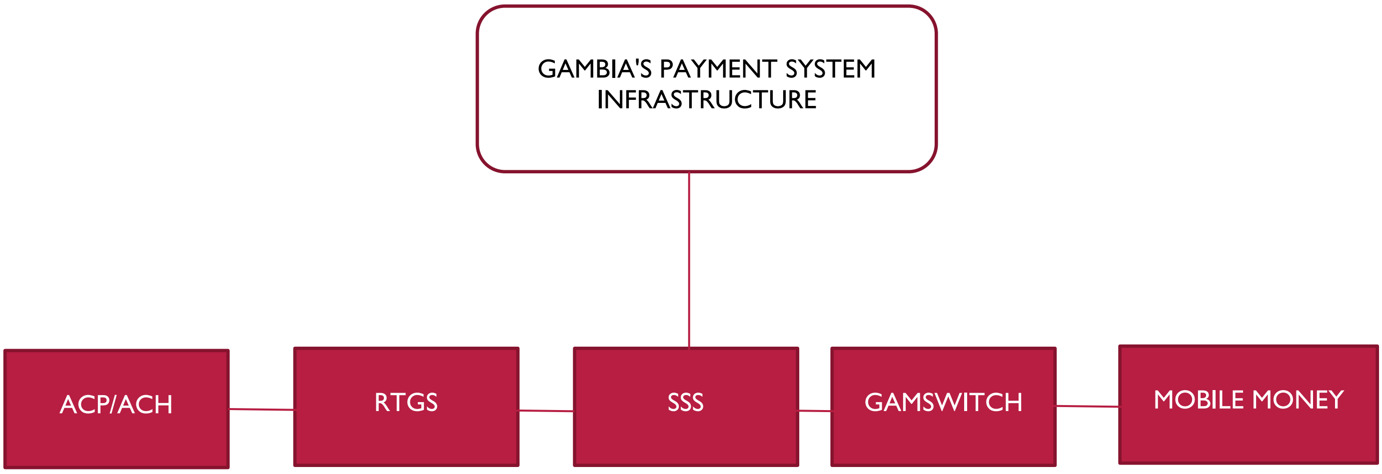
5.1 Payment Systems Developments

The Payment Systems infrastructure continues to provide a secured, improved, and efficient settlement platform. The increased awareness of the system and developments in IT have increased its usage, supporting innovative services such as mobile money and gradual movement towards cashless electronic payment modes. The Bank utilizes the Automated Cheque Processing (ACP)/ Automated Clearing House (ACH) platform to process government and projects salaries for amounts less than or equal to D100,000. High-value funds (above D100,000) transfers are processed through the Real Time Gross Settlement System (RTGS). These thresholds are being revised for ACP/ACH to less or equal to D400,00 while high-value fund transfers would be above D400,000.

The Gambia's payment systems infrastructure is undergoing significant upgrades to enhance efficiency, reliability, and security. This modernization includes making the system ISO 2022 compliant, with the project slated for completion by August 2024. As part of this initiative, the Real-Time Gross Settlement (RTGS) system is being upgraded, incorporating a V-shape payment topology and utilizing VPN as the primary medium for local transaction message transmission, which is more cost-effective.

Additionally, the national switch, GAMSWITCH, is undergoing a substantial upgrade, transitioning from Postilion to Powercard. This upgrade aims to support a broader range of services, including e-commerce, mobile wallets, interoperability, and the issuance and acquisition of international cards. Several components of this upgrade have already gone live, and the entire project is expected to be completed by May 2024.

These developments are pivotal for the financial system's future, ensuring that it meets international standards and supports the evolving needs of businesses and consumers in The Gambia.



5.1.1 Automated Cheques Processing and Automated Clearing House

The Automated Cheque Processing (ACH) platform processes all cheques and direct credits up to a threshold of D100,000. The installation of the new ACP-ACH solution (Cathergo Compensation Banque and Cathergo Compensation Centre) began in January 2022 and was successfully completed in the first quarter of 2023. Since its launch, the system has been stable despite a few technical issues. The new solution uses an XML file format and is web-based, unlike the previous system that used FLAT files. With this upgrade, both ACP and ACH platforms can now be accessed from any workstation, a significant improvement over the previous setup where each ran on dedicated machines. The balancing of clearing accounts and generation of global net balances are now automated, reducing the risk of human error and improving efficiency and turnaround time for queries and inquiries.

The transaction threshold for ACH has remained unchanged at D100,000 during the review period. However, management has approved an increase in the ACP/ACH threshold to D400,000 to accommodate the mass processing of government employees' salaries. This change addresses the recent salary increases for civil servants, which have resulted in senior officers' payments exceeding the current D100,000 threshold and necessitating manual processing through RTGS, prone to human errors. The new ACP/ACH threshold will be implemented in the first quarter of 2024. Additionally, direct cheque processing will see a threshold reduction from D100,000 to D50,000, effective in the second quarter of 2024. These changes aim to enhance the efficiency and reliability of the financial system, reducing manual interventions and minimizing the risk of errors in transaction processing.

5.1.1.1 Core Banking Application – T24

The Core Banking Application (CBA) – T24 has a seamless interface with the ACP/ACH, the RTGS and the national switch, GAMSWITCH, through the RTGS. It is also interfaced with the Integrated Financial Management System (IFMIS) of the Government of The Gambia through File Transfer Protocol (FTP), where Government payments are processed directly through the payment systems platforms. In 2023, the government expanded direct access to the national payment system through the Electronic Fund Transfer (EFT) module to some of its critical agencies.

5.1.1.1.1 CBA-T24 Upgrade

During the year, The Bank signed a contract with Inlaks—the solution provider—for an upgraded version of the Application. A team of both business and technical staff headed by Director of the Finance Department saw the Bank successfully implement the project in 2023. The Treasury Single Account (TSA) and its Payment gateway are considered for integration into the CBA. The integration of the Payment gateway is mainly for electronic Tax and non-tax collections. The contract has been signed to give effect to the Application Programming Interface (API) development between the Gateway and the CBA. The CBA upgrade was completed in the third quarter of 2023.

5.1.1.2 Transactions through the ACP/ACH system

The volume of direct credits processed through ACP/ACH saw a notable increase of 17.1 percent in 2023 compared to 2022, with transaction values rising from D8.3 billion to D9.5 billion. Concurrently, the total volume of cheque transactions also rose, from 94,791 transactions in 2022 to 108,559 transactions in 2023. This increase in volume corresponded with a 14.5 percent year-on-year growth in the total value of cheque transactions, which escalated from D2.8 billion in 2022 to D3.4 billion in 2023 ***(***

Table 18*)*.

5.1.1 Real Time Gross Settlement System (RTGS)

The RTGS system in The Gambia is an important platform within the payment systems, processing large-value and time-sensitive payments. The Central Bank and all the 12 commercial banks are direct participants while the national switch (GamSwitch) and the ACH are technical participants. Initially launched in 2011 under the WAMZ Payment Systems development projects covering The Gambia, Guinea Conakry, Sierra Leone, and Liberia, the RTGS system has been integral to enhancing financial transaction efficiency within the region.

In 2022, the Central Bank of The Gambia (CBG) initiated negotiations with CMA, the solution provider for RTGS, to upgrade the system to a higher release, encompassing both software and hardware improvements. The contract was finalized and signed later that year, with implementation commencing in 2023 and slated for completion by 2024. This upgrade aims to modernize the infrastructure, enhance operational capabilities, and align with international best practices in financial systems.

Transactions through the RTGS, which processes high-value fund transfers, experienced significant growth in 2023. Transaction volumes increased by 11.5 percent compared to 2022, while transaction values rose by 17.1 percent over the same period. These increases underscore the system's critical role in facilitating secure and efficient interbank transactions, contributing to financial stability and economic development in The Gambia ***(Table 19)***.

The ongoing upgrade of the RTGS system reflects the commitment of the CBG to continuously improve payment infrastructure, ensuring robust support for banking operations and meeting the evolving needs of stakeholders. As technological advancements reshape financial systems globally, The Gambia's upgraded RTGS system is well-positioned to bolster its role in the regional financial ecosystem and sustain its impact on economic growth.

5.1.2 Scripless Security Settlement System (SSSS)

The Scriptless Security Settlement System (SSSS) component of the payment systems was the last to go-live in 2013. The West African Monetary Institute has secured a UA 1.5 million grant from the African Development Bank through the transitional support facility to enhance domestic debt markets in The Gambia, Guinea, Liberia, and Sierra Leone. The project aims to deepen these countries' debt markets to foster regional integration, strengthen debt management capacity, and improve domestic resource mobilization. Key project components include upgrading the SSSS, establishing standardized frameworks for primary dealership (PD) and institutional investors, developing a unified debt management roadmap, and conducting training on liquidity and cash forecasting.

The User Acceptance Tests (UAT) to validate system functionalities started in the first quarter of 2024, with the go-live slated for the second quarter of 2024. This advanced, web-based platform will facilitate online auctions of treasury bonds and CBG bills and will be accessible from various workstations with enhanced security measures. In May 2023, staff completed functional and technical training provided by the service providers. This training will significantly enhance the staff's capacity to operationalize and maintain the new payment system. The capacity-building initiative ensures that our team is well-equipped to manage the system efficiently, leading to improved transaction processing, increased system reliability, and better overall service delivery. Additionally, the enhanced skills will help in swiftly addressing any technical issues, thereby minimizing downtime and ensuring seamless payment operations.

5.1.3 GAMSWITCH

Gamswitch is a critical financial infrastructure, primarily functioning as the national switch for electronic payment transactions. It facilitates the interconnection and interoperability of various financial institutions, allowing them to process transactions seamlessly across different networks and platforms.

In 2023, Gamswitch recorded a total of 20,100,894 transactions, with a value of D19,701.25 million. This is higher than the transaction volume of 7,447,498 with a value of D11,966.95 million in 2022. Of this, ATM usage through the national switch decreased by 46 percent in 2023, accounting for 0.9 percent of all Gamswitch transactions. The decline in ATM transactions reflects the effect of the transition period and a global shortage of chips which severely affected banks' ability to reissue debit cards.

5.1.4 Pan African Payment and Settlement System

The Pan African Payment and Settlement system (PAPSS) is a financial markets infrastructure for the economic and financial integration including trade facilitation in Africa. It is a centralized payment and settlement infrastructure for intra-African trade and commerce. It is designed to effect payments in local currencies and use Central Banks as settlement agents.

Central Bank Settlement Model (SSA-1); SSA-1 account subtype will be used for FX eligible transactions, which means that the FX funds required for cross-border settlement will be provided by the Central/National Bank.

The Central Bank of the Gambia is among six West African states that have signed up to PAPSS membership agreement and completed the integration activities. CBG has also funded its settlement account opened with Afreximbank for the purpose of net settlement in United States Dollars. Four of the twelve commercial banks in the Gambia have signed the PAPSS membership agreement and three of the banks have begun integration activities while one is carrying out transactions on the platform ***(Table 21)***.

Table 18: Transactions through the ACP/ACH system 2022-2023

	2022		2023		2022-2023 (percent ±)	
INSTRUMENT TYPE	VOLUME	VALUE (GMD)	VOLUME	VALUE (GMD)	VOLUME	VALUE (GMD)
DIRECT CREDITS	794,215	8,332,974,125.43	930,174	9,486,760,084.20	17.1	13.9
CHEQUES	94,791	2,760,334,816.13	108,559	3,420,122,270.51	14.5	23.9
TOTALS	889,006	11,093,308,941.56	1,038,733	12,906,882,354.71	16.8	16.4

Source

Table 19: Transactions through the RTGS System 2022-2023

	2022		2023		2022-2023 (percent ±)	
	VOLUME	VALUE (GMD)	VOLUME	VALUE (GMD)	VOLUME	VALUE
TOTAL RTGS TRANSACTIONS	63,552	222,120,027,208.08	70,876	260,018,184,960.37	11.5	17.1

Source: CBG

Table 20: Transactions through the GAMSWITHC System 2022-2023

	2022		2023		2022-2023 (% changes)	
	VOLUME	VALUE (GMD)	VOLUME	VALUE (GMD)	VOLUME	VALUE (GMD)
Total Number of GAMSWITCH Transactions	7,447,498.00	11,966,948,097.19	20,100,894.00	19,701,253,033.25	169.9	64.6
Of which Total Number of ATM Transactions	347,489.00	836,352,000.50	187,689.00	487,976,850.00	-46.0	-41.7

Source: CBG

Table 21: PAPSS Transactions

	Volume		*Value*	
	2022	2023	2022	2023
PAPSS	-	69.00	-	6,820,135.01

Source

5.2 Financial Integrity

The Central Bank and the Financial Intelligence Unit (FIU) are continuing efforts to strengthen the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework. The Central Bank has recently established an AML/CFT Unit in the Banking Supervision Department, aimed at conducting onsite and offsite examinations on banks and NBFIs using a risk-based approach. The Unit comprises staff from the Banking Supervision, Insurance Supervision, Microfinance Supervision, and Risk Management Departments. Capacity building is ongoing to enable the team to develop guidelines and procedural manuals, and regulatory returns to conduct offsite monitoring and onsite examinations effectively.

5.3 Currency Management

5.3.1 Currency Issued

The Central Bank has the sole mandate to issue currency and is obliged to ensure an adequate supply of banknotes and coins to meet the demand of the Gambian population.

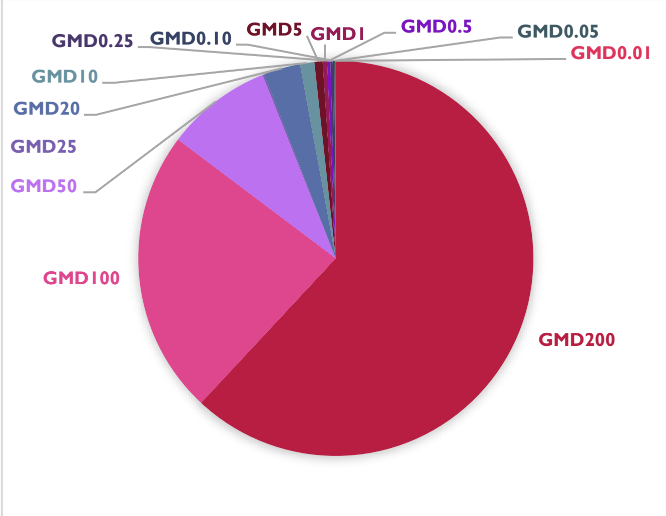
The stock of currency in circulation rose by 10.7 percent to D15.5 billion in 2023, from D14.0 billion in 2022, reflecting the increased demand for money (Chart 50). Banknotes accounted for 98.9 percent of total currency in circulation and coins constitute the remaining 1.1 percent. In terms of denominations, the D200 banknote, introduced into circulation in 2015, accounted for 61.9 percent. The D100 accounted for 23.3 percent and the D50 represented 8.7 percent. The D20 banknote, which was also introduced in 2015, constituted 3.0 percent of currency in circulation. The D25 note represented 0.1 percent, the D10 note (1.2 percent) and the D5 note (0.7 percent). The D1, 50 butut and 25 butut coins accounted for 0.4 percent, 0.3 percent, and 0.2 percent, respectively, while the 10 butut, 5 butut and 1 butut coins account for the remaining share (0.3 percent).

5.3.2 Commemorative Coins

The Central Bank continues to hold gold and silver commemorative coins. These coins are issued to commemorate notable events and to stimulate interest in The Gambia. The nation's 50th independence anniversary was the last occasion that the Bank had commemorative coins minted. Below is a list of the available commemorative coins:

- The Gambia 50th Independence Anniversary.
- The 25th Independence anniversary—The Gambia Silver Jubilee.
- UN 50th Anniversary.
- Word Wildlife Conservation Coin.
- African Union Summit – Gold coin.
- Papal Visit Gold and Silver.

Chart 46: Composition of currency in circulation



Source: CBG

5.3.3 Strengthening Currency Management

To improve currency management, the Bank embarked on the following:

- Enforced the Clean Note Policy (CNP) of the Bank.
- Developed sensitization leaflet on banknote handling and initiated talk shows leveraging on mainstream and social media to increase awareness on the handling of banknote.
- Issued a press release on soil/mutilated and replacement of old series banknotes.
- The Board of Survey exercises which are conducted semi-annually were both successfully completed.
- The department continues the withdrawals of old family banknotes.
- 5.4 million dalasi of D20 polymer note was repatriated from **De la rue** and destroyed.
- A nationwide sensitization of the withdrawal of the bank note was conducted.
- The bank has signed a contract with **De la rue** to print 200 million pieces of different denomination to facilitate the withdrawal of the old bank note.

5.4 Reserve Management

The international reserves continued to be managed in line with existing policies and international best practices. The past year has witnessed some level of easing supply constraint leading to a limited CBG intervention in the FX market. Gross usable reserve increased slightly by 1.4 percent to a recorded US$459.24 million as at end December 2023 from US453.06 million at end December 2022 *(Table 22)*.

The investment schedule as at end December 2023 shows a diversified portfolio with investments of US$212 million, Euro 61 million, and GBP 47 million *(Table 23)*. These investments coupled with overnight returns on overnight holdings generated a return of US$12.05 Million.

The reserves remain domiciled in Europe, UK, USA and emerging market economies such as China and Egypt in the Euro, Pound Sterling and US Dollar currencies.

The reserve management guideline was reviewed in March 2023 and lowered the benchmark credit rating to 'BBB' from 'A' whilst individual commercial bank counterparty exposure was lowered to 38 percent from 40 percent.

Table 22: Gross International Reserve (In millions of USD unless otherwise mentioned)

Period	2021	2022	2023
JANUARY	372.13	507.71	453.06
FEBRUARY	369.9	503.43	449.67
MARCH	379.62	496.65	443.93
APRIL	374.83	460.26	439.49
MAY	391.79	439.5	427.41
JUNE	405.53	471.43	421.67
JULY	402.73	461.34	391.14
AUGUST	426.8	443.87	414.58
SEPTEMBER	511.05	415.65	361.3
OCTOBER	504.85	381.89	405.7
NOVEMBER	513.55	381.74	390.17
DECEMBER	517.78	453.06	459.24

Source: CBG

Table 23: Investment Schedule End December 2023

INSTITUTIONS	SUM OF PRINCIPAL US$	SUM OF PRINCIPAL EURO	SUM OF PRINCIPAL GBP
Afrexim Bank	35,000,000.00	41,000,000.00	
Banco Santander	35,000,000.00		10,000,000.00
ICBC Hong Kong	27,000,000.00		
SCB	40,000,000.00		23,000,000.00
UBAF	40,000,000.00	20,000,000.00	14,000,000.00
FED T/BILLS	35,000,000.00		
TOTAL INVESTMENT	**212,000,000.00**	**61,000,000.00**	**47,000,000.00**

Source: CBG

5.4.1 Foreign Currency Shipment

The Central Bank of The Gambia together with Money Corp (UK) signed a partnership agreement relating to foreign currency banknote shipments on behalf of the commercial banks effective May 01, 2023.

The shipment exercise through the Central Bank has been significantly broadened to include all banks, with shorter duration for settlement of banks' nostro accounts. This further improves settlement of trade finance due for importation of essential commodities and maturing letters of credit in a timely manner.

From July 2023 to December 2023, the Bank shipped a total volume of US$119.1 million worth of foreign currency.

5.5 Human Resource Activities

5.5.1 Headcount

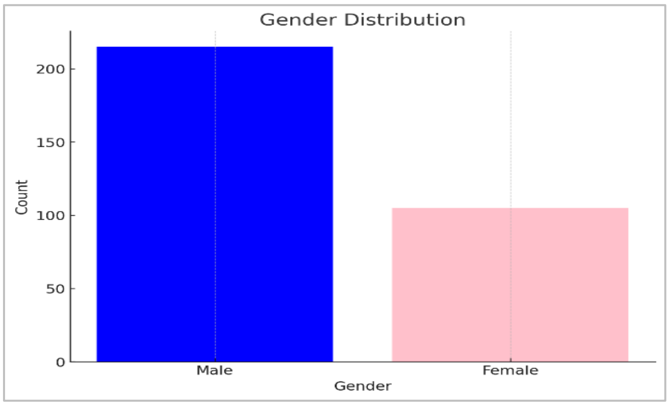
As at end of December 2023, the Bank's total staff count was 323, including the three

Governors. Currently, seven staff members are on secondment: five at the West African Monetary Institute (WAMI) and two at the West African Institute for Financial and Economic Management (WAIFEM).

5.5.2 Gender Distribution

The total number of male employees is 215 (67.18 percent), whilst the total number of female employees is 105 (32.81 percent). The ratio of male to female employees in the Bank as of the end of December 2023 is 2:1.

Chart 47: Gender distribution of staff of the CBG



Source: CBG

5.5.3 Recruitment

During the year under review, 30 staff were absorbed into positions on permanent /pensionable service of the Bank, comprising a Director, Senior ICT Officers, Assistant Communication Officer, and Senior Registry Supervisor. On the other hand, 8 staff were employed on contract for a year, comprising 7 Note Counters and an Adviser to the Governor.

Following the Central Bank's expansion to the Supervision House on Kairaba Avenue, more support and operational staff were needed to maintain the cleanliness and security of the premises. It is against this backdrop that ten cleaners and twelve Security Guards were employed to complement the full functionality of the facility.

5.5.4 Exits

As of December 31, 2023, 14 staff left the bank on grounds of statutory retirements or voluntary retirements. Five employees went on statutory retirement, and contract appointments of eight (8) employees were not renewed. One (1) employee opted for voluntary retirement.

5.5.5 Training

The Human Resource Department offers a variety of training and capacity building opportunities to its staff in line with the Bank's strategic needs, mission, and vision. During the year under review, several employees received training through the West African Institute for Financial and Economic Management (WAIFEM) in disciplines such as research, statistics, macroeconomics, debt management, and financial sector management. Additionally, the Bank benefited from WAIFEM's leadership training and human resource management programs. Staff also participated in capacity-building programs offered by other institutions, including the IMF Africa Training Institute (ATI) in Mauritius and AFRITAC WEST 2.

To support and strengthen local institutions, the Central Bank sponsors staff to attend courses at the Management Development Institute (MDI) in areas like Women in Leadership, Procurement, Effective Management, and Human Resources. The Gambia Institute of Bankers trained Bank officials in disciplines such as Human Resources Management, Islamic Finance, IFRS 9, Financial Intelligence, and anti-money laundering. Additionally, Central Bank staff received training in Cyber Security at the GAMTEL Training Institute, and GFS provided expertise in areas such as Audit, Finance, and Accounting.

As part of its long-term training policy, six employees of the Bank were offered scholarships in 2023 to pursue higher education abroad. Their areas of study included Computer Science (FINTECH), MBAs in Banking and Finance, Law, Insurance, and Economics, among others.

5.5.6 Human Resources Board Committee / Policy Documents

To keep abreast of the developments in the Bank and to better serve the interests of employees, the Human Resources Board Committee was reconstituted in 2023. A total of four meetings were held to look at staff matters and to review and update policy documents. The staff Service Rules, Medical, and Training Policies were scrutinized and amended accordingly in 2023. The Board also approved performance appraisal and succession planning drafts to be finalized in 2024.

5.6 Risk Management

The Risk Management Department remains committed to managing risk, compliance, and business continuity matters which are key to achieving the Bank's goals. The established risk governance structure has supported the timely identification, reporting, and mitigation of risks, non-compliance, and business continuity issues. This demonstrates improvements in the risk maturity of the Bank.

Enterprise Risk Management is aimed at fostering awareness of the risks facing the Bank and its ability to respond effectively. Most of the critical risks exposures to the Bank were information security or cybersecurity risks. However, these risks were timely mitigated through the interventions of both Board Risk Management and Risk Advisory Committees. Most departments' policy documents were reviewed and adopted to address the strategic risks. Similarly, the aged ICT Infrastructure and payment systems were upgraded to resolve the ICT-related risks. These responses drastically remedied the risk exposures of the Bank to acceptable levels.

In the endeavor to establish an effective Business Continuity Management System, the Bank's business continuity policy documents are being reviewed and a Business Continuity Team is being set up. Likewise, in the ongoing efforts to fully attain ISO certification by 2026 as a Bank, two of the RMD staff got certified by ISO 22301:2019 standard as Business Continuity Lead Implementers.

Monthly Compliance reports were generated and submitted to the office of the Governor reporting the non-compliance and the risks associated with the reserves for timely remedy. The foreign reserves were monitored daily to detect non-compliance and possible risk exposure. From 2022 to 2023, there were minimal non-compliance and low-risk exposures associated with the reserves suggesting prudent management of the reserves.

5.7 Internal Audit

The main remit of Internal Audit Department of The Bank (IAD) is to independently and objectively evaluate the operations within the bank, with the view to ensures that operations and processes follow the Bank's policies and rules and regulations.

The department developed and created an annual Audit plan of work in consultation with its key stakeholders covering all the areas to be audited and in conformity to the auditing standards issued by the Institute of Internal Auditors. The plan is based on a risk assessment of the bank and aligns with the strategic goals of the Bank.

The Department carried out 13 audit engagements in the year 2023. The main objectives of the Audit engagements were to assess the risk and internal controls surrounding the operations, functions and processes that were audited. The Department issued recommendations to remedy identified deficiencies thereby adding value to the Bank.

In addition, the department carried out special assignments that were requested by the Senior Management including witnessing the destruction of old and mutilated notes and the delivery of new notes. The department also continued to review monetary data on key dates reported to the International Monetary Fund.

The Internal Audit department is fully committed to aiding the Bank to achieve its aims and objectives by continuously evaluating and contributing to the improvement of the Bank's governance, risk management and control processes.

5.8 Information Communication Technology

The ICT department highlights significant accomplishments, ongoing initiatives and activities as part of the Department's efforts to strengthen and modernize the Bank's ICT infrastructure, Payment Systems, and enhanced cybersecurity program.

5.8.1 Restructuring Of ICT Department:

To further enhance performance and delivery and to streamline operations, the ICT Department has been successfully restructured into two divisions and six units, as outlined below:

Infrastructure Management Division (IMD): Headed by Mr. Dembo Sankareh, this division oversees the System Administration and Network Administration units.

Application Support and Training Division (ASTD): Headed by Ms. Isha Fye, this division oversees the Application Management and Monitoring Unit, User Support and Training Unit, and Project Management Unit.

System Administration Unit: Under IMD, responsible for the efficient management and maintenance of the Bank's systems.

Network Administration Unit: Under IMD, tasked with the administration and management of the network infrastructure ensuring optimal functioning of the Bank's network.

Application Management and Monitoring Unit: Under ASTD, responsible for overseeing applications and monitoring their performance.

User Support and Training Unit: Under ASTD, focused on providing user support and training to enhance digital literacy.

Project Management Unit: Under ASTD, dedicated to efficient project management for timely and successful implementations.

Strategy Unit: Under the office of the Director, ICTD, responsible for developing and implementing strategic initiatives to align ICT efforts with the Bank's overall objectives.

Establishment of A Cyber Security Unit: The restructuring of the ICT department has led to the establishment of a dedicated Cyber Security Unit (Information Security Division), which includes a state-of-the-art Security Operations Center (SOC). Headed by Mr. Edrissa Kanteh, this Unit is designed to proactively prevent, detect, analyze, and respond to security incidents, fortifying the Bank's defense against cyber threats.

5.8.2 Infrastructure and Cyber Security

5.8.2.1 Comprehensive ICT Infrastructure Modernization

In 2021, the Central Bank initiated a transformative journey to upgrade and modernize the ICT infrastructure. Collaborating with a reputable service provider, ICTD successfully completed the enhancement of over 90 percent of the existing infrastructure for both main datacenter and disaster recovery (DR) site. This includes the LAN, MAN, WAN networks as well as increasing the bandwidth for the real time replication of data to the DR site. In addition, the power supply system to the main and DR sites has also been upgraded.

5.8.2.2 Next-Generation Cybersecurity Measures

Recognizing the evolving threat landscape, ICTD have undertaken the deployment of a next-generation antivirus solution and an advanced endpoint detection system. This proactive approach to cybersecurity ensures continuous network monitoring, threat detection and mitigation, safeguarding the Bank's systems from potential risks.

These developments will result in a complete modernization of a secured Central Bank ICT infrastructure, thereby enabling a sound and vibrant financial system to support sustainable economic development.

5.8.2.3 Network Operation Center (NOC)

The creation of a NOC has been pivotal in monitoring and managing the Bank's network infrastructure. This centralized hub enhances the Bank's ability to promptly identify and address potential network issues, ensuring optimal performance and reliability.

5.8.3 Payment Systems Modernisation

Recognizing the critical role of Payment Systems, the Bank strategically invested in hardware and software upgrades as part of the efforts to align its modernization activities and with the Bank's strategic plan. Key components such as the Temenos T24 Core Banking Application and the Automated Cheque Processing/Automated Cheque Clearing (ACP/ACH) systems have been successfully modernized to ensure enhanced operational efficiency and reliability in financial transactions.

5.8.4 Ongoing Initiatives

The Real-Time Gross Settlement (RTGS) System Upgrade: In line with our commitment to cutting-edge financial services, the upgrade of the Real-Time Gross Settlement (RTGS) system is currently in progress. This initiative aims to enhance the speed and efficiency of funds transfer.

T24 Core Banking Application: The implementation of Temenos payment Hub on T24 core banking applications to align with ISO 20022 standards is ongoing.

Continued Investment in Training and Awareness: As part of the Bank's ongoing initiatives, ICTD prioritizes training and awareness programs to equip the staff with the latest cybersecurity best practices. This investment ensures that the team remains vigilant and well-prepared to counter emerging cyber threats.

Operationalization of Disaster Recovery (DR) Site: Central Bank's commitment to resiliency is demonstrated through the full operationalization of the Disaster Recovery (DR) site. This not only safeguards our operations against unforeseen disruptions but also establishes a strong foundation for business continuity.

Workflow Automation: The automation of workflows and business processes is currently ongoing. By leveraging technology to streamline processes, CBG is positioning itself towards enhancing operational efficiency.

5.8.5 2024 Prospects

- Participate in the promotion of the country's digital economy by upgrading the payment systems to accommodate instant payment channels and fintech innovations.
- Complement staff strength and capacity building for the efficient and effective management of the Bank's ICT infrastructure and systems. The ICTD intends to become the leading hub for the implementation of innovative financial services to meet the target financial inclusion rate of 70 percent by 2025.
- The ICTD also intends to roll out IT training programs to build on staff technical skills by the creation of a knowledge center on CBG intranet SharePoint.
- Having fully tested the Pan African Payment and Settlement System (PAPSS), the ICT will work closely with member states to encourage its full operationalization for its desired effect.

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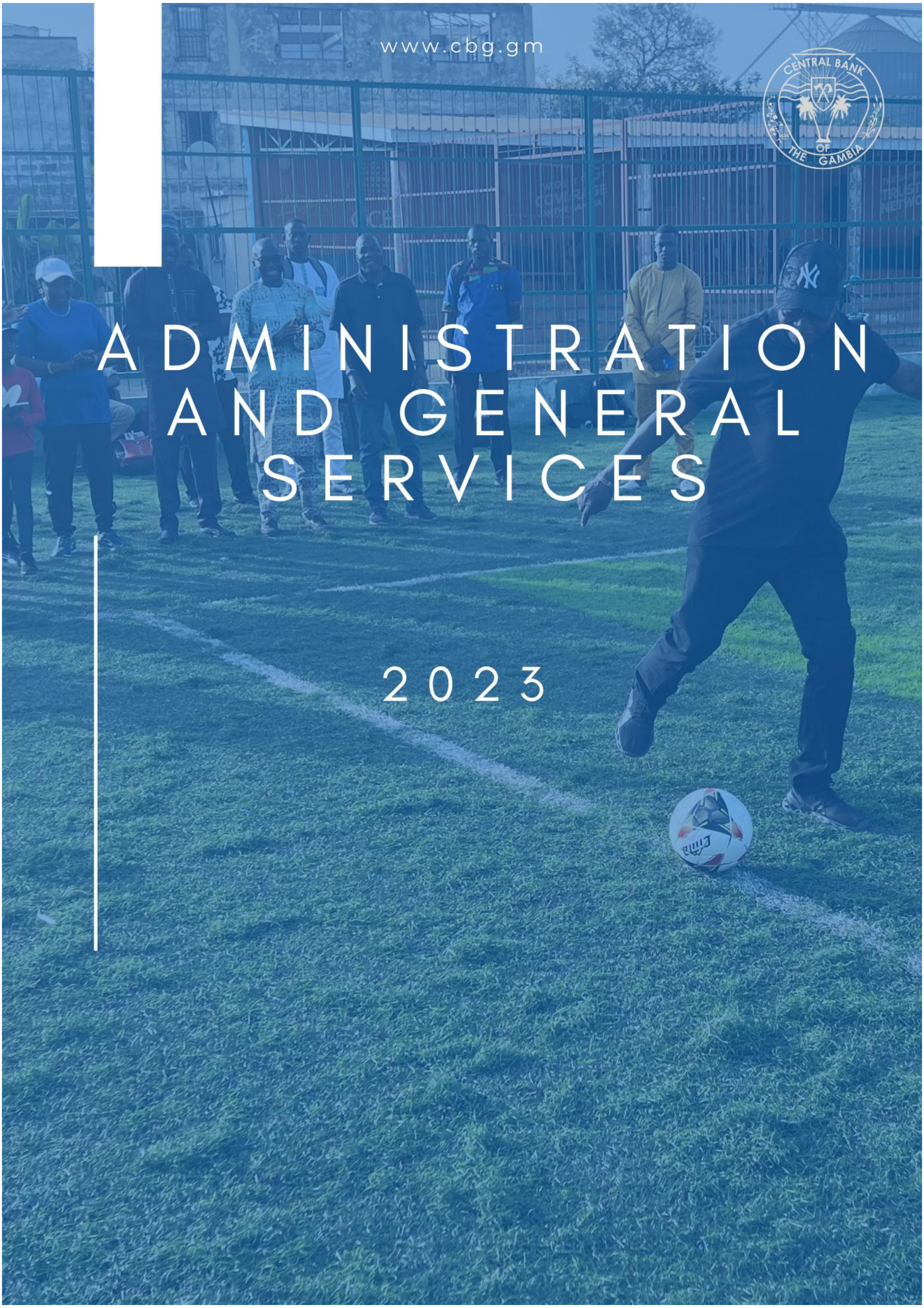

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ADMINISTRATION AND GENERAL SERVICES

2023

6 ADMINISTRATION AND GENERAL SERVICES

6.1 Administrative Matters

6.1.1 Decentralization Program

The Central Bank in its drive to decentralize some of its operations outside Banjul has acquired some critical assets for the provision of effective and efficient service delivery to The Gambian economy and the financial sector. During the period under review, strategically located land in Jarra Soma, Lower River Region was bought for the purpose of building a branch. This proposed branch will serve the financial needs of the rural populace.

6.1.2 Staff Health and Wellbeing

To ensure a healthy and productive workforce, the Bank continued to operate the medical insurance scheme for staff and their dependents. Recently, the Board considered and approved the addition of retirees to the list of beneficiaries of the Medical Scheme. This is a highly welcome decision bearing in mind that health care services are greatly needed after statutory retirement. In addition, the Bank has also registered with recognized health and fitness centres with the aim of promoting a healthier lifestyle.

6.1.3 Famara Jatta Football Tournament

The Bank continues to organize the annual inter-banks football tournament, named after the Late Governor Famara Jatta. The aim of the tournament is to bring together all the commercial banks and the Central Bank to interact outside the formal setting.

6.2 External Relations

The Bank continues to strengthen relations with sub-regional, regional, and multilateral institutions. In this regard, the Bank continues to participate actively in regional and sub-regional initiatives, including the ECOWAS and AACB financial and monetary integration agenda.

6.2.1 Regional Integration

The CBG remains committed to the regional integration agenda of ECOWAS and continues to participate in activities and programs of regional institutions, including the WAMA, WAMI and WAIFEM. The Bank is also an active member of the College of Supervisors of West Africa Monetary Zone (CSWAMZ), which was established to provide a common platform for regulators within the sub-region.

The CBG has also shown a strong commitment to the Africa Monetary Cooperation Program (AMCP). The Bank is also an active member of the Community of African Banking Supervisors (CABS), established by the AACB with the objective of contributing to ongoing efforts to strengthen banking regulatory and supervisory frameworks in Africa. The platform is meant to exchange views at the level of bank supervisors, learn from peers, reflect on relevant global discussions, and help in voicing the concerns of the continent.

6.2.2 Multilateral Institutions

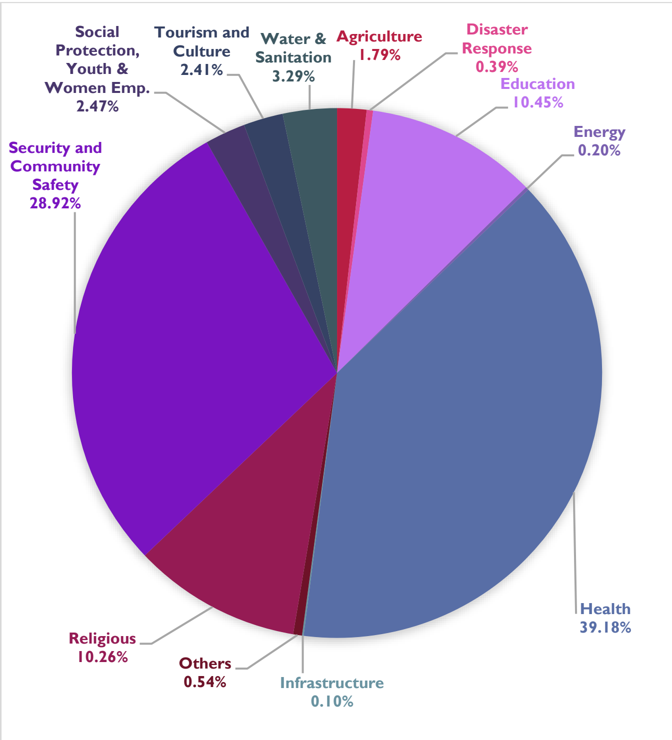
The Bank remains committed to strengthening the relationship and collaboration with international financial institutions and development partners.

In 2022, and for the first time in the history of the country, The Gambia successfully completed an IMF-supported economic program under the Extended Credit Facility (ECF) arrangement. This came after the completion of the sixth and final review of the program which culminated in the disbursement of US$6.6 million (the remaining balance from the approved US$47.1 million). In addition, the Bank continued to engage the IMF in the areas of technical assistance to build capacity and strengthen the operational areas of the Bank. In this regard, the Bank continues to enjoy support from AFRICTAC West 2 in the areas of modelling and forecasting, monetary operations, and payment systems, and more recently on foreign exchange operations management. During the reviewed period, the Central Bank also participated in both the Annual and Spring meetings of the IMF and World Bank Multilateral Institutions.

6.2.3 Corporate Social Responsibility

The CBG provided support to various initiatives in 2023 through its Corporate Social Responsibility, focusing on health, education, water, agriculture, and social protection. The aim is to improve the welfare of children, girls, youth, women, and other vulnerable groups and communities. This support is demand-driven and based on the initiatives of the beneficiaries.

Chart 48: CSR support to various sectors provided by the central bank

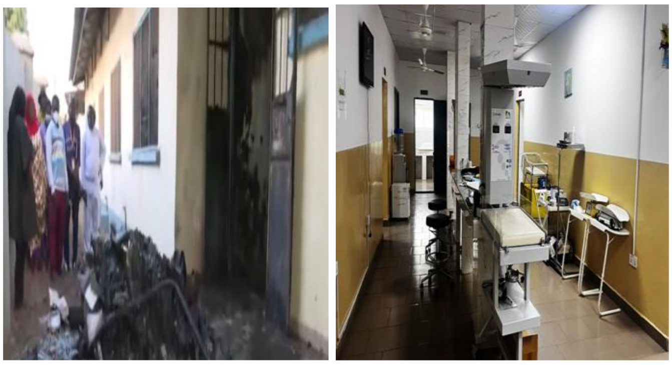


Source: CBG

6.2.3.1 HEALTH

6.2.3.1.1 Rehabilitation of the Fajikunda Health Center

The Fajikunda Health Center, a major public health facility, provides essential healthcare services to the public, attracting 6,000 patients to its maternity unit and 24,000 to its Reproductive Child Health (RCH) unit. The center suffered a fire incident that engulfed its entire RCH unit, disrupting services. In March 2023, the Bank extended financial support to repair damaged structures and facilities, leading to the resumption of vital RCH services, thereby improving maternal and child health.



Fajikunda Health Centre: Aftermath of fire incident (Left), Rehabilitated facility (Right).

6.2.3.2 EDUCATION

6.2.3.2.1 Support for Provision of Sanitary Pads by the Rotary Club of Banjul

The Rotary Club of Banjul, the first rotary club in Gambia, has executed many community-based projects since its charter. In December 2023, the Bank provided financial assistance to support the club's Sanitary Pads for School Girls Project. This support facilitated the supply of sanitary pads to school-going girls, particularly in rural areas, and provided counseling on usage and personal hygiene, enhancing school attendance.

Presentation of sanitary pads to Rotary Club (Left) and schoolgirls (Right).

6.2.3.3 SECURITY AND COMMUNITY SAFETY

6.2.3.3.1 Support to the Gambia Armed Forces (GAF) Quick Impact Project (QIP)

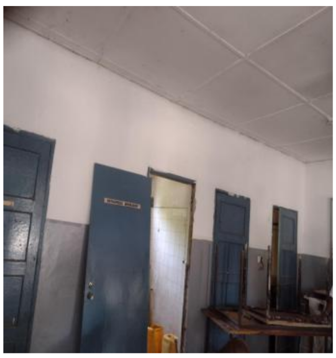
The Bank has extended support to the Gambia Armed Forces to renovate some of their facilities, including water and sanitation, to improve the working environment and welfare of the members. This initiative aligns with the objectives of the Security Sector Reform (SSR) and aims to create a safe and secure environment essential for economic activities, foreign direct investment, and social development. The renovation works are currently underway and expected to be completed later this year.

Facility to be renovated (Left) Proposed intervention sites (Right)

6.2.3.4 SOCIAL PROTECTION, YOUTH AND WOMEN EMPOWERMENT

6.2.3.4.1 Rehabilitation of the Department of Social Welfare Orthopedic and Wheelchair Mechanical Workshop

The Bank is supporting the rehabilitation of the Department of Social Welfare Orthopaedical and Wheelchair Mechanical Workshop, the only center in the country providing services for mobility and orthopedic care for people with disabilities. This rehabilitation is set to be completed in the second quarter of 2024.



Current state of Wheelchair Mechanical Workshop

6.2.3.5 WATER AND SANITATION

6.2.3.5.1 Provision of Potable Water Supply for the Community of Kerr Tamsir

The Kerr Tamsir Women Group in the Central River Region, actively engaged in rice production, faces challenges in accessing quality potable water. The Bank's corporate social responsibility support aims to provide the community with adequate access to quality water supply, following a request from the women group. The completion of the borehole will enhance water access for the Kerr Tamsir community, which has a population of over 400 people.

Current borehole

6.2.3.6 AGRICULTURE

6.2.3.6.1 Fencing of the Conteh Kunda Neggi Community Garden

The Conteh Kunda Neggi women group in the North Bank Region is actively engaged in gardening. The Bank's support is intended to provide fencing for the women's garden in response to their request. The fencing will secure the 5-hectare garden from animal intrusion, contributing to increased production and incomes and improving the welfare of about 200 women cultivating the garden.

Garden (Left), Women leaders during the site handing over (Right).

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STATISTICAL TABLES

2023

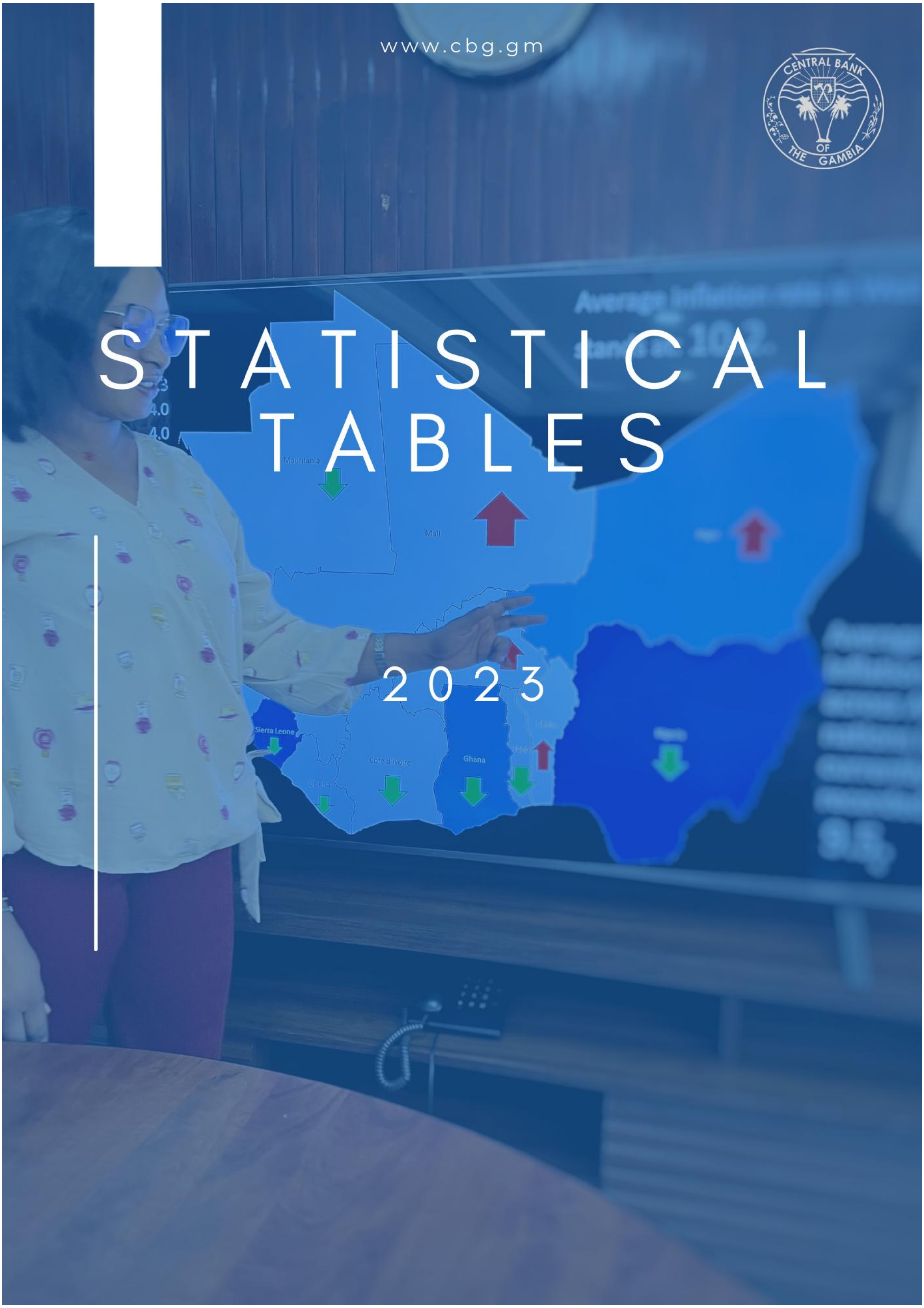

Table 24: Monetary Survey (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Net Foreign Assets	3,676.40	5,893.00	8,309.70	10,548.50	11,848.50	12,332.76	12,812.64
Foreign assets	4,429.20	6,464.00	8,914.10	11,871.00	14,078.60	13,830.59	14,361.46
Foreign liabilities	752.7	571	604.4	1,322.40	2,230.50	1,497.83	1,548.82
Net Domestic Assets	18,763.60	21,283.30	26,721.60	31,667.60	39,159.00	41,694.33	45,916.96
Domestic credit	18,110.10	20,552.00	24,907.00	27,337.20	33,387.60	39,811.18	41,804.88
Claims on gov't, net	13,730.60	14,803.00	17,205.50	19,631.10	23,863.40	25,342.29	24,786.66
Gross claims	13,730.60	14,803.00	17,205.50	19,631.10	23,863.40	25,342.29	24,786.66
Government bonds	1,198.30	1,198.70	1,606.00	2,240.40	7,059.80	10,807.02	8,859.80
NAWEC Bond	1,692.50	1,201.30	1,237.00	1,874.20	587.5	398.21	157.475
Treasury bills	10,839.80	12,403.00	14,362.50	15,516.50	16,216.10	14,535.27	15,926.86
Claims on public entities	204.2	164.3	90.9	67.8	280.5	2,868.20	4,025.00
Claims on private sector	4,175.30	5,584.80	7,610.60	7,638.30	9,243.70	11,600.69	12,993.22
Reserves	4,495.70	5,310.50	6,044.10	8,523.10	11,057.50	8,037.76	9,780.11
Currency	515	735.4	713	957.1	1008.4	1,137.28	1,424.14
Deposits at Central Bank	3,980.80	4,545.10	5,331.20	7,566.00	8,629.10	6,900.48	8,355.97
Other items (net)	-3,842.20	-4,609.20	-4,229.50	-4,192.70	-5,286.10	-6,154.61	-5,668.02
Net claims on other banks	3.9	23.9	145.8	49.3	1,596.80	408.11	528.981
Total deposit liabilities	22,440.00	27,176.30	35,031.40	42,216.20	51,007.00	54,027.09	58,729.60
Demand deposits	8,706.80	11,295.00	16,352.40	19,068.90	23,586.00	25,432.62	29,195.20
Savings deposits	10,531.90	12,389.10	14,755.90	18,190.00	22,839.40	23,603.90	24,807.65
Time deposits	3,201.40	3,492.20	3,923.10	4,957.30	4,581.70	4,990.57	4,726.75

Source: CBG

Table 25: Summary Account of The Central Bank (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Net Foreign Assets	2,787.10	4,514.00	8,473.80	13,781.01	17,104.90	13,813.22	16,303.11
Net International Reserves	4,440.80	5,657.50	9,642.60	15,054.35	22,499.94	19,654.67	22,615.16
Foreign Assets	7,245.80	8,680.20	12,494.40	19,119.63	29,089.51	29,044.14	32,010.79
International Reserves	6,892.60	7,775.20	11,559.80	18,178.96	27,902.98	27,651.89	30,611.74
Foreign Liabilities	4,458.70	4,166.30	4,020.60	5,338.62	11,984.62	15230.92	15707.68
Other Liabilities	0.2	0.2	0.2	0.2	7.47	7.47	7.47
IMF – PRGF	2,451.60	2,117.60	1,917.00	3,124.44	5,395.58	7989.76	7989.11
SDR Allocations	2,006.90	2,048.50	2,103.50	2,214.01	6,581.57	7233.7	7711.10
Net Domestic Assets	7,380.20	7,335.00	5,413.90	4,813.80	4,019.37	7114.71	7583.87
Domestic Credit	7,347.00	7,807.50	6,786.40	5,939.60	5,758.71	9779.47	9211.06
Claims on Gov't (Net)	7,236.40	7,725.90	6,667.60	5,785.80	7,013.96	9618.48	8124.87
Gross Claims	11,538.70	11,248.20	10,923.70	11,621.20	13,616.00	16108.07	15758.42
(Less) Gov't Deposits	4,302.30	3,522.30	4,256.10	5,835.40	6,602.05	6489.59	7633.55
Claims on Private Sector	105.7	106.8	118.8	153.8	164.76	160.99	937.11
Claims on OFIs	4.9	4.9	0	0	0	0	149.08
Other Items (Net)	33.2	-472.6	-1,372.50	-1,125.80	-1,739.34	-2664.76	-1627.20
Revaluation Acc.	366.2	969.6	927.6	656.8	801.81	943.2	2781.31
Reserve Money	10,167.30	11,848.90	13,887.70	18,594.80	21,124.26	20,927.93	23,886.98
Currency in circulation	6,186.50	7,303.90	8,556.50	11,028.80	12,495.21	14,027.45	15,531.01
Reserves of com. banks	3,980.80	4,545.10	5,331.20	7,566.00	8,629.06	6,900.48	8,355.97

Source: CBG

Table 26: Summary Accounts of Commercial Banks (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Net Foreign Assets	3,676.40	5,893.00	8,309.70	10,548.50	11,848.50	12,332.76	12,812.64
Foreign assets	4,429.20	6,464.00	8,914.10	11,871.00	14,078.60	13,830.59	14,361.46
Foreign liabilities	752.7	571	604.4	1,322.40	2,230.50	1,497.83	1,548.82
Net Domestic Assets	18,763.60	21,283.30	26,721.60	31,667.60	39,159.00	41,694.33	45,916.96
Domestic credit	18,110.10	20,552.00	24,907.00	27,337.20	33,387.60	39,811.18	41,804.88
Claims on gov't, net	13,730.60	14,803.00	17,205.50	19,631.10	23,863.40	25,342.29	24,786.66
Gross claims	13,730.60	14,803.00	17,205.50	19,631.10	23,863.40	25,342.29	24,786.66
Government bonds	1,198.30	1,198.70	1,606.00	2,240.40	7,059.80	10,807.02	8,859.80
NAWEC Bond	1,692.50	1,201.30	1,237.00	1,874.20	587.5	398.21	157.475
Treasury bills	10,839.80	12,403.00	14,362.50	15,516.50	16,216.10	14,535.27	15,926.86
Claims on public entities	204.2	164.3	90.9	67.8	280.5	2,868.20	4,025.00
Claims on private sector	4,175.30	5,584.80	7,610.60	7,638.30	9,243.70	11,600.69	12,993.22
Reserves	4,495.70	5,310.50	6,044.10	8,523.10	11,057.50	8,037.76	9,780.11
Currency	515	735.4	713	957.1	1008.4	1,137.28	1,424.14
Deposits at Central Bank	3,980.80	4,545.10	5,331.20	7,566.00	8,629.10	6,900.48	8,355.97
Other items (net)	-3,842.20	-4,609.20	-4,229.50	-4,192.70	-5,286.10	-6,154.61	-5,668.02
Net claims on other banks	3.9	23.9	145.8	49.3	1,596.80	408.11	528.981
Total deposit liabilities	22,440.00	27,176.30	35,031.40	42,216.20	51,007.00	54,027.09	58,729.60
Demand deposits	8,706.80	11,295.00	16,352.40	19,068.90	23,586.00	25,432.62	29,195.20
Savings deposits	10,531.90	12,389.10	14,755.90	18,190.00	22,839.40	23,603.90	24,807.65
Time deposits	3,201.40	3,492.20	3,923.10	4,957.30	4,581.70	4,990.57	4,726.75

Source: CBG

Table 27: Components of Money Supply (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Total Money Supply	28,111.50	33,744.80	42,874.90	52,287.90	62,493.80	66,917.26	72,836.47
Money	14,378.30	17,863.40	24,195.90	29,140.60	35,072.80	38,322.79	43,302.07
Currency outside banks	5,671.50	6,568.40	7,843.50	10,071.70	11,486.80	12,890.17	14,106.87
Demand deposits	8,706.80	11,295.00	16,352.40	19,068.90	23586	25,432.62	29,195.20
Private Sector	*8,058.70*	*9,953.10*	*15,700.60*	*17,771.30*	*21,378.80*	*23,854.84*	*26,058.97*
Official entities	*648.1*	*1,341.80*	*651.8*	*1,297.60*	*2,207.20*	*1,577.78*	*3,136.23*
Quasi-money	13,733.20	15,881.40	18,679.00	23,147.30	27,421.00	28,594.47	29,534.40
Savings deposits	*10,531.90*	*12,389.10*	*14,755.90*	*18,190.00*	*22,839.40*	*23,603.90*	*24,807.65*
Private Sector	*10,250.00*	*12,216.50*	*14,408.30*	*17,979.70*	*22,629.70*	*23,358.68*	*24,597.11*
Official entities	*281.9*	*172.6*	*347.5*	*210.3*	*209.7*	*245.22*	*210.547*
Time deposits	3,201.40	3,492.20	3,923.10	4,957.30	4,518.65	4,990.57	4,726.75
Private Sector	*2,829.90*	*3,174.60*	*3,545.80*	*4,375.20*	*4.025.0*	*4,060.84*	*4,063.08*
Official entities	*371.5*	*317.6*	*377.4*	*582.1*	*556.7*	*929.73*	*663.67*

Source: CBG

Table 28: Commercial Banks Loans and Advances to Major Economic Sectors (in millions of GMD)

Sectors	2017	2018	2019	2020	2021	2022	2023
Agriculture	394.1	86.6	138.5	276.4	24.1	1,894.20	1,522.52
Fishing	4.1	7.2	6.3	2.1	5.9	27.1	20.10
Construction	554.2	1,091.10	1,454.50	2,041.40	3,074.30	3,039.00	2,560.19
Transportation	343	360.9	555.6	565	283.6	409.1	469.53
Distributive Trade	1,284.20	1,726.60	1,684.90	1,733.60	1,957.40	2,247.40	2,675.58
Tourism	217.7	595.8	408.5	416	316	381.3	391.13
Personal Loans	401.7	463.2	560.7	569.9	833.8	1,210.00	1,415.04
Energy	80.8	66.2	107.6	104.9	175	139	1465.80
Manufacturing	28.5	23.5	90.8	71.7	97.4	496.9	1008.09
Financial Inst.	127.4	178.5	356.9	190.3	264	270.5	483.05
Other	748.2	905.6	1,986.00	1,430.90	2,329.70	4,383.70	4,900.84
Total	4,183.90	5,505.20	7,350.30	7,402.20	9,361.20	14,498.10	16,911.88

Source: CBG

Table 29: Assets of Commercial Banks (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Gambian Notes & Coins	515	735.4	713	957.1	1,008.40	1,137.30	1,424.14
Total Foreign Currency	845.8	1322.2	2498	3279.2	2,530.50	2,461.10	1,624.97
CFA Franc	1.3	1.9	54.1	39.8	5.2	2.9	20.64
Other Foreign Currency	844.6	1320.3	2443.9	3239.4	2,525.30	2,458.20	1,604.33
Balances with Banks	3858.2	4459.3	5150.8	8000	10,332.00	7,072.10	9,211.20
Central Bank	3850.4	4435.4	5004.9	7950.7	8,735.20	6,664.00	8,682.22
Banks Locally	7.8	23.9	145.8	49.3	1,596.80	408.1	528.981
Balances with Banks Abroad	3158.3	4621	5011.1	7128.5	11,548.10	11,369.50	12,736.49
Head Office & Branches	1068.3	1153.8	1576.3	2335.2	6,437.70	4,264.90	5,354.47
Other Banks Abroad	2090	3467.2	3434.9	4793.3	5,110.40	7,104.60	7,382.02
Bills Purchased & Discounted	61.9	0	53	41.2	56.9	12.1	12.44
Loans & Advances	3960.2	5381.7	6989.8	7105.8	9,045.30	13,979.40	16,524.73
Public Sector	204.2	164.3	90.9	67.8	280.5	2,868.20	4,025.00
Private Sector	3756	5217.4	6898.9	7073.9	8,764.80	11,111.20	12,499.73
Investments	15493.2	16673.5	20239.3	22763.1	25,233.70	26,475.90	27,250.97
Government Treasury Bills	11820.1	13385.3	15507.6	16626	17.164.4	15,191.60	17,910.12
Others	357.3	367.3	483.7	559.2	422	477.3	481.051
Foreign Investments	425.1	520.8	1405	1463.3	0	0	0
Government Bond	1198.3	1198.7	1606	2240.4	7,059.80	10,408.80	8,702.32
Interbank Placement	0	0	0	0	0	0	0
Public Sector Bond	1692.5	1201.3	1237	1874.2	587.5	398.2	157.48
Fixed Assets	1904	2141.8	1963	2155.2	2,531.80	2,650.40	2,933.06
Acceptances, Endorsements & Guarantees	6582.4	7541.4	6664.9	5882.3	8,701.60	11,738.60	12,763.53
Other Assets	1445.3	1030.9	1418.5	1507.8	2,070.70	1,675.80	2,030.63
Total Assets	37824.3	43907.2	50876.3	58820.1	73,059.00	78,572.30	86,512.15
Net Balance	31241.9	36365.8	44211.4	52937.8	64,357.30	66,833.70	73,748.62

Source: CB

Table 30: Liabilities of Commercial Banks (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
1. CAPITAL AND RESERVES	5253.2	5871.2	6228.1	7083.4	7517.3	8586.1	10285.4
2. DEMAND DEPOSITS	8706.8	11295.0	16352.4	19068.9	23586.0	25432.6	29195.2
i Residents	7447.4	8723.5	14067.4	16126.8	20852.6	23343.9	25333.6
ii Non residents	611.3	1229.6	1633.2	1644.5	526.2	510.9	725.3
iii Government entities	648.1	1341.8	651.7	1297.6	2207.2	1577.8	3136.2
3. SAVINGS DEPOSITS	10531.9	12389.1	14755.9	18190.0	22839.3	23603.9	24807.7
i Residents	9780.8	11664.1	13710.4	17080.6	21054.3	21930.0	23471.8
ii Non residents	469.2	552.5	697.9	899.1	1575.3	1428.7	1125.3
iii Government entities	281.9	172.6	347.5	210.3	209.7	245.2	210.5
4. TIME DEPOSITS	3201.4	3492.2	3923.1	4957.3	4581.7	4990.6	4726.7
i Residents	2651.4	2964.8	3330.4	4035.9	3779.0	3883.4	3880.4
ii Non residents	178.5	209.8	215.4	339.4	246.0	177.5	182.7
iii Government entities	371.5	317.6	377.4	582.1	556.7	929.7	663.7
TOTAL DEPOSITS	22440.0	27176.3	35031.3	42216.2	51007.0	54027.1	58729.6
5. BALANCES HELD FOR	166.8	66.0	321.3	283.5	985.2	888.0	869.6
i Head office & branches	73.4	48.0	155.0	184.2	314.1	334.9	365.8
ii Other banks abroad	89.6	17.9	166.3	99.3	671.1	553.1	503.8
iii Central bank of the Gambia	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv Banks locally	3.9	0.0	0.0	0.0	0.0	0.0	0.0
6. LONG TERM BORROWINGS	436.9	261.2	213.0	97.5	146.6	90.3	91.9
I Group Long term Borrowings (Parent Company	201.9	73.6	122.1	97.5	0.0	0.0	0.0
ii Other Long Term Borrowings	235.0	187.6	90.9	0.0	146.6	90.3	91.9
7. BORROWINGS FROM	152.9	243.8	220.3	941.6	1155.1	890.5	587.3
i Central bank of the Gambia	0.0	0.0	150.0	0.0	0.0	0.0	0.0
ii Other banks locally	0.0	0.0	0.2	0.2	56.5	37.1	0.0
iii Head office & branches	152.9	243.8	70.1	293.6	122.9	367.5	138.6
iv Other banks abroad	0.0	0.0	0.0	647.8	975.7	152.1	448.7
v Other sources	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. ACCEPTANCE ENDORSEMENT & GUARANTEES	6582.4	7541.4	6664.9	5882.3	8701.6	11738.6	12763.5
9. OTHER LIABILITIES	2792.1	2747.3	2197.3	2315.6	3546.1	2351.8	3184.8
10. TOTAL LIABILITIES	37824.3	43907.2	50876.3	58820.1	73059.0	78572.3	86512.2
11. NET BALANCE	31241.9	36365.8	44211.4	52937.8	64357.3	66833.7	73748.6

Source: CBG

Table 31: Distribution of Outstanding Treasury Bills in Discounted Value (in millions of GMD)

End of period		Banks			Non-Banks			
		Central Bank	Commercial Banks	Sub Total	Public Entities	Private Sector	Sub Total	Total Govt T/Bills
2021	January	0	15741.52	15741.52	0	3562.2	3562.2	19303.72
	February	0	16042.96	16042.96	0	3615.03	3615.03	19657.99
	March	0	15476.97	15476.97	0	3556.43	3556.43	19033.4
	April	0	15828.23	15828.23	0	3558.16	3558.16	19386.39
	May	0	16093.28	16093.28	0	3505.07	3505.07	19598.35
	June	0	15985.89	15985.89	0	3686.44	3686.44	19672.33
	July	0	16088.78	16088.78	0	3490.35	3490.35	19579.13
	August	0	16300.59	16300.59	0	3438.52	3438.52	19739.11
	September	0	15935.337	15935.337	0	3371.334	3371.334	19306.671
	October	0	15658.76	15658.76	0	3216.69	3216.69	18875.45
	November	0	16147.03	16147.03	0	3252.06	3252.06	19399.09
	December	144.86	16216.114	16360.978	0	3011.34	3011.34	19372.319
2022	January	123.35	16468.43	16591.78	0	2858.15	2858.15	19449.93
	February	49.575	16796.74	16846.315	0	2765.19	2765.19	19611.505
	March	0	16102.011	16102.011	0	2648.764	2648.764	18750.775
	April	0	15915.06	15915.06	0	2433.91	2433.91	18348.97
	May	0	15888.3	15888.3	0	2442.77	2442.77	18331.07
	June	0	15734.81	15734.81	0	2490.98	2490.98	18225.79
	July	0	16341.97	16341.97	0	2521.51	2521.51	18863.48
	August	0	16647.71	16647.71	0	2703.7	2703.7	19351.41
	September	0	16611.414	16611.414	0	2705.225	2705.225	19316.639
	October	0	16301.81	16301.81	0	2728.19	2728.19	19030
	November	0	15029.238	15029.238	0	2905.2	2905.2	17934.438
	December	0	14535.264	14535.264	0	3296.08	3296.08	17831.344
2023	January	0	14129.826	14129.826	0	2997.68	2997.68	17127.506
	February	0	14181.476	14181.476	0	3201.789	3201.789	17383.265
	March	0	14923.727	14923.727	0	3351.996	3351.996	18275.723
	April	0	14475.053	14475.053	0	3347.46	3347.46	17822.513
	May	0	14889.09	14889.09	0	3403.65	3403.65	18292.74
	June	0	14730.5	14730.5	0	3355.95	3355.95	18086.45
	July	0	14479.06	14479.06	0	3419.16	3419.16	17898.22
	August	0	15001.14639	15001.14639	0	3253.180959	3253.180959	18254.32734
	September	0	15340.97	15340.97	0	3445.63	3445.63	18786.6
	October	0	15590.01551	15590.01551	0	3531.911212	3531.911212	19121.92672
	November	0	15919.87	15919.87	0	3429.46	3429.46	19349.33
	December	280.14	15926.86	16207	0	3338.82	3338.82	19545.82

Source: CBG

Table 32: Structure of interest rates (in percent per annum)

	2022				2023			
	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec
	Commercial Banks Lending Rates							
Agriculture	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
Manufacture	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
Building	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
Trading	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
Tourism	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
Other	10.0-19.0	10.0-19.0	11.0-19.0	11.0-19.0	12.0-19.0	12.0-21.0	12.0-22.0	12.0-22.0
	Commercial Banks Deposit & Savings Rates							
Short-Term Deposit A/C	0.0-1.5	0.0-1.5	0.0-1.5	0.25-4.0	0.0-2.50	0.25-2.5	0.0-2.5	0.0-2.5
Savings Bank Account	0.20-3.0	0.20-3.0	0.20-2.75	0.30-3.0	0.25-2.75	0.25-2.75	0.25-2.75	0.25-2.75
Time Deposits								
3 Months	0.15-5.0	0.15-4.8	0.15-4.8	0.15-4.8	0.15-8.6	0.15-8.54	0.15-6.5	0.15-4.8
6 Months	0.25-6.0	0.25-5.45	0.25-5.45	0.25-5.45	0.25-9.0	0.25-9.55	0.25-7.5	0.25-5.45
9 Months	0.25-6.0	0.25-5.0	0.25-4.0	0.25-4.0	0.25-4.0	0.25-4.0	0.25-4.0	0.25-5.0
12 Months & Over	0.10-10.0	0.25-8.0	0.25-7.0	0.25-7.0	0.25-9.45	0.25-12.21	0.25-13.0	0.25-8.0
Government T-Bills Rate(365 DAYS)	2.8	5.4	4	12.6	11.6	16.2	10.9	10.2
Central Bank Monetary Policy Rate	10	11	12	13	14	16	17	17

Source: CBG

Table 33: End-of-Period Mid-Market Exchange Rates (GMD per unit of foreign currency)

		GBP	USD	CHF	SEK(100)	CFA(5000)	EURO
2021	January	68.97	51.73	53.00	480.31	442.53	61.24
	February	70.52	51.16	50.13	480.00	444.91	61.65
	March	69.27	51.09	50.68	467.37	445.02	60.71
	April	69.61	51.16	53.91	473.33	439.27	61.44
	May	71.32	51.08	53.49	511.21	468.07	61.87
	June	70.40	51.01	52.71	486.90	445.34	61.05
	July	70.75	51.14	54.33	577.50	460.09	60.70
	August	70.06	51.23	53.73	549.34	448.38	60.95
	September	70.93	51.55	54.70	292.53	455.84	60.80
	October	70.68	52.23	55.09	565.32	447.70	60.62
	November	69.97	52.44	55.17	590.06	463.60	60.62
	December	70.07	52.61	55.95	552.06	478.14	60.57
2022	January	70.19	52.52	55.60	538.13	459.90	59.94
	February	68.28	52.91	55.33	564.99	460.41	60.57
	March	70.47	52.98	55.73	537.59	458.50	59.96
	April	68.34	53.49	55.57	538.69	459.53	59.02
	May	67.98	53.60	55.57	536.01	456.33	58.01
	June	67.02	53.71	55.50	532.05	450.01	57.83
	July	65.79	54.07	55.70	522.35	434.65	56.59
	August	65.20	54.74	56.72	527.92	434.28	56.67
	September	62.58	56.13	56.86	506.15	416.92	58.24
	October	66.81	58.86	56.98	529.95	439.14	58.96
	November	69.04	60.97	59.61	532.49	446.49	62.52
	December	73.45	60.81	62.67	596.31	456.51	64.05
2023	January	75.61	60.76	64.81	614.47	458.69	65.71
	February	74.02	60.94	64.78	585.57	480.82	66.34
	March	75.38	62.50	64.83	562.65	497.20	67.30
	April	73.20	59.85	64.74	574.25	486.65	65.62
	May	73.11	58.97	65.39	557.99	487.61	63.77
	June	74.42	59.25	66.00	556.16	501.99	64.55
	July	74.83	60.40	64.65	555.25	488.65	66.24
	August	75.99	60.56	66.07	544.99	490.39	65.72
	September	75.85	61.92	66.68	513.58	498.88	66.39
	October	76.35	60.02	68.19	546.84	501.74	66.17
	November	78.39	63.13	67.77	544.59	516.37	68.88
	December	81.08	64.30	76.53	560.37	514.05	70.50

Source: CBG

Table 34: Period Average Mid-Market Exchange Rates (GMD per unit of foreign currency)

		GBP	USD	CHF	SEK(100)	CFA(5000)	EURO
2021	January	68.24	51.44	52.16	495.25	439.97	61.75
	February	69.23	51.36	51.57	481.26	443.10	61.64
	March	69.92	51.19	52.56	478.42	443.99	61.16
	April	69.54	51.14	52.25	508.21	444.70	60.65
	May	70.85	51.09	53.86	544.43	455.44	61.70
	June	71.10	51.07	53.09	514.50	455.66	61.74
	July	70.29	51.12	53.71	528.78	457.69	60.75
	August	70.48	51.10	53.98	532.40	456.38	60.38
	September	70.61	51.48	54.38	570.76	445.69	60.86
	October	70.55	51.96	55.45	596.48	451.17	60.76
	November	70.52	52.25	55.85	631.26	455.35	60.37
	December	69.81	52.61	56.09	578.45	454.85	60.52
2022	January	70.64	52.58	55.31	556.86	456.89	60.07
	February	70.91	52.77	55.62	552.15	456.75	60.13
	March	70.44	53.05	55.44	569.01	460.10	60.24
	April	69.84	53.05	55.53	544.12	456.96	59.90
	May	67.80	53.46	54.75	564.24	456.86	58.76
	June	67.04	53.66	55.38	538.44	448.29	57.87
	July	66.04	53.87	54.81	529.04	451.34	57.25
	August	66.20	54.11	55.14	529.22	445.50	56.80
	September	65.73	54.86	56.17	527.04	434.74	57.45
	October	65.23	57.11	56.52	524.84	439.31	58.20
	November	69.45	59.73	58.36	550.15	441.97	61.58
	December	73.07	60.84	60.99	585.22	454.29	63.92
2023	January	74.13	60.99	64.54	608.95	475.87	64.75
	February	74.14	60.91	65.73	626.53	494.87	65.88
	March	74.51	61.66	66.41	566.59	481.35	66.48
	April	75.26	61.08	65.52	598.95	501.99	66.91
	May	73.48	59.43	65.28	562.06	499.09	64.83
	June	74.24	59.27	65.44	555.18	478.09	64.60
	July	75.37	59.69	64.70	541.42	491.38	65.88
	August	76.35	60.48	65.21	552.34	483.77	66.48
	September	76.19	61.27	65.92	541.00	484.28	66.01
	October	76.41	61.89	66.37	543.73	492.70	66.49
	November	77.67	62.88	68.03	550.25	504.49	67.68
	December	79.66	63.61	71.13	578.16	518.95	68.86

Source: CBG

Table 35: Monthly Volume of Transactions in the Domestic Foreign Exchange Market

		PURCHASES		SALES		TOTAL IN	
		GMD	US$ EQUIV.	GMD	US$ EQUIV.	GMD	US$ EQUIV.
2021	January	4641.56	90.91	4668.02	90.40	9309.58	181.30
	February	4301.06	82.12	3854.68	74.46	8155.74	156.58
	March	6692.70	131.55	7390.18	143.58	14082.88	275.14
	April	5780.69	114.06	5567.57	108.77	11348.27	222.82
	May	5357.68	105.55	5197.04	101.42	10554.72	206.97
	June	5572.56	109.63	5755.86	112.19	11328.42	221.81
	July	6613.22	130.02	6961.78	135.51	13575.00	265.53
	August	4602.93	90.55	4938.98	96.05	9541.91	186.60
	September	5935.77	116.03	5886.57	113.50	11822.34	229.53
	October	4844.82	93.90	4640.92	88.54	9485.74	182.44
	November	5054.68	96.68	5245.67	99.28	10300.35	195.96
	December	5456.69	104.04	5469.16	102.44	10925.85	206.47
2022	January	4465.81	85.54	4950.93	93.11	9416.74	178.65
	February	4649.75	88.79	4735.49	88.76	9385.24	177.55
	March	5925.39	111.63	5839.53	107.77	11764.92	219.39
	April	6162.34	115.26	6676.45	122.81	12838.80	238.07
	May	6813.17	127.20	7457.25	137.11	14270.43	264.31
	June	6741.34	125.14	7535.96	138.26	14277.30	263.40
	July	5640.44	103.63	5586.77	101.16	11227.20	204.79
	August	6269.13	115.13	6755.99	122.00	13025.11	237.13
	September	3645.20	65.58	3525.18	62.08	7170.37	127.66
	October	3286.02	57.17	3243.28	55.34	6529.31	112.51
	November	7502.11	127.84	8238.70	137.09	15740.81	264.93
	December	5708.79	98.42	5739.72	94.00	11448.51	192.43
2023	January	5469.40	91.75	5633.93	92.26	11103.33	184.01
	February	5988.87	98.88	6365.25	103.21	12354.12	202.09
	March	7661.57	127.41	8020.75	130.57	15682.31	257.98
	April	4778.18	79.27	5106.62	83.12	9884.80	162.39
	May	5312.02	89.66	5164.48	86.39	10476.50	176.05
	June	3782.93	64.37	3827.35	64.25	7610.28	128.63
	July	3960.20	66.89	4090.01	68.47	8050.21	135.36
	August	3390.41	56.34	3497.12	57.60	6887.53	113.94
	September	4412.91	70.00	4761.59	75.50	9174.50	145.50
	October	4425.69	71.96	4351.73	69.76	8777.41	141.71
	November	3583.15	57.53	3818.11	60.41	7401.26	117.94
	December	4956.95	78.83	5032.39	78.73	9989.34	157.56

Source: CB

Table 36: Monthly Volume of Transactions in the Domestic Foreign Exchange Market

		PURCHASES		SALES		TOTAL
		BANKS	BUREAUS	BANKS	BUREAUS	
2021	January	4080.79	560.78	4110.11	557.91	9309.58
	February	3764.88	536.18	3361.50	493.18	8155.74
	March	5858.59	834.12	6548.40	841.78	14082.88
	April	5130.55	650.15	4879.51	688.06	11348.27
	May	4799.61	558.07	4654.87	542.17	10554.72
	June	4932.92	639.65	5153.25	602.61	11328.42
	July	5817.17	796.06	6084.05	877.73	13575.00
	August	4067.53	535.40	4280.30	658.68	9541.91
	September	5265.12	670.65	5124.19	762.38	11822.34
	October	4262.60	582.22	4086.99	553.93	9485.74
	November	4404.88	649.80	4729.28	516.39	10300.35
	December	4740.93	715.76	4751.91	717.24	10925.85
2022	January	3772.12	693.69	4120.27	830.66	9416.74
	February	4011.54	638.21	3395.77	1339.72	9385.24
	March	5005.42	919.97	4873.18	966.35	11764.92
	April	5316.45	845.90	5774.62	901.83	12838.80
	May	6108.16	705.01	6222.67	1234.58	14270.43
	June	6062.10	679.24	6668.95	867.01	14277.30
	July	5114.01	526.42	5080.31	506.46	11227.20
	August	5702.95	566.17	5890.21	865.78	13025.11
	September	3130.37	514.83	3084.10	441.08	7170.37
	October	2690.34	595.69	2648.33	594.96	6529.31
	November	6540.37	961.75	7174.70	1063.99	15740.81
	December	4782.51	926.27	4778.11	961.61	11448.51
2023	January	4603.90	865.50	4774.71	859.22	11103.33
	February	5143.38	845.49	5064.61	1300.64	12354.12
	March	6409.16	1252.41	6635.85	1384.89	15682.31
	April	3981.97	796.21	4067.36	1039.26	9884.80
	May	4126.90	1185.12	3901.45	1263.03	10476.50
	June	2784.76	998.17	2867.31	960.04	7610.28
	July	2785.28	1174.92	3014.80	1075.21	8050.21
	August	2440.27	950.14	2478.35	1018.77	6887.53
	September	3465.05	947.86	3466.53	1295.06	9174.50
	October	3045.81	1379.87	2910.61	1441.12	8777.41
	November	2299.81	1283.34	2287.48	1530.63	7401.26
	December	3590.25	1366.70	3251.28	1781.11	9989.34

Source: CBG

Table 37: National Consumer Price Index (January 2020=100)

		FOOD AND NON-ALCOHOLIC BEVERAGES	FOOD	NON-FOOD PRODUCTS AND SERVICES	ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	CLOTHING & FOOTWEAR	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	FURNISHINGS, HOUSEHOLD EQUIPMENT, ETC	HEALTH	TRANSPORT	COMMUNICATIONS	RECREATION AND CULTURE	Education	HOTELS, CAFES AND RESTAURANTS	MISCELLANEOUS GOODS AND SERVICES	ALL ITEM INDEX	Year on Year inflation
Weights 2015/16 from January 2020 Index		52623.1	49528.8	47376.9	1162.9	7895.2	7302.3	7305.9	573.8	9643.8	8809.0	428.3	20.2	753.6	3482.3	100000.0	
2022	JANUARY	119.6	120.3	111.9	138.6	109.6	108.7	104.2	145.7	113.1	96.6	101.6	232.3	142.8	143.6	116.0	7.8
	FEBRUARY	120.2	120.9	112.2	138.6	109.7	108.9	104.2	145.7	114.4	96.6	101.7	232.3	142.9	143.7	116.4	8.3
	MARCH	120.7	121.4	114.1	142.3	110.6	109.1	111.4	152.0	116.1	97.0	103.1	232.3	143.7	143.8	117.6	8.2
	APRIL	125.9	126.9	114.7	142.3	110.8	109.2	111.7	153.1	117.8	97.0	103.3	232.3	146.7	144.0	120.6	11.7
	MAY	126.7	127.8	116.3	142.2	111.1	109.3	111.8	153.3	125.6	97.0	103.2	232.3	148.1	144.0	121.8	11.6
	JUNE	127.3	128.4	117.3	142.5	111.4	110.3	112.1	153.5	125.7	97.0	104.8	232.3	149.3	154.0	122.6	11.7
	JULY	128.3	129.4	118.5	142.7	111.5	110.4	112.1	153.8	131.2	97.0	104.9	232.3	149.8	154.0	123.7	12.3
	AUGUST	129.7	130.8	118.8	142.8	111.7	110.7	112.9	154.3	131.4	97.0	105.0	232.3	150.3	154.2	124.5	12.9
	SEPTEMBER	130.8	132.0	119.3	144.5	112.3	112.2	113.7	154.3	131.4	97.0	105.2	232.3	150.7	154.2	125.4	13.3
	OCTOBER	133.2	134.5	119.5	144.4	112.9	112.4	114.6	154.4	130.9	97.2	105.5	232.3	152.4	154.1	126.8	13.2
	NOVEMBER	133.6	134.9	119.6	144.4	113.2	112.6	115.0	154.6	131.5	97.2	105.7	371.0	152.7	151.8	127.1	13.0
	DECEMBER	136.9	138.4	120.5	144.5	115.7	113.0	115.5	154.9	131.6	97.2	134.7	371.0	152.8	151.9	129.2	13.7
2023	JANUARY	139.9	141.3	121.5	145.4	116.5	113.5	117.0	154.9	133.9	97.2	135.6	371.0	153.4	152.4	131.2	13.1
	FEBRUARY	141.2	142.7	122.2	145.6	117.4	113.9	119.0	156.1	134.2	97.2	136.2	371.0	156.8	153.8	132.3	13.6
	MARCH	144.6	146.3	124.2	145.6	118.6	122.4	121.2	156.4	133.4	97.2	139.9	371.0	161.6	156.1	135.1	14.8
	APRIL	152.9	154.9	128.7	146.8	122.4	140.4	125.8	157.4	133.5	97.2	139.9	371.0	176.5	157.0	141.5	17.4
	MAY	154.6	156.6	129.6	148.3	122.8	141.5	127.6	157.5	133.8	97.2	140.9	371.0	178.8	159.2	142.9	17.2
	JUNE	156.6	158.6	130.8	148.3	125.0	145.6	131.4	157.5	131.6	97.1	142.0	371.0	181.1	159.8	144.5	17.8
	JULY	159.5	161.6	131.7	151.3	127.0	145.6	133.0	157.8	131.6	97.1	142.4	371.0	182.6	162.2	146.4	18.4
	AUGUST	161.0	163.1	132.3	151.3	127.6	145.6	133.6	157.8	133.3	97.1	142.4	371.0	183.3	162.7	147.5	18.4
	SEPTEMBER	162.7	164.9	132.7	151.3	128.6	145.5	133.6	157.8	133.3	97.1	142.5	371.0	184.0	164.6	148.6	18.5
	OCTOBER	164.1	166.5	133.3	151.3	130.0	145.5	134.4	157.8	134.8	97.1	142.8	371.0	184.2	165.7	149.6	18.0
	NOVEMBER	165.1	167.5	133.8	151.3	130.2	145.7	135.4	157.8	135.9	97.1	143.1	509.6	184.2	166.3	150.4	18.4
	DECEMBER	167.1	169.5	134.0	151.3	130.3	146.1	135.7	157.8	136.3	97.1	143.3	509.6	184.8	166.4	151.6	17.3

Source: GBoS

Table 38: Gross Domestic Product at Constant Prices (base year = 2013)

	2018	2019	2020	2021	2022	2023*
GDP constant price	**58,150.83**	**61,769.00**	**62,134.36**	**65,400.12**	**68,992.55**	**72,302.47**
Agriculture, forestry & fishing	**11,685.14**	**11,672.05**	**12,908.21**	**14,673.87**	**15,770.19**	**16,147.89**
Crop	*5,201.52*	*4,467.41*	*4,851.16*	*5,273.60*	*5,536.61*	*5,896.01*
Livestock	*1,643.58*	*1,616.07*	*1,852.13*	*1,968.86*	*1,324.80*	*1,259.94*
Forestry & logging	*333.72*	*252.72*	*247.25*	*236.53*	*200.73*	*140.56*
Fishing & aquaculture	*4,506.31*	*5,335.86*	*5,957.67*	*7,194.88*	*8,708.06*	*8,851.38*
Industry	**9,273.81**	**10,643.67**	**11,518.69**	**11,850.42**	**12,300.08**	**13,548.35**
Mining & quarrying	*279.38*	*342.17*	*448.11*	*445.77*	*519.65*	*656.32*
Manufacturing	*2,488.81*	*2,359.97*	*1,660.57*	*1,192.27*	*901.82*	*1,097.00*
Electricity, gas, etc.	*601.03*	*682.43*	*781.69*	*836.40*	*995.78*	*1,145.09*
Water supply, sewerage, etc.	*426.35*	*465.58*	*473.06*	*417.96*	*394.02*	*438.11*
Construction	*5,478.23*	*6,793.52*	*8,155.25*	*8,958.02*	*9,488.81*	*10,211.82*
Services	**33,216.98**	**35,258.90**	**33,509.13**	**34,415.96**	**36,181.80**	**37,665.08**
Wholesale & retail trade; repairs	*19,686.98*	*20,305.11*	*19,392.02*	*20,185.01*	*21,881.69*	*20,900.77*
Transport & storage	*2,159.90*	*2,389.03*	*2,345.36*	*2,428.78*	*1,835.74*	*1,823.05*
Accommodation & food services	*1,033.84*	*1,208.90*	*418.17*	*502.72*	*977.70*	*1,091.25*
Information & Communication	*2,578.98*	*2,929.04*	*2,977.27*	*3,035.45*	*3,045.43*	*4,564.65*
Financial & insurance activities	*1,352.32*	*1,453.64*	*1,478.84*	*1,675.75*	*1,965.85*	*2,203.05*
Real estate activities	*1,323.58*	*1,345.70*	*1,389.89*	*1,404.18*	*1,416.46*	*1,510.91*
Professional, scientific & tech activities	*93.66*	*92.59*	*89.62*	*89.08*	*87.26*	*89.94*
Admin & support services	*632.91*	*611.81*	*385.70*	*384.81*	*507.41*	*493.06*
Public admin & defense; social security	*1,428.46*	*1,718.40*	*1,852.26*	*1,964.00*	*1,940.15*	*2,404.86*
Education	*1,517.80*	*1,717.32*	*1,752.33*	*1,246.43*	*1,123.44*	*994.31*
Human health and Social work	*355.73*	*455.87*	*597.81*	*648.73*	*516.11*	*721.39*
Arts, entertainment & recreation	*363.28*	*380.03*	*241.81*	*263.58*	*268.86*	*289.14*
Other service activities	*689.56*	*651.45*	*588.05*	*587.45*	*615.69*	*578.70*
GDP basic price (Gross Value Added)	**54,175.93**	**57,574.62**	**57,936.02**	**60,940.24**	**64,252.07**	**67,361.32**
Taxes less subsidies on products	*3,974.90*	*4,194.38*	*4,198.34*	*4,459.88*	*4,740.48*	*4,941.15*
Growth Rates						
RGDP	**7.2%**	**6.2%**	**0.6%**	**5.3%**	**5.5%**	**4.8%**
Agriculture	**3.7%**	**-0.1%**	**10.6%**	**13.7%**	**7.5%**	**2.4%**
Industry	**2.0%**	**14.8%**	**8.2%**	**2.9%**	**3.8%**	**10.1%**
Services	**10.1%**	**6.1%**	**-5.0%**	**2.7%**	**5.1%**	**4.1%**

Source: GBoS 2023* Provisional data

Table 39: Gross Domestic Product at Current Prices (base year = 2013)

	2018	2019	2020	2021	2022	2023*
GDP current price	**80,445.80**	**90,793.76**	**93,329.81**	**105,487.04**	**121,093.21**	**146,701.90**
Agriculture, forestry & fishing	**15,985.86**	**18,162.43**	**19,826.99**	**24,873.07**	**27,682.44**	**34,070.97**
Crop	*6,565.26*	*6,195.27*	*6,729.39*	*8,323.57*	*8,360.46*	*11,028.95*
Livestock	*2,979.24*	*3,134.60*	*3,735.50*	*4,588.34*	*3,454.23*	*3,731.80*
Forestry & logging	*590.31*	*594.88*	*599.50*	*604.15*	*608.83*	*477.04*
Fishing & aquaculture	*5,851.06*	*8,237.67*	*8,762.59*	*11,357.01*	*15,258.92*	*18,833.18*
Industry	**13,925.51**	**15,691.52**	**15,729.51**	**16,753.58**	**18,877.18**	**24,438.97**
Mining & quarrying	*369.80*	*459.78*	*499.17*	*544.77*	*719.64*	*891.01*
Manufacturing	*3,423.34*	*3,438.52*	*2,439.07*	*2,006.44*	*1,732.56*	*2,212.05*
Electricity, gas, etc.	*1,177.21*	*1,404.90*	*1,602.36*	*1,712.26*	*2,030.44*	*3,078.41*
Water supply, sewerage, etc.	*463.69*	*506.36*	*514.49*	*454.57*	*428.53*	*629.84*
Construction	*8,491.46*	*9,881.97*	*10,674.43*	*12,035.54*	*13,966.03*	*17,627.67*
Services	**44,167.77**	**49,731.58**	**50,354.89**	**56,322.86**	**67,363.60**	**78,690.06**
Wholesale & retail trade; repairs	*27,340.19*	*30,302.76*	*30,616.41*	*34,236.33*	*41,382.80*	*46,257.62*
Transport & storage	*2,597.48*	*2,965.79*	*2,945.81*	*3,340.74*	*2,865.67*	*3,018.65*
Accommodation & food services	*1,434.73*	*1,870.39*	*695.41*	*883.02*	*2,370.93*	*3,037.34*
Information & Communication	*2,548.62*	*2,906.13*	*3,168.31*	*3,161.67*	*3,107.37*	*4,795.83*
Financial & insurance activities	*2,449.72*	*2,759.73*	*3,344.42*	*3,917.66*	*4,934.16*	*5,006.16*
Real estate activities	*1,504.92*	*1,599.00*	*1,917.75*	*1,988.01*	*2,402.76*	*2,870.56*
Professional, scientific & tech activities	*121.31*	*115.07*	*132.74*	*132.04*	*143.61*	*156.72*
Admin & support services	*823.00*	*860.97*	*565.32*	*617.87*	*803.44*	*964.30*
Public admin & defense; social security	*1,994.68*	*2,570.30*	*2,934.85*	*3,341.25*	*3,680.70*	*5,345.18*
Education	*1,540.21*	*1,756.99*	*2,061.17*	*2,512.98*	*3,013.53*	*4,126.70*
Human health and Social work	*476.96*	*623.50*	*817.07*	*968.00*	*1,049.46*	*1,536.12*
Arts, entertainment & recreation	*450.60*	*491.42*	*300.11*	*333.75*	*362.00*	*528.04*
Other service activities	*885.35*	*909.55*	*855.52*	*889.55*	*1,247.16*	*1,046.85*
GDP basic price (Gross Value Added)	**74,079.15**	**83,585.53**	**85,911.39**	**97,949.51**	**113,923.22**	**137,200.00**
Taxes less subsidies on products	*6,366.65*	*7,208.23*	*7,418.42*	*7,537.53*	*7,169.99*	*9,501.89*
Population estimates	**2,147,677.00**	**2,213,134.00**	**2,279,884.00**	**2,348,036.00**	**2,417,471.00**	**2,417,471.00**
GDP per Capita (GMD)	**37,457.12**	**41,024.97**	**40,936.21**	**44,925.65**	**50,090.86**	**60,684.04**
GDP per Capita (USD)	**757.32**	**807.10**	**802.04**	**871.74**	**904.18**	**994.01**

Source: GBoS 2023* Provisional data

Table 40: Government Revenues (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Revenue and grants	13,327.80	10,683.70	16,635.10	20,226.17	17,761.63	22,298.40	31,929.48
Domestic Revenue	7,723.20	8,779.90	11,801.50	12,358.68	15,330.91	14,496.05	17,805.73
Tax Revenue	7,099.30	8,103.50	9,954.40	10,832.94	10.832.94	11,159.04	13,915.16
Direct Tax	1,932.30	2,013.30	2,624.80	3,254.03	3,254.03	3,896.47	4,311.30
Personal	770.8	785.5	962.5	1,093.28	1,093.28	1,361.34	1,630.48
Corporate	994.5	1,069.20	1,507.40	1,922.13	1,922.13	2,358.92	2,474.52
Capital Gains	67.7	66	103.3	164.81	164.81	132.54	150.06
Payroll	53.6	43.5	51.4	73.81	73.81	43.67	56.245054
Other	45.7	49.2	0.3	-	-	-	-
Indirect Tax	5,167.00	6,090.20	7,329.60	7,522.27	7,578.92	7,262.57	9,603.86
Tax on goods & services	1,702.90	2,123.70	2,585.20	2,453.51	2,378.85	2,489.89	2,780.97
Stamp Duties	42	52.9	52.5	52.57	51.29	51.41	52.71
Excise Duties	716.9	851.5	1,094.50	923.32	958.95	757.22	807.46
Domestic Sales Tax	471.4	587.8	0	0	0	0	0
Value Added Tax	880.2	1,147.20	1,369.30	1,425.34	1,327.22	1,588.68	1,825.31
Other taxes on production	63.7	72.2	68.8	52.29	41.39	92.58	95.49
Tax on International Trade	3,464.10	3,966.50	4,744.40	5,068.76	5,200.07	4,772.68	6,822.90
Duty	1,980.50	2,092.20	2,497.30	2,588.06	2,802.93	2,595.98	3,458.60
Sales tax on imports	1,483.60	1,874.30	2,247.10	2,480.70	2,397.13	2,176.70	3,364.30
Nontax Revenue	623.9	676.4	1,847.10	2,033.03	4,497.96	3,337.01	3,890.57
Grants	5,604.70	1,903.80	4,833.60	7,907.49	2,430.73	7,802.35	14,123.75

Source: MoFEA

Table 41: Government Expenditures (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Expenditure and Net Lending	16,995.30	14,618.20	19,320.30	23,635.73	25,856.15	29,831.39	36,349.04
Current expenditure	9,786.00	10,381.50	12,840.60	17,035.71	16,176.84	17,033.74	18,512.88
Personnel emoluments	2,234.50	2,818.80	3,954.90	4,055.28	4,593.16	5,627.25	6,797.51
Other charges	4,170.80	5,086.00	6,042.80	10,013.54	8,365.92	8,789.87	8,691.97
O/w: Goods and services	2,372.10	2,931.10	3,374.80	5,013.94	3,985.07	4,057.37	3,902.07
Subsidies and transfers	1,798.80	2,155.00	2,667.90	4,999.60	4,380.84	4,732.50	4,789.90
Interest payments	3,380.60	2,476.60	2,842.90	2,966.89	3,217.76	2,616.62	3,023.40
External	241.2	419.5	370.5	548.02	709.32	552.79	677.67
Domestic	3,139.40	2,057.10	2,472.40	2,418.87	2,508.44	2,063.83	2,345.73
Capital expenditure	7,194.30	4,199.10	6,479.80	6,600.02	8,459.80	12,797.66	17,836.16
Externally financed	6,403.00	3,493.50	5,500.30	4,837.47	5,285.96	10,178.44	15,174.83
Loans	3,808.00	2,235.30	3,457.00	2,214.01	3,360.07	4,069.75	5,136.79
Grants	2,595.00	1,258.20	2,043.30	2,623.46	1,925.89	6,108.69	10,038.04
GLF Capital	791.3	705.6	979.5	1,762.55	3,173.84	2,619.22	2,661.33
Net lending	15	37.6	0	0	0	1	1

Source: MoFEA

Table 42: Fiscal deficit (in millions of GMD)

	2017	2018	2019	2020	2021	2022	2023
Excluding grants	-9,272.20	-5,838.30	-7,518.80	-11,277.10	-10,525.25	-14,147.31	-18,543.31
Including grants	-3,667.50	-3,934.50	-2,685.20	-3,369.60	-6,875.00	-6,344.96	-4,419.56
Basic balance	-2,869.20	-2,344.80	-2,018.60	-6,439.60	-4,019.80	-5,156.91	-3,368.48
Basic Primary Balance	511.4	131.8	824.4	-3,472.70	-802	-2540.29	-345.07
Statistical Discrepancy	-7,252.10	-9,026.80	280.8	664	-1,617.70	-897.31	372.36
Financing	3,584.60	5,092.30	2,404.40	2,705.50	8,492.70	7,242.26	4,047.20
External (net)	5,045.30	2,900.70	2,305.10	1,024.60	4,046.10	4,621.25	4,201.18
Borrowing	6,044.00	2,235.30	3,457.00	2,214.00	4,770.70	5,865.09	5,530.73
Project	3,808.00	2,235.30	3,457.00	2,214.00	3,360.10	3,488.46	5,136.79
Amortization	-998.7	665.4	-1,151.80	-1189.4	-724.6	-1243.84	-1,329.55
Domestic	-1,460.80	2,191.60	99.3	1,681.00	4,446.60	2,621.01	-153.98
Borrowing	-1,116.10	3,038.40	1,179.70	2,269.30	4,962.80	3,992.40	857.72
Bank	-1,071.30	2,053.10	1,308.90	2,780.50	5,460.40	3,650.47	408.07
Nonbank	-44.8	985.3	-129.1	-511.2	-497.7	341.93	449.6517
Change in Arrears (- decrease)	-344.6	-846.8	-1,080.40	-588.3	-516.2	-433.41	-1011.701

Source: MoFEA

Table 43: Air-chartered tourist arrivals

Months	2018	2019	2020	2021	2022	2023
Total	**203,470**	**235,710**	**89,232**	**102,460**	**182,735**	**206,936**
January	28,305	30,176	31,142	6,699	16,118	25,254
Febuary	24,416	26,752	28,862	5,722	15,361	21,044
March	23,326	25,796	13,343	5,980	15,822	18,557
April	12,968	17,540	-	4,409	12,626	12,222
May	7,501	11,668	40	6,006	10,238	11,688
June	8,432	11,399	153	7,380	11,781	13,746
July	8,981	13,328	640	9,746	15,198	14,061
August	9,230	13,274	360	6,476	9,626	9,690
September	8,479	11,439	984	7,147	9,453	10,945
October	13,309	16,586	1,561	9,210	12,972	14,310
November	27,153	25,543	4,456	14,175	25,923	24,341
December	31,370	32,209	7,691	19,510	27,617	31,078

Source: Gambia Tourism Board

Table 44: Balance of Payments (in millions of USD)

Indicator	2018	2019	2020	2021	2022	2023
Current account	-135.0	-37.1	-86.6	-86.9	-90.3	-204.1
Credit	596.1	640.7	648.3	708.9	797.8	1246.0
Debit	731.2	677.8	734.9	795.8	888.1	1450.2
Goods and services	-329.2	-280.3	-515.3	-583.6	-562.1	-736.2
Credit	362.5	360.2	175.7	142.7	267.4	643.7
Debit	691.7	640.5	691.0	726.2	829.5	1379.8
Goods	-421.4	-378.0	-511.8	-574.5	-642.4	-940.4
Credit	157.7	154.5	70.1	32.9	51.6	286.6
Debit	579.1	532.5	581.8	607.4	694.0	1226.9
Services	92.2	97.7	-3.5	-9.1	80.2	204.2
Credit	204.8	205.7	105.6	109.8	215.8	357.1
Debit	112.7	108.1	109.2	118.9	135.5	152.9
Transport	-54.8	-40.8	-49.5	-45.9	-45.6	-51.9
Sea transport	-60.1	-48.6	-52.9	-56.5	-75.0	-85.7
Air transport	5.9	9.6	5.9	11.4	30.5	33.7
Travel	150.9	142.6	43.1	45.1	141.3	283.8
Primary income	-18.8	-15.3	-26.2	-50.5	-31.1	-21.9
Credit	11.9	12.4	7.7	5.1	13.5	23.4
Debit	30.7	27.7	34.0	55.6	44.6	45.3
Secondary income	213.0	258.6	455.0	547.2	503.0	553.9
Credit	221.7	268.1	464.9	561.1	516.9	579.0
Debit	8.7	9.5	9.9	13.9	13.9	25.0
General government	18.9	0.0	54.9	17.6	26.8	65.8
Workers' remittances	194.1	258.6	400.1	529.6	476.2	488.2
Capital account	55.9	69.4	95.2	23.1	44.0	148.0
Credit	55.9	69.4	95.2	23.1	44.0	148.0
Debit	0.0	0.0	0.0	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	-79.1	32.3	8.6	-63.8	-46.3	-56.2
Financial account	-11.6	24.8	-52.2	-181.5	-280.9	-301.9
Net lending (+) / net borrowing (-) (balance from financial account)	-11.6	24.8	-52.2	-181.5	-280.9	-301.9
Direct investment	-81.8	-73.4	-189.6	-251.8	-231.5	-208.4
Other investment	51.7	22.6	9.2	-119.2	14.4	-50.9
Reserve assets	18.5	75.6	128.1	189.5	-63.9	-42.7
Net errors and omissions	67.5	-7.5	-60.8	-117.7	-234.6	-245.7
Exceptional financing	63.0	59.9	118.5	67.5	43.9	83.8

Source: CB