CENTRAL BANK OF THE GAMBIA

Annual Report

2018

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MISSION STATEMENT

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

FOREWORD BY THE GOVERNOR

This Annual Report provides review of the economy of The Gambia and the activities of the Central Bank in 2018. The report also discloses the governance, organizational structure and the annual financial statements of the Central Bank for the year ended December 2018.

The Gambian economy is on a positive path. The implementation of prudent macroeconomic policies together with structural reforms has strengthened the macroeconomic fundamentals. The return of confidence and the rise in business optimism have invigorated private sector activities and foreign direct investment. Real GDP growth is estimated at 6.5 percent in 2018, the highest in many years. Key driver of growth has been the services sector, including distributive trade, telecommunication, financial intermediation, and tourism. Growth in construction activity has also accelerated over the past two years, amidst large infrastructural projects and real estate development. Currently, the major policy priority is to consolidate the gains by ensuring growth is not only strengthened but sustained and more inclusive.

With regards to the external sector, the balance of payments improved significantly in 2018, supported largely by increased inflows related to private remittances, support from development partners, rebound in tourism, and increased foreign direct investment flows. As a result, the level of gross international reserves grew markedly from less than two weeks of import of goods and services at the beginning of 2017 to over 4 months of imports in December 2018.

Inflation dynamics exhibits a declining trend and the exchange rate continued to be stable. Headline inflation has decelerated from a high of 8.8 percent in January 2017 to 6.9 percent in December 2017 and 6.1 percent in January 2019, reflecting stable exchange rate and moderate prices of imported goods. In the absence of severe adverse shocks, the inflation rate is projected at around 5 percent in 2019, the lowest since 2014. The return of confidence and improvement in the supply conditions in the foreign exchange market aided the stability of dalasi.

Leveraging on the favorable inflation outlook and the stability of the exchange rate, the Monetary Policy Committee (MPC) relaxed monetary policy stance during the year to support private sector credit growth. In May 2018, the Committee reduced the monetary policy rate by 150 basis points from 15.0 percent to 13.5 percent. The Committee also took advantage of the stable macroeconomic environment to embark on gradual reforms to improve the transmission and effectiveness of monetary policy. In this regard, the Central Bank Act was revised with the main objective of improving autonomy, transparency, and potency of monetary policy. Furthermore, Central Bank bill was introduced for better liquidity management and to separate government deficit financing from monetary policy operations. Moreover, an overnight interest rate corridor was introduced to limit short term interest rate volatility around the key monetary policy interest rate. Consequently, the rediscount window for treasury bills was discontinued. A short-term liquidity forecasting model was developed to improve the effectiveness of monetary policy.

Significant progress has also been made in the restructuring of the Bank's operations. A document has been developed detailing the reorganization plan to realign departments and to enhance staff capacity in a bid to strengthen the operational efficiency of the Bank. Going forward, emphasis will be on developing an effective communication strategy for the Bank. This is necessary because since the global financial crisis of 2007/8, central bank communication became an increasingly important part of monetary policy framework.

With regards to the financial sector, the Central Bank remains committed to safeguarding the stability of the financial system by benchmarking its regulatory and supervisory practices with international standards and best practices. In this regard, several measures were implemented to strengthen prudential regulation, and the supervisory structure and processes to make them more efficient, effective and risk-focused. We have now fully migrated to risk-based supervision and improved the operation of the Credit Reference Bureau. As a result, financial intermediation has improved and the banking sector remains well-capitalized, profitable and highly liquid. Despite the rapid credit expansion, asset quality continued to improve remarkably with the non-performing loan ratio declining to 3.3 percent as at end-December 2018. The Bank will continue to enable the optimum allocation of supervisory resources to promote healthy credit growth that does not compromise the stability of the banking system.

In dealing with financial vulnerabilities, the Central Bank has stepped up its fight against money laundering (ML) and terrorist financing (FT) by committing to the recommendations of the Financial Action Task Force (FATF). The Gambia is a devoted member of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), which is the ECOWAS body responsible for facilitating the implementation of AML and CFT programs in the sub-region. This is a national issue, and already laws have been amended and regulations passed to comply with international standards.

In addition, we have registered significant improvements with regards to payment systems development in The Gambia. Since its introduction in 2011, the volume of transactions through the payment systems has increased exponentially. To ensure smooth, efficient and safe payment systems, the Bank has been working with stakeholders on a number of projects to upgrade and modernize the entire financial landscape in The Gambia. For instance, the Bank is currently working with commercial banks to enhance the straight-through processing (STP) links to the Bank's centralized infrastructures to ensure complete automation of the payment process. This is expected to significantly reduce the time it takes for transactions to be completed.

Financial inclusion is key to economic development and has, therefore, emerged as a policy priority for the Bank. In view of this, the Bank is working with stakeholders to develop a national strategy to promote financial inclusion. Greater focus will be on taking advantage of the high mobile phone penetration rate (about 67 percent) and existing range of technologies to ensure that financial products and services are made available and affordable to least fortunate population.

In conclusion, the Gambian economy is witnessing significant degree of transformation, thanks to the well-designed structural reforms programs. Our economy has great potential and we at the forefront of economic management remain committed to unlocking this potential through the continued implementation of macro-critical structural reforms for greater prosperity for The Gambians. The government's commitment to improving governance will certainly propel the economy to a higher growth trajectory over the medium to longer term.

Finally, giant strides have been made in achieving macroeconomic stability which would not have been possible without the tireless efforts of the Board of Directors, Monetary Policy Committee, Management, and staff of the Central Bank. Therefore, I would like to thank them as I look forward to their continued support and co-operation in the coming years.

Thank you

BakaryJammeh
Governor
Central Bank of The Gambia

MANAGEMENT OF THE BANK IN 2018

BOARD OF DIRECTORS

Mr. Bakary Jammeh
Governor (Chairman)

Mr. Momodou A. Ceesay
Director (Member)

Mr. Sarjo Jah
Director (Member)

Mr. Foday Ceesay
Director (Member)

Mr. Momodou Mboge
(Secretary)

TOP MANAGEMENT

Mr. Bakary Jammeh
GOVERNOR

Dr. Seeku A.K. Jaabi
FIRST DEPUTY GOVERNOR

Mr. Essa A.K. Drammeh
SECOND DEPUTY GOVERNOR

Mr. Buah Saidy
Senior Adviser

HEADS OF DEPARTMENT

Head, Legal Unit……………………………………………………………Momodou Mboge

Director, Internal Audit Department…………………………..…………….Alassana Faati

Director, Administration Department……………………………………………Haddy Joof

Director, Finance Department…………………………….………Abdourahman Barrow

Director, Risk Management Unit………………………………………………Momodou Njie

Director, Insurance Department………………………………………………….Pa Alieu Sillah

Director, Microfinance Department……………………………………………Bai Senghor

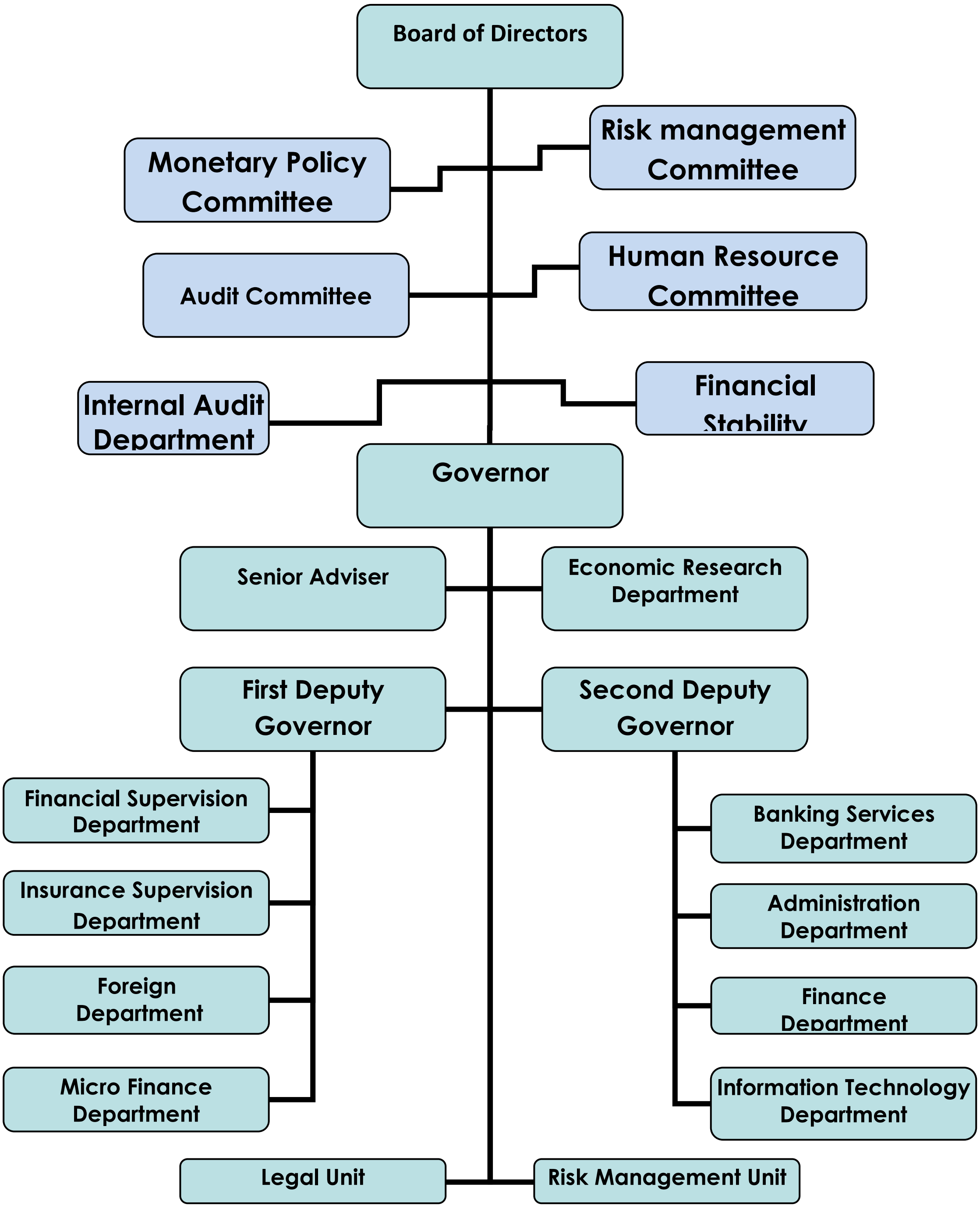
Director, Banking Department……………..………………………………...…Karamo Jawara

Director, Economic Research Department…………………………Maimuna John-Sowe

Director, Foreign Department…………………………………….…..Rohey Khan Deputy

Director, Financial Supervision Department…………………………………Amadou Koora

ORGANIZATIONAL CHART



1 GOVERNANCE

1.1 Objectives 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) 2018, which outlines the following primary objects of the Bank:

- Achieve and maintain domestic price stability;
- Promote and maintain the stability of the currency of The Gambia;
- Direct and regulate the financial system;
- Encourage and promote economic development and the efficient utilization of the resources of The Gambia; and
- Support the general economic policy of the government.

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

1.2 The Board of Directors

To desirably execute its responsibilities, the Central Bank of The Gambia Act (2018) sets out a governance framework for the Bank. The governing body of the Bank 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 standing and experience in financial matters. 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 formulating policies necessary for the achievement of the Bank's mandate.

1.3 Committees of the Board

The Board is empowered to establish Board Committees and determine the powers and duties of any such committees. The role of such committees is largely to advise the Board on specialized subject areas.

1.3.1 Audit Committee

The establishment of the Audit Committee is statutory, which implies that the Board is mandated to establish the committee to constitute non-executive members. The functions of the Committee are to:

- Oversee the integrity of the CBG's Financial Statements; the effectiveness of the CBG's internal controls; the external auditor's qualifications and independence; and the performance of the CBG's internal audit function and external auditor;
- Establish appropriate accounting procedures and accounting controls for the Bank as well as supervise compliance with the procedures;
- Receive from the Legal Unit, at least on a quarterly basis, legal compliance report on laws applicable to the Bank and report to the Board on same;
- Deliver opinion on any matter submitted to it by the Board or Bank management;
- Receive and examine the external auditor's report and recommend to the Board any appropriate action to be taken;
- Review the work of the Internal Audit Department; and
- In the 2018 amended Act, the functions of the Committee have been expanded to include an oversight role.

The Audit Committee meets ordinarily once every quarter and extraordinarily when convened by the Board or Bank management.

1.3.2 Monetary Policy Committee

The Monetary Policy Committee (MPC) was established by the CBG Act (2018) 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;
- Initiating proposals for the formulation and adoption of monetary policy of the Bank; and
- Provide advice necessary for the promulgation of monetary policy.

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 of the Bank and two persons appointed by the Minister of Finance and Economic Affairs. The Minister is obliged by the amended CBG Act (2018) 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.

1.3.3 Financial Stability Committee

The CBG Act mandated the Board to set up the Financial Stability Committee consisting of three non-executive members. The objective of the Committee shall be to establish appropriate supervisory guidelines, policies and reporting requirements for the financial sector. Specifically, the Committee shall have the following functions:

- Monitor compliance with the set guidelines, policies and reporting requirements, and report them to the Board;
- Deliver opinions on any matter submitted to it by the Board or Bank Management;
- Receive and review examination reports and recommends to the Board any appropriate action to be taken; and
- Review the work of departments responsible for the supervision of banks and non-bank financial institutions.

The Committee shall meet once every quarter but the Board or the Governor may convene a meeting when necessary.

1.3.4 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, and succession planning and remuneration policies.

1.3.5 Reserve Management Committee

The Central Bank of The Gambia Foreign Exchange Reserve Management Guidelines approved by the Board in July 2010 provides for the establishment of a Reserve Management Committee (RMC). The Reserve Management Committee guides investment strategies. 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 also charged with the following responsibilities:

- Periodically formulate and review investment and policy guidelines;

- Ensure that the guidelines are adhered to through the regular reports from relevant departments;
- Measure Foreign Exchange Reserves Management (FERM) performance; and
- Submit quarterly reports to the Governor for submission to the Board of Directors of the committee activities.

The Committee is chaired by a Deputy Governor and comprises of heads of relevant departments, namely Banking Supervision, Finance, Banking Services, Financial Markets, Risk Management, and Economic Research.

1.3.6 Risk Management Committee

The Risk Management Committee provides assistance to the Board in fulfilling its obligations and oversight functions relating to assessing the management of the Bank's risk exposures, risk management policies, controls, and compliance.

1.3.7 Payment Systems Committee

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

1.3.8 Treasury Bills Committee

The weekly issuance of Gambia Government Treasury Bills is the main instrument for liquidity management in The Gambia. The Treasury Bills Committee, chaired by the Second Deputy Governor is responsible for determining the auction volume. The Open Market Operations Unit of the Banking Department serves as the secretariat of the committee.

1.4 Departments

1.4.1 Administration Department

This Department performs critical support services including human resource management, coordinating the training of Bank staff, procurement, protocol services as well as organizing meetings and conferences.

1.4.2 Banking Department

The Banking Department is made up of the following Units:

- Banking and Payment Systems;

- Open Market Operations; and
- Currency Unit.

The Banking and Payment Systems Unit is responsible for providing banking services to Government and commercial banks. The Unit is also responsible for ensuring that the payment and settlement systems are safe and efficient.

The Open Market Operations Unit plans and executes open market operations in line with the policy stance of the Bank. The Unit also manages the issue and redemption of the domestic debt.

The Currency Unit discharges the Bank's statutory obligation of ensuring that there are enough banknotes and coins to meet the demands of the public.

1.4.3 Economic Research Department

This Department is made up of the following Units:

- Money, Credit and Banking;
- Balance of Payments;
- Liquidity Forecasting and Public Finance;
- Statistics;
- Real Sector and Non-Bank Finance; and
- Library.

The Economic Research Department (ERD) is responsible for providing the Bank with the economic analysis necessary to conduct monetary policy. Staff of the ERD performs research on developments in the Gambian and international economy and produce the Quarterly Bulletins and Annual Reports. The Research Department also plays a key role in the Bank's relationship with the International Monetary Fund (IMF), West African Monetary Institute (WAMI) and West African Monetary Agency (WAMA). The Department provides reports for Monetary Policy Committee (MPC) meetings, in addition to conducting special studies for the Governor and the Board. The Statistics Unit compiles the monetary and other financial statistics.

1.4.4 Finance Department

This Department is made up of the following Units:

- Treasury;
- Budget and Finance; and
- Verification and Implementation.

The Finance Department is responsible for financial planning. It prepares and monitors the budget to ensure that the financial transactions are consistent with the accounting procedures. The Finance Department is also responsible for preparing the annual accounts, payroll, and foreign currency budget. In addition, the Department records the foreign currency payments and receipts as well as debt service payments on behalf of the Government. Furthermore, the Department provides back office services in the management of the external reserves.

1.4.5 Financial Supervision Department

The maintenance of a sound and stable financial system is one of the most important functions of the Bank and the Financial Supervision Department is charged with this responsibility. The Department conducts on-site examination with a view to ensuring that the financial system as a whole is safe and sound. Financial stability, also a precondition for strong and sustained growth, is achieved by smartly regulating and supervising banks.

1.4.6 Insurance Department

This Department is responsible for evaluating application for insurance as well as preparing and implementing regulatory and supervisory guidelines. This is done in a manner that does not stifle innovation and competition. The Department also conducts on-site examination 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.

1.4.7 Foreign Department

The Foreign Department is charged with the responsibility of regulating foreign exchange bureaus in The Gambia. The Department in conjunction with the Financial Supervision Department evaluates applicants to operate foreign exchange bureaus. The remit of the Department also includes the management of the foreign reserves portfolio of the CBG in line with the Foreign Reserve Management Guidelines.

1.4.8 Internal Audit Department

The Internal Audit Department provides an independent appraisal of the adequacy and effectiveness of the Bank's internal control systems. The Department can delve into every aspect of the Bank’s work with the aim of providing independent advice to the Board and senior management that the Bank is taking appropriate levels of risk. Although the head of the Department reports to the Governor on administrative matters, for audit, the Department reports directly to the Audit Committee of the Board.

1.4.9 Microfinance Department

This Department is made up of the following Units:

- Development; and
- Supervision.

The Department performs functions similar to the Financial Supervision Department, but with a focus on the microfinance sector. Microfinance currently accounts for a small part of the Gambian financial system but has been growing rapidly.

The Development Unit formulates the institutional and operational framework as well as regulatory guidelines for the Microfinance Institutions (MFIs). The Unit also works with the stakeholders to prepare strategic action plans for the sector.

The Supervision Unit is responsible for registration, licensing, and supervision to ensure the safety and soundness of microfinance institutions. In addition, the Unit is mandated to collect, analyze, and disseminate data relating to MFIs as well as prescribes corrective action.

1.4.10 Legal Unit

The Legal Unit provides advice on legal matters and ensures maximum protection of the Bank’s interest with respect to contracts.

1.4.11 Information Technology Department

The Department is responsible for the management of the Bank’s information system. It provides information technology support to departments and coordinates the development of new information system projects. The Department is also charged with the responsibility to manage the Bank’s website.

1.4.12 Risk Management Unit

The Bank's Risk Management Unit (RMU) ensure that strong and effective risk management and control systems are in place for assessing, monitoring, evaluating, and managing risks enterprise-wide. This is guided by policy documents (Risk Management Policy, Operational Risk and Incident Management Framework, as well as Business Continuity Policy and Framework). The Board set up the Board Risk Committee with the aim of overseeing the Bank's risk philosophy, culture, and appetite, and ensures compliance.

The Risk Management Governance Structure starts with the Board of Directors, who are entirely responsible for the Enterprise Risk Management delegated to Management. Subsequently, this responsibility is under the remits of the RMU that reports directly to the Governor. All departments of the Bank have nominated Risk Champions, who work closely with their respective directors to take ownership and report all risks and incidents associated with their functions to the RMU.

The RMU 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 guidelines to the Governor.

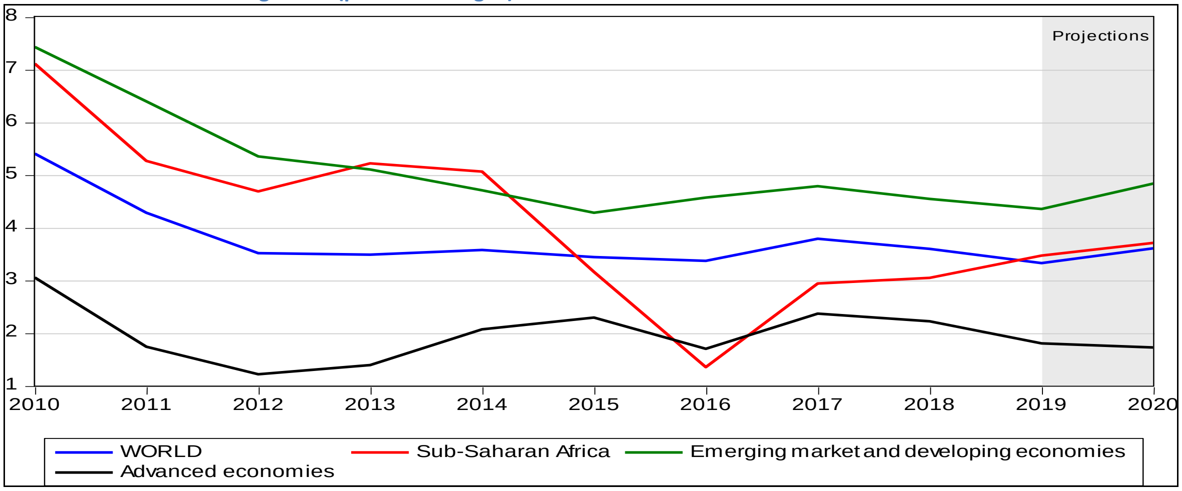
2 REVIEW OF THE GLOBAL ECONOMY

2.1 Global Output Growth

The global economy lost momentum in 2018 after registering robust growth in 2017, reflecting a combination of factors affecting advanced economies. Trade tensions affected business confidence while financial tightening continued to weigh on global demand. Other major contributing factors to weakness in economic expansion include macroeconomic stress in some countries, tighter credit conditions in China and the normalization of monetary policy in the larger advanced economies. These factors led to significant slowdown in global trade, investment, and manufacturing. The prospects for 2019 are rather muted but recovery is expected in 2020 although subject to considerable uncertainty.

In the April 2019 edition of the World Economic Outlook (WEO), the International Monetary Fund (IMF) estimated global economic growth at 3.6 percent in 2018, lower than 3.8 percent in 2017. The IMF projected activity growth to moderate further to 3.3 percent in 2019 before picking up to 3.6 percent in 2020. The subdued outlook for 2019 is predicated largely on the declining growth prospects for advanced economies, especially the euro area, and the emerging markets and developing economies, particularly China. In the medium-term, climate change, high level of public and private debt, and rising inequality represent major risks to the global economy. Chart 1 shows global economic growth estimates and projections for 2019 and 2020.

Chart 1: Global economic growth (percent changes)



Source: IMF WEO Database, April 2019

Economic growth in advanced economies was estimated at 2.2 percent in 2018 compared to 2.4 percent in 2017. Real GDP growth for the region is projected to decelerate further to 1.8 percent in 2019 and 1.7 percent in 2020, mainly reflecting the downward revision for the euro area where growth is set to moderate from 1.8 percent in 2018 to 1.3 percent in 2019 and 1.5 percent in 2020. In the United States, economic growth remains robust with real GDP growth of 2.9 percent in 2018, higher than 2.5 percent in 2017. However, growth in the world's largest economy is expected to decelerate to 2.3 percent in 2019 and further to 1.9 percent in 2020 with the slowdown of fiscal stimulus. The effect of the prolonged uncertainty about the Brexit outcome continues to negatively affect growth prospects for the United Kingdom, although the fiscal stimulus announced in the 2019 budget is expected to provide some offsetting effect. As a result, real GDP growth in the U.K. is projected to slow down from 1.4 percent in 2018 to 1.2 percent in 2019 before accelerating to 1.4 percent in 2020.

The IMF estimated economic activity in emerging markets and developing economies to have decelerated to 4.5 percent in 2018 from 4.7 percent in 2017. The pace of activity growth is projected to further decline to 4.4 percent in 2019 before strengthening to4.8 percent in 2020. Real GDP growth in China is estimated at 6.6 percent in 2018, down from 6.9 percent in 2017. The slowdown in China's economy is due, in large part, to the trade tensions with the United States and the credit tightening policies pursued by the country.

Outlook for sub-Saharan economies remains robust. Growth in the region is expected to pick up from 3.0 percent in 2018 to 3.5 percent in 2019 and 3.7 percent in 2020. Recovery in Nigeria is expected to continue in 2019 through to 2020. Real GDP growth in Africa's largest economy is projected to accelerate from 1.9 percent in 2018 to 2.1 percent in 2019 and 2.5 percent in 2020, premised on the oil sector recovery, together with reforms in the foreign exchange market and improved supply of electricity. In South Africa, on the other hand, activity is estimated to decelerate with the economy projected to grow by 0.8 percent in 2018, lower than 1.3 percent in 2017. A modest recovery is projected for 2019 and 2020 with real GDP growth of 1.2 percent and 1.5 percent respectively.

Table 1: Global economic growth (percent)

	Estimates						Projection	
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
World	3.5	3.6	3.4	3.4	3.8	3.6	3.3	3.6
Advanced economies	1.4	2.1	2.3	1.7	2.4	2.2	1.8	1.7
Euro area	-0.2	1.4	2.1	2.0	2.4	1.8	1.3	1.5
Major advanced economies (G7)	1.5	1.9	2.1	1.4	2.2	2.1	1.6	1.5
Other advanced economies(excl. G7&euro area)	2.4	3.0	2.2	2.4	2.9	2.6	2.2	2.5
European Union	0.3	1.9	2.4	2.1	2.7	2.1	1.6	1.7
Emerging market & developing economies	5.1	4.7	4.3	4.6	4.8	4.5	4.4	4.8
Commonwealth of Independent States	2.5	1.0	-1.9	0.8	2.4	2.8	2.2	2.3
Emerging & developing Asia	6.9	6.8	6.8	6.7	6.6	6.4	6.3	6.3
Emerging & developing Europe	4.9	3.9	4.8	3.3	6.0	3.6	0.8	2.8
ASEAN-5	5.1	4.6	4.9	5.0	5.4	5.2	5.1	5.2
Latin America and the Caribbean	2.9	1.3	0.3	-0.6	1.2	1.0	1.4	2.4
MENA, Afghanistan, and Pakistan	2.6	2.9	2.6	5.2	2.2	1.8	1.5	3.2
MENA	2.4	2.7	2.5	5.3	1.8	1.4	1.3	3.2
Sub-Saharan Africa	5.2	5.1	3.2	1.4	2.9	3.0	3.5	3.7

Source: IMF WEO Database, April 2019

2.2 Global Inflation

Global inflation averaged 3.6 percent in 2018 compared to 3.2 percent in 2017 and projected to remain unchanged at 3.6 percent in both 2019 and 2020 (see Table 2). Inflation remained broadly contained in most advanced economies but has edged up in the United States, where solid growth and tight labor market conditions have started to generate price pressures. According to the IMF World Economic Outlook of October 2018, headline inflation in advanced economies averaged 2.0 percent in 2018, higher than 1.7 percent in 2017 (Table 2). In the euro area, average consumer price inflation accelerated from 0.2 percent in 2016 to 1.5 percent in 2017 and further to 1.7 percent in 2018.

Among emerging market economies, inflationary pressures are easing with the drop in oil prices, although the pass-through of currency depreciations to domestic prices remains a challenge in some countries. End-of-period inflation decelerated to 4.7 percent in 2018, lower than 5.0 percent in 2017.

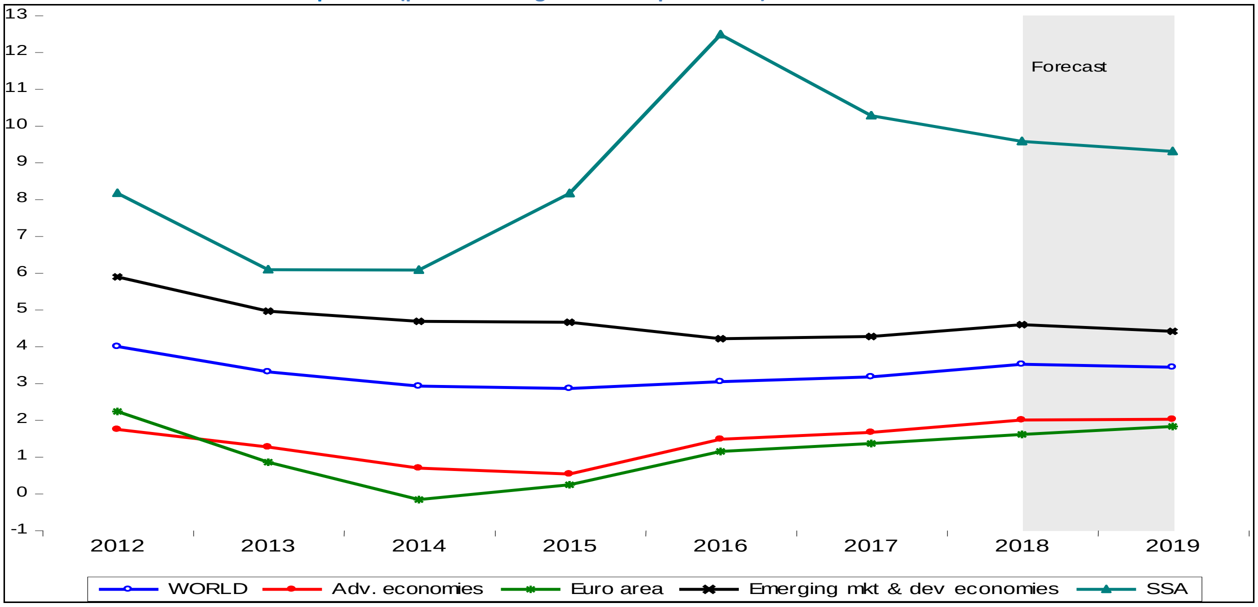
Annual average inflation in sub-Saharan Africa decelerated to stand at 8.5 percent in 2018 from 11.0 percent in 2017 and 11.2 percent in 2016, attributed to stable exchange rates and moderate food price inflation. The subdued inflationary environment created room for many central banks in the region to pursue accommodative monetary policy stance by cutting interest rates to support private investment. Headline inflation is projected to soften further to an average of 8.1 percent in 2019 and 7.4 percent in 2020, supported by the moderation of food price inflation and exchange rate stability that could create more room for accommodative monetary policy in the region.

Table 2: Annual inflation (percent change in CPI)

	Estimates						Projections	
	2013	2014	2015	2016	2017	2018	2019	2020
World	3.7	3.2	2.8	2.8	3.2	3.6	3.6	3.6
Advanced economies	1.4	1.4	0.3	0.8	1.7	2.0	1.6	2.1
Euro area	1.3	0.4	0.2	0.2	1.5	1.8	1.3	1.6
Major advanced economies (G7)	1.3	1.5	0.3	0.8	1.8	2.1	1.7	2.2
Other advanced economies (excl. G7 and euro area)	1.6	1.5	0.6	0.9	1.5	1.6	1.5	1.7
European Union	1.5	0.5	0.1	0.2	1.7	1.9	1.6	1.7
Emerging market & developing economies	5.5	4.7	4.7	4.2	4.3	4.8	4.9	4.7
Commonwealth of Independent States	6.5	8.1	15.5	8.3	5.5	4.5	5.7	5.0
Emerging & developing Asia	4.6	3.4	2.7	2.8	2.4	2.6	2.8	3.1
Emerging & developing Europe	4.5	4.1	3.2	3.2	6.2	8.7	9.0	7.5
ASEAN-5	4.6	4.6	3.2	2.4	3.1	2.8	2.8	3.0
Latin America and the Caribbean	4.6	4.9	5.5	5.6	6.0	6.2	6.5	5.1
MENA, Afghanistan, and Pakistan	9.2	6.7	5.4	4.7	6.4	10.4	9.7	9.3
MENA	9.4	6.5	5.5	4.9	6.7	11.4	10.0	9.6
Sub-Saharan Africa	6.6	6.4	7.0	11.2	11.0	8.5	8.1	7.4

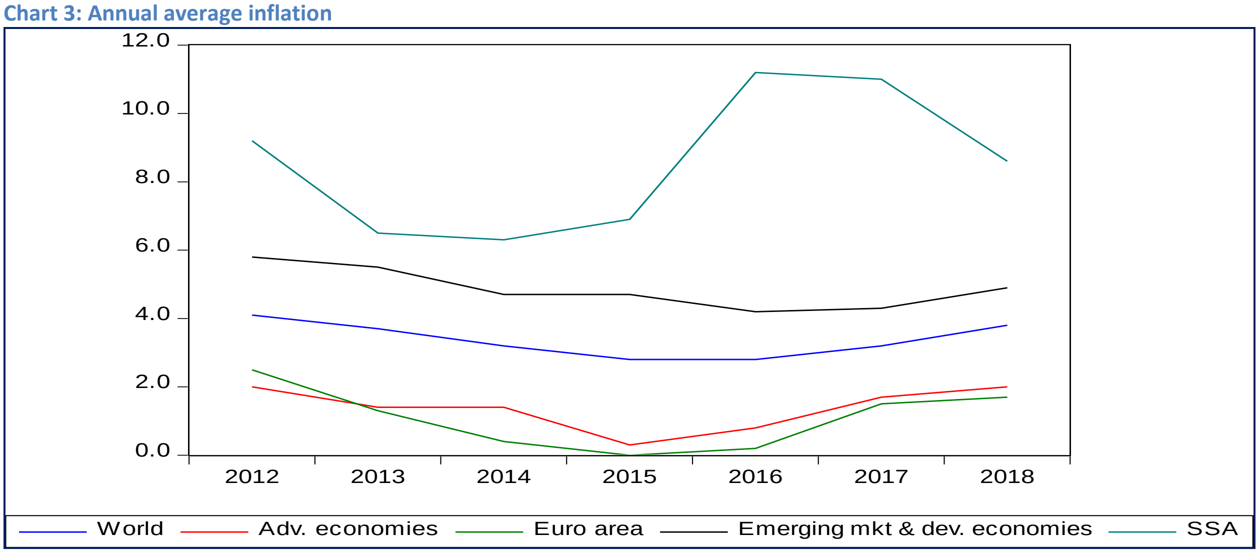
Source: IMF, WEO Database, April 2019

Chart 2: Global Inflation Developments (percent change in end of period CPI)



Source: IMF WEO Database, April 2019

Chart 3: Annual average inflation

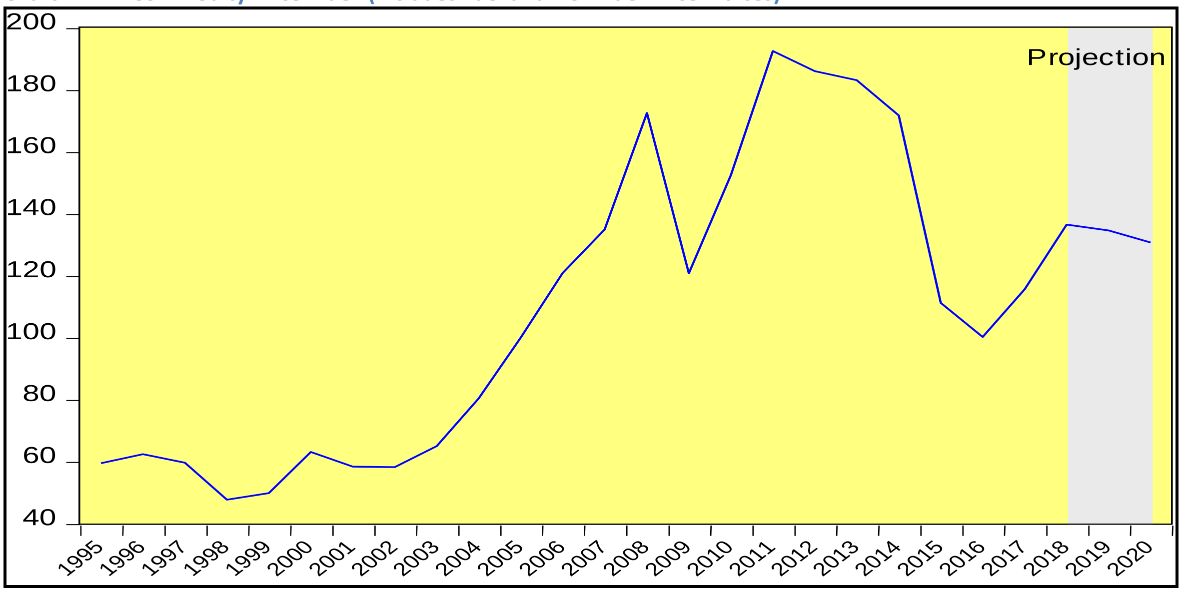


Source: IMF WEO Database, April 2019

2.3 Global Commodity Prices

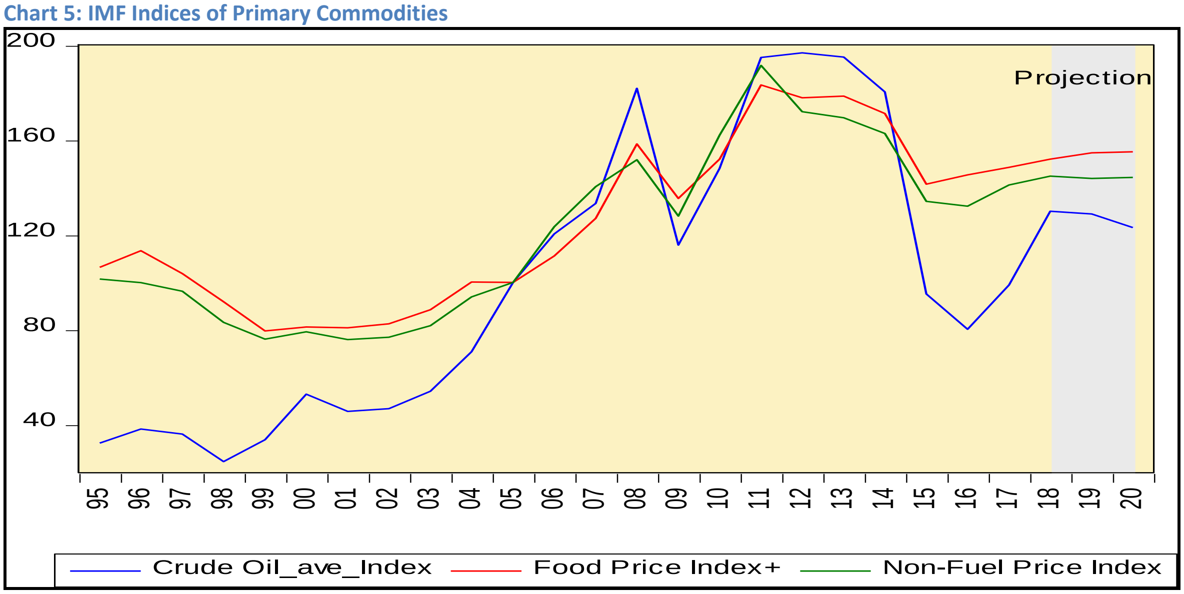
Recovery in commodity prices continues in 2018 supported by the surge in energy prices, although the outlook over the projection horizon is moderating. The IMF Commodity Price Index (comprising fuel and non-fuel price indices) rose by 18.0 percent in 2018 from the prior year. Chart 4 shows recovery in commodity prices after the 2016 contraction that continued through 2018 and the subdued outlook over 2019 and 2020.

Chart 4: IMF Commodity Price Index (includes Fuel and Non-Fuel Price Indices)



Source: IMF WEO Database, April 2019

Chart 5: IMF Indices of Primary Commodities

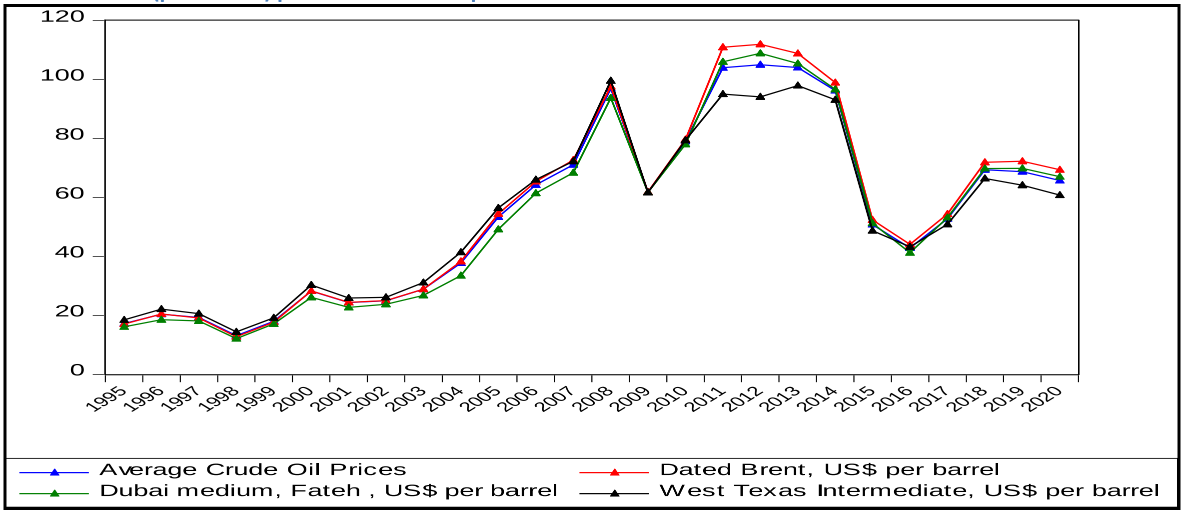


Source: IMF WEO Database, April 2019

2.3.1 Crude Oil Prices

Crude oil prices continued to increase in 2018 from a downturn witnessed in 2015 due to the global oversupply of oil. Crude oil traded at an average of USD69.4 per barrel in 2018, up from USD52.8 per barrel a year ago. The IMF Crude Oil Price Index (2005=100), which is an average of the price indices of Dated Brent, Dubai Fateh, and West Texas Intermediate, increased by 31.4 percent during the period under review. Chart 6 shows that the strong recovery in oil prices in 2018 will moderate in 2019 and 2020.

Chart 6: Crude (petroleum) prices in US dollars per barrel

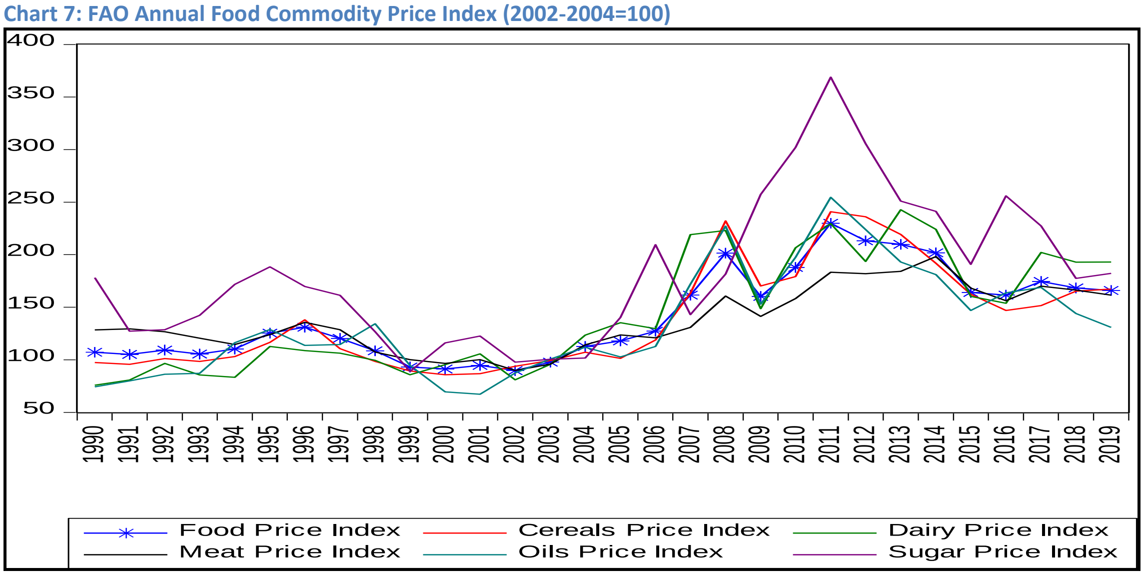


Source: IMF WEO Database, April 2019

2.3.2 Global Food Prices

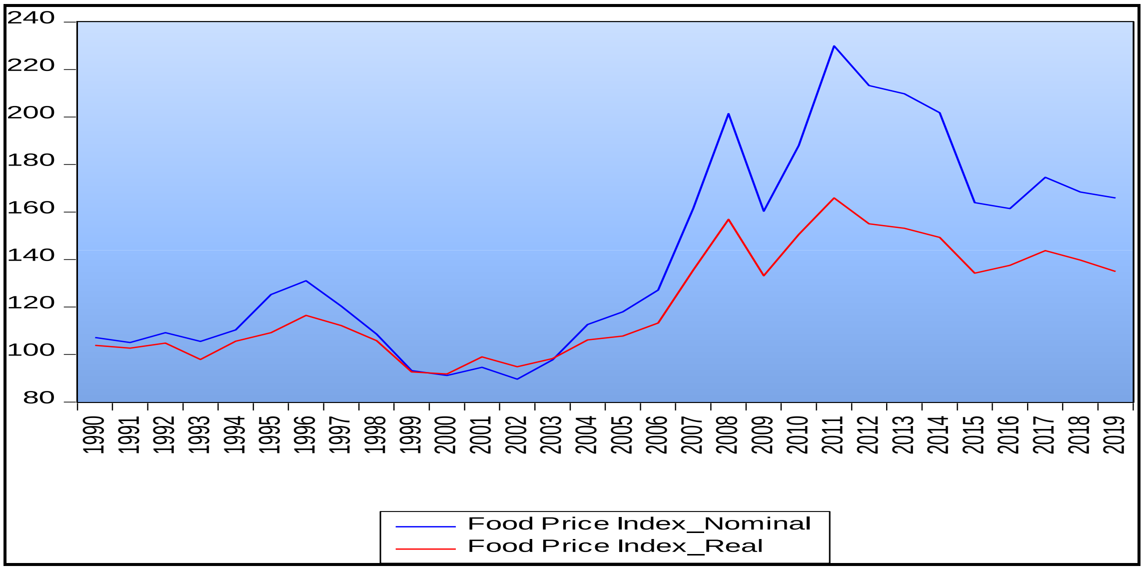
Chart 7 shows the Annual Food Price Indices (2002-2004=100) of the Food and Agriculture Organization (FAO). The graph reveals that prices of all food categories in 2018 moderated with the exception of cereals. The FAO's food price index, which comprises of a basket of cereals, oilseeds, dairy products, meat, and sugar, averaged 168.4 in 2018, down by 3.5 percent from a year ago. A further declined of about 1.5 percent is expected towards the end of 2019. However, the first quarter of 2019 has shown some signs of recovery with 3.4 percent growth compared to the fourth quarter of 2018.

Chart 7: FAO Annual Food Commodity Price Index (2002-2004=100)



Source: FAO

Chart 8: FAO Food Price Index in nominal and real terms



Source: FAO

Sugar and oil prices led the moderation in the overall food price index in 2018, declining by about 21.9 percent and 14.7 percent from 2017, respectively. Similarly, prices of dairy and meat products declined by respective 4.6 percent and 2.3 percent in the review period.

Cereal prices were the only food price index that rose in 2018. The index increased to 165.3 in 2018 from 151.6 in the previous year, or by 9.0 percent. The rise in the cereal prices in 2018 was due mainly to a drop in world output of wheat and maize.

3 REVIEW OF THE DOMESTIC ECONOMY

3.1 Overview

The macroeconomic environment has improved significantly over the past two years underpinned by resurgence of business confidence on the back of improved political environment and macroeconomic management coupled with strong external support. Indicators show that private investment has picked up significantly as well as public sector infrastructure developments. The economy expanded at a robust pace of over 6.5 percent in 2018 compared to 4.8 percent in 2017. The main drivers of growth are the increased activity in construction, and services sector, including telecommunication, tourism, and distributive trade. Financial intermediation has also recovered strongly after several years of contraction due to fiscal dominance. Enhanced transparency and the accommodative monetary policy stance coupled with improved fiscal management helped improve credit expansion.

Going forward, economic activity is projected to strengthen further in 2019 and 2020 predicated on continued implementation of sound macroeconomic policies and progress on the structural reform agenda. In addition, the commitment of the government to scale down non-essential public sector spending to create room for development expenditure would help consolidate and sustain the economic growth momentum. Energy infrastructure, in particular, has received significant attention from the government in recent years. Furthermore, promoting healthy credit growth has become a major policy priority of the Central Bank. However, the high level of public debt remains a major risk to the overall macroeconomic stability, although concrete steps are being taken to redress the debt vulnerability.

The domestic inflationary dynamics remained benign, reflecting the combined influence of moderate prices of imported goods and stable exchange rate as well as prudent monetary policy stance. Headline inflation, measured by National Consumer Price Index (NCPI) declined to 6.4 percent in December 2018, relative to 6.9 percent in the same period in 2017, largely reflecting prudent monetary policy stance, stable exchange rate, and moderate global food prices. The disinflation process and the stability of the exchange rate provided room for the Monetary Policy Committee (MPC) to reduce the monetary policy rate to 13.5 percent in May 2018 from 15 percent.

The external sector has also improved during the year, thanks to increased inflows related to official transfers, private remittances, and tourism. Foreign direct investment has also registered a remarkable increase during the year. The current account deficit of the balance of payments narrowed in 2018 relative to 2017, thanks to the marked increase in private remittances and travel income, reflecting strong tourist arrivals. The goods account balance, on the other hand, worsened due to the marked increase in imports to support the increased economic activity. Gross international reserves remain at a comfortable level and it is projected at over 4 months of next year's imports of goods and services. The improvement in the external sector coupled with the return of market confidence and the improved transparency in the foreign exchange market are major contributing factors to the stability of the exchange rate of the dalasi.

With regards to fiscal policy, the execution of the 2018 budget was affected by the marked decline in disbursement of grants. The implementation challenges related to the Staff Monitored Program (SMP) agreed with the IMF resulted in delays in the anticipated budget support from development partners. As a result, expenditure pressures mounted during the year, the budget deficit (including grants) widened and borrowing increased. The overall deficit (including grants) increased to D3.9 billion (5.0 percent of GDP) in 2018 compared to a deficit of D3.7 billion (5.2 percent of GDP) in 2017. The budget deficit (excluding grants), on the other hand, narrowed to D5.8 billion (7.4 percent of GDP) in 2018 compared to a deficit of D9.3 billion (13.2 percent of GDP) in 2017.

The Gambia's public debt remains high and debt service continues to consume significant proportion of public sector revenues and export earnings. The recent GDP rebasing improved the debt sustainability standing by reducing the public debt-to-GDP ratio from 130 percent of GDP to 88 percent at end-2017. However, vulnerabilities remain especially with regards to servicing of the debt. In this regard, the government has begun negotiations for debt relief from external creditors and has renewed commitment to limit external financing to highly concessional external loans for the purpose of financing essential projects. Reforms are also undergoing to place fiscal policy on a sustainable footing, including strengthening public finance management and improving the cost efficiency in state-owned enterprises (SOEs) to minimize incurrence of contingent liabilities. Furthermore, efforts are continuing to enhance domestic revenue mobilization by improving efficiency in tax collection and administration, so as to reduce dependence on borrowing.

The Gambia's financial sector remains well-capitalized, profitable and highly liquid. The asset quality has improved remarkably with the non-performing loan ratio of 3.3 percent as at end-December 2018. In addition, financial intermediation continues to increase with strong private credit growth. The CBG is committed to strengthening banking supervision to ensure that the sector remains safe and sound.

The Gambia is undergoing major economic transformation following years of mismanagement. The outlook remains positive, supported by strong business optimism and improved macroeconomic management.

Table 3: Gambia-Selected economic indicators

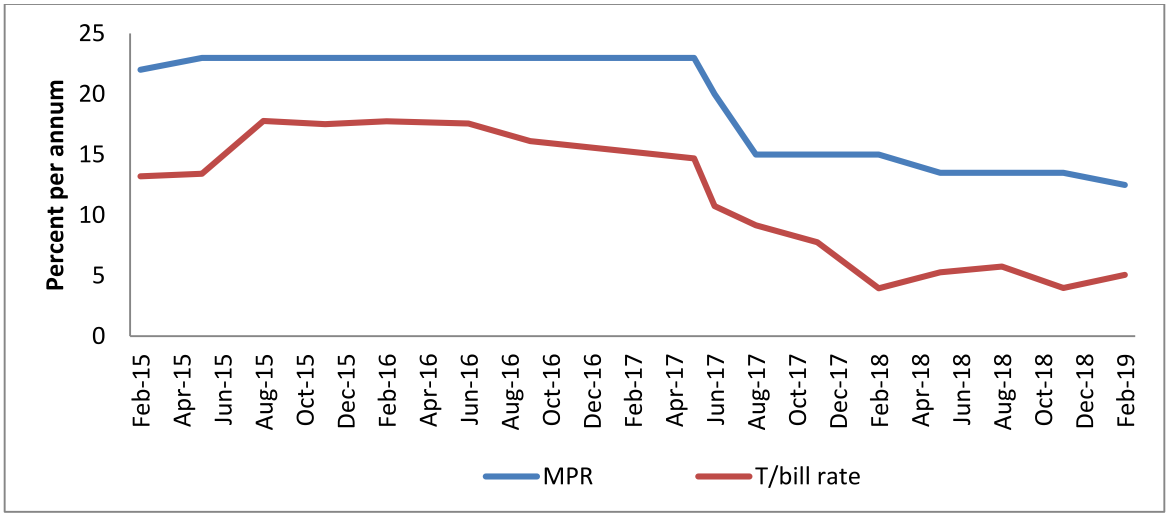
Indicators	2014	2015	2016	2017	2018
	Annual percent change; unless otherwise state				
National Income					
Real GDP	-1.4	4.1	1.9	4.8	6.5
Nominal GDP (GMD millions)	51,309.1	58,581.1	64,389.9	70,142.2	78,622.6
Consumer price index (end of period)					
Overall	6.9	6.7	7.9	6.9	6.4
Food	8.3	7.5	8.7	7.3	6.4
Non-food	4.7	5.3	6.5	6.3	6.5
Exchange rate (end of period)					
GMD/USD	45.3	39.8	43.9	47.9	49.5
GMD/GBP	71.1	61.6	55.6	63.7	63.1
GMD/euro	56.4	43.1	46.9	56.6	56.9
GMD/CFA (5000)	420	335.7	377.1	416.2	418
Money and credit					
Reserve Money	11.9	10	25.2	22.6	16.5
Broad Money Supply (M2)	11.2	-0.9	15.3	20.9	20
Claims on government, net	31.6	37.9	22.1	-5.3	10.7
Credit to the private sector	-7.5	-7.9	-12.3	-1.2	32.9
Real Credit to the private sector	-13.5	-13.6	-18.7	-7.6	24.9
Interest Rates (percent)					
91-day treasury bill rate	14	17.6	13.7	5	5.1
182-day treasury bill rate	16.2	18.1	16.3	5.5	7
365-day treasury bill rate	19.1	21.8	17.7	6.7	9.5
External Sector					
Current account balance (USD millions)	-79.3	-72.88	-78.05	-98.8	-69.7
Current account balance (percent of GDP)	-7	-5.7	-5.9	-7.2	-4.3
Exports (USD millions)	181.1	166.5	162.8	117.1	135.4
Imports (USD millions)	332.1	335.5	312.8	464.1	519.4
Gross international reserves	83.8	76.48	60.1	143.96	157.14
Months of imports cover	3	2.5	1.5	3.6	3.9
Government Budget (percent of GDP)					
Domestic Revenue	12	12.7	12.1	11.4	11.5
Grants	2.4	1.2	1.1	8.1	1.96
Total Expenditure	18.6	18.2	19.9	24.5	19.14
Overall Balance	-4.2	-4.2	-6.7	-5	-5.7

Source: CBG

3.2 Monetary Policy

The continued declining trajectory and the favorable medium-term out outlook for inflation provided scope for monetary policy easing to allow the gains in macroeconomic stability to be transmitted to the real economy. The Monetary Policy Committee of the Bank lowered the Monetary Policy Rate (MPR) by 100 basis points to 13.5 percent in May 2018 from 15 percent. The move was aimed at supporting the recovery in private sector credit that started to grow after years of contraction due to fiscal dominance.

Chart 9: Monetary Policy Rate (MPR) and 3 months Treasury bill rate



Source: CBG

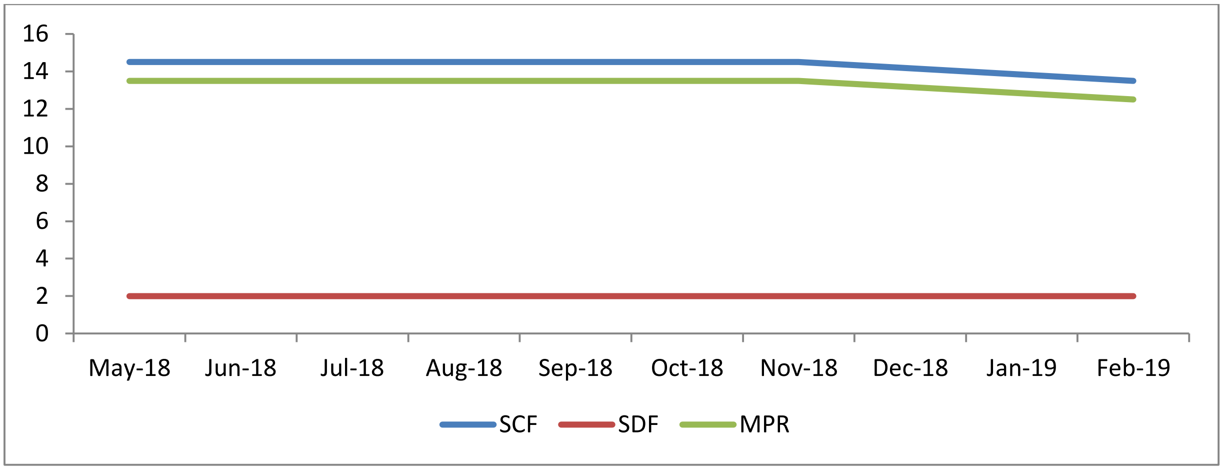
The Central Bank of The Gambia has embarked comprehensive reforms of monetary policy implementation. This is particularly important to sustain macroeconomic stability given that the dynamics of the economy continue to change. Key among the reform agenda is the revision of the Central Bank Act aimed at improving the independence, transparency, and accountability of the CBG as well as enhancing the effectiveness of monetary policy implementation. Another key objective is to minimize central bank financing of the government deficit, which is highly inflationary and reduces the potency of monetary policy.

The Bank has also added to its toolbox an interest rate corridor with the objective of improving liquidity management and the transmission of monetary policy. Consequently, the rediscount window for treasury bills was discontinued. In addition, a short-term liquidity forecasting model was developed to improve monetary policy. The interest rate corridor which was introduced in September 2018 consists of overnight lending and deposit facilities. The Standing Credit Facility (SCF) is an overnight lending facility that provides funds to commercial banks at a predetermined interest rate to cover end-of-day liquidity shortfalls. Guidelines on the nature and operation of this new instrument were circulated to commercial banks and posted on the Bank's website. Currently, the interest rate charged on the facility is at a margin of 1 percentage points above the MPR. The

Standing Deposit Facility (SDF) is an overnight deposit facility that allows commercial banks to place excess funds at the Central Bank for remuneration at a predetermined rate which is currently set at 2 percent. The rates are subject to review by the Monetary Policy Committee (MPC) of the Central Bank.

Interest rates on the two facilities shall serve as a corridor around the monetary policy rate. The interest rate charged on the SCF forms the upper bound and the interest rate paid on the SDF represents the lower bound of the corridor.

Chart 10: Interest rate corridor



Source: CBG

In addition, Central Bank bill was introduced in October 2018 to improve liquidity management and to separate government deficit financing from monetary policy operations. Furthermore, the Bank has enhanced collaboration with the fiscal authorities in diverse areas of reform, including the creation of a Treasury Single Account.

3.2.1 Monetary Policy Committee (MPC) Meetings and Policy Decisions

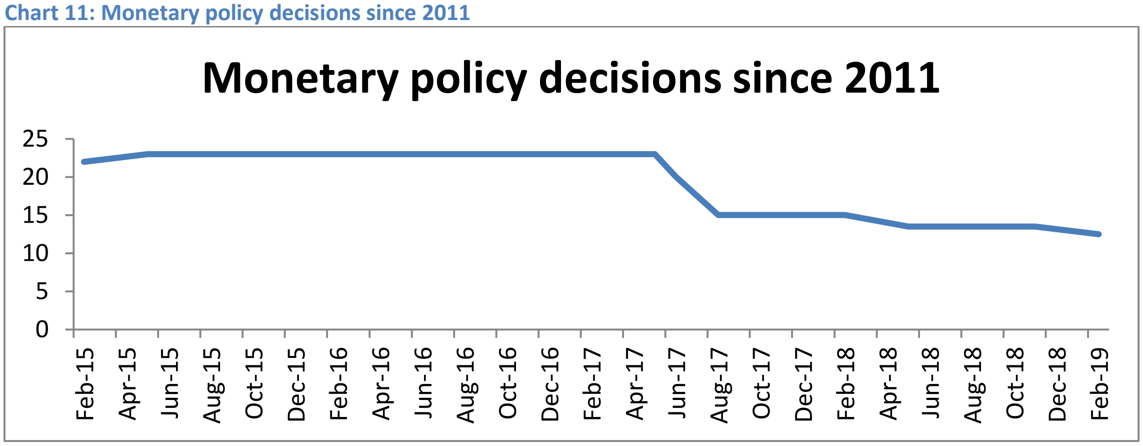
The Monetary Policy Committee (MPC), of the Bank met four (4) times in 2018 and the policy rate was reduced from 15 percent to 13.5 during the year. This is illustrated in Table 4 and Chart 11.

Table 4: Monetary Policy Decisions from 2015 to 2018

Meeting Date	Policy Decision	Rate (percent)
Feb-15	Policy rate left unchanged	22
May-15	Policy rate left increased by 100 basis points	23
Aug-15	Policy rate left unchanged	23
Nov-15	Policy rate left unchanged	23
Feb-16	Policy rate left unchanged	23
Jun-16	Policy rate left unchanged	23
Sep-16	Policy rate left unchanged	23
May-17	Policy rate left reduced by 300 basis points	23
Jun-17	Policy rate left reduced by 500 basis points	20
Aug-17	Policy rate left unchanged	15
Nov-17	Policy rate left unchanged	15
Feb-18	Policy rate left unchanged	15
May-18	Policy rate left reduced by 150 basis points	13.5
Aug-18	Policy rate left unchanged	13.5
Nov-18	Policy rate left unchanged	13.5
Feb-19	Policy rate left reduced by 100 basis points	12.5

Source: CBG

Chart 11: Monetary policy decisions since 2011



Source: CBG

3.2.1.1 February meeting

The Monetary Policy Committee (MPC) met on February 27 - 28, 2018 to assess domestic and international economic developments and set the key policy interest rate. This represents the second meeting since the Committee decided in August 2017 to hold the meeting in two days instead of one. In the new arrangement, technical presentations on performance, risks and outlook of the economy are done on the first day, followed by decision by members on the second day of the meetings.

Below is the summary of key developments that informed the decision of the Committee in the February 2018 meeting, when the committee decided to maintain the policy rate at 15 percent.

The Committee noted that economic growth prospects have improved with the rebound in confidence and business optimism as well as the return of external support. The recovery process was expected to be led by the services sector including telecommunication, tourism and trade. Construction activities are also expected to pick up significantly. Notwithstanding, the Committee identified risks to the growth outlook, including the erratic weather condition given that the frequency of drought has increased in recent years and the high level of public debt.

The Committee also observed that inflationary pressures have waned, due largely to stable exchange rate and moderate prices of imported goods. Headline Inflation, measured by the National Consumer Price Index (NCPI) decelerated to 6.4 percent in January 2018 relative to 8.8 percent in the same period in 2017. Other domestic factors that led to the deceleration in inflation included the cessation of central bank financing of the fiscal deficit in 2017. In addition, the exchange rate has stabilized, reflecting improved transparency in foreign exchange market that contributed to the return of market confidence, and improved supply conditions related to the increased inflows in the form of private remittances, external support and rebound in tourism. Furthermore, the Bank's Business Sentiment Survey revealed that inflation expectations have been broadly trending downwards on the back of improved monetary policy management.

Fiscal and monetary policy coordination also improved markedly with the objective of accelerating return to macroeconomic stability and growth. With strong external support in the previous year, in the form of budget support and project financing, government significantly reduced borrowing from the domestic money market. This contributed to the continued decline in short term money market interest rates.

Given the above developments, the Committee concluded that headline inflation will continue to trend towards the medium-term target of 5 percent, barring surprise external shocks. In this regard, the Committee took note of the risks to the inflation outlook, including uncertainty in the direction of global oil prices and the increased vulnerability related to the high level of domestic debt.

Taking these factors in to consideration, the Committee decided to leave the MPR unchanged at 15 percent while it continues to monitor risks to the inflation trajectory.

3.2.1.2 May Meeting

The MPC held its second meeting of the year on May 29, 2018, followed by a decision and press conference on May 30, 2018. The following are highlights of the deliberations on key economic indicators that informed the Committee's decision.

The Committee observed that economic and business environment continued to improve, and recovery was gaining momentum, thanks to sound macroeconomic policies, strong international support, and improved confidence. Short-term economic indicators point to stronger recovery in 2018 relative to the previous year with real GDP projected at 5.4 percent in 2018 compared to 3.5 percent in 2017, predicated on rebound in trade, tourism, financial intermediation, and construction.

Money supply growth was strong at 28.0 percent in March 2018, driven largely by the increase in net foreign assets (NFA) of the banking system. Reserve money, the Bank's operating target, grew at a slower pace of 24.2 percent in March 2018 relative to 18.1 percent a year ago. Private sector credit growth continued the strong recovery with the slowdown in government borrowing. Private sector credit expanded by 6.2 percent in March 2018, the highest growth rate registered since 2014.

Despite the deterioration of the goods account balance due to increase in imports, the current account deficit narrowed to 0.7 percent of GDP in the first quarter of 2018 from 2.7 percent of GDP in the corresponding period a year ago, reflecting marked increase in current transfers (mainly remittances). Against the backdrop of strong international support and improved domestic foreign exchange market conditions, gross international reserves stood at 4 months of next year's imports of goods and services. The exchange rate remained stable on the back of strong market confidence and supply conditions as the external sector continued to improve.

The Committee, however, observed that headline inflation edged up slightly in the run-up to the month of Ramadan from 6.5 percent in March 2018 to 6.6 percent in April 2018, but still lower than 8.7 percent recorded a year ago. The Committee assessed it to be a temporary development and that the outlook remained a further deceleration in inflation towards the Bank's medium-term target of 5 percent. Meanwhile, money interest rates were declining as a result of reduced borrowing by government.

However, the Committee noted that risks to the inflation outlook remained, including rising global commodity prices, particularly energy and food. Furthermore, debt to GDP ratio of 130 percent posed a major risk to the economy.

The continued stability of the exchange rate and the favorable inflation outlook provide scope for the MPC to ease monetary policy stance to reinforce recovery in private sector credit growth. The Committee decided to reduce the Policy rate by 150 basis points to 13.5 percent.

The stability of macroeconomic conditions provided the opportunity for the MPC to modify money policy by introducing an interest rate corridor. Therefore, in addition to the rate cut, the Committee announced the introduction of an overnight interest rate corridor effective September 03, 2018. The main purpose of the corridor is to limit the short term interest rate volatility around the key monetary policy interest rate. Excessive interest rate volatility is undesirable for the smooth implementation of monetary policy. Lower volatility increases the effectiveness of the monetary policy rate and strengthens the interest rate channel of the monetary transmission mechanism. In the interest rate corridor framework, standing lending and deposit facilities were introduced.

3.2.1.3 August Meeting

The MPC met on August 28, 2018 to review recent economic developments and prospects. The Committee met again the following day to decide on the monetary policy rate. The following summarizes the deliberations on key economic indicators that informed the Committee's decision.

The Committee observed that economic recovery has gained traction. Additionally, the Bank's Business Sentiment Survey indicated strong business optimism and subdued inflation expectations.

Furthermore, the current account balance continued to improve with the deficit for the first half of the year estimated to have narrowed to US$26.7 million (1.8 percent of GDP) from a deficit of US$60.0 million (3.9 percent of GDP) a year ago, reflecting the increase in current transfers (mainly remittances) and receipts from services. The international reserve position continued to improve contributing to the stability of the exchange rate. From December 2017 to August 2018, the dalasi appreciated against the pound sterling and CFA franc by 1.9 percent and 1.2 percent respectively. On the other hand, the dalasi depreciated marginally against the US dollar and euro by 1.1 percent and 0.1 percent respectively.

In addition, the financial soundness indicators show that the banking sector remains well capitalized, highly liquid and profitable. The asset quality also improved significantly with the non-performing loans ratio dropping from 7.9 percent at end-March 2018 to 5.9 percent at end-June 2018.

Consumer price inflation remained subdued at 6.6 percent in July 2018, lower than 8.0 percent in July 2017, driven by the deceleration in both food and non-food inflation.

Against this backdrop, the Committee projected inflation to decelerate further towards the Bank's medium-term target of 5 percent. In this regard, the Committee judged the monetary policy stance to be appropriate and maintained the Policy rate at 13.5 percent.

The Committee also set the interest rate on the overnight deposit facility at 2 percent per annum and the interest rate on the lending facility at 1 percentage points above the monetary policy rate.

Members also announced the launch of the Monetary Policy Report with the objective of improving communication and accountability to the public. The report provides a comprehensive summary of developments that informed the decision of the Committee.

3.2.1.4 November Meeting

The MPC held its final meetings of the year from November 27-28, 2018 to review recent economic developments and decide on the monetary policy rate.

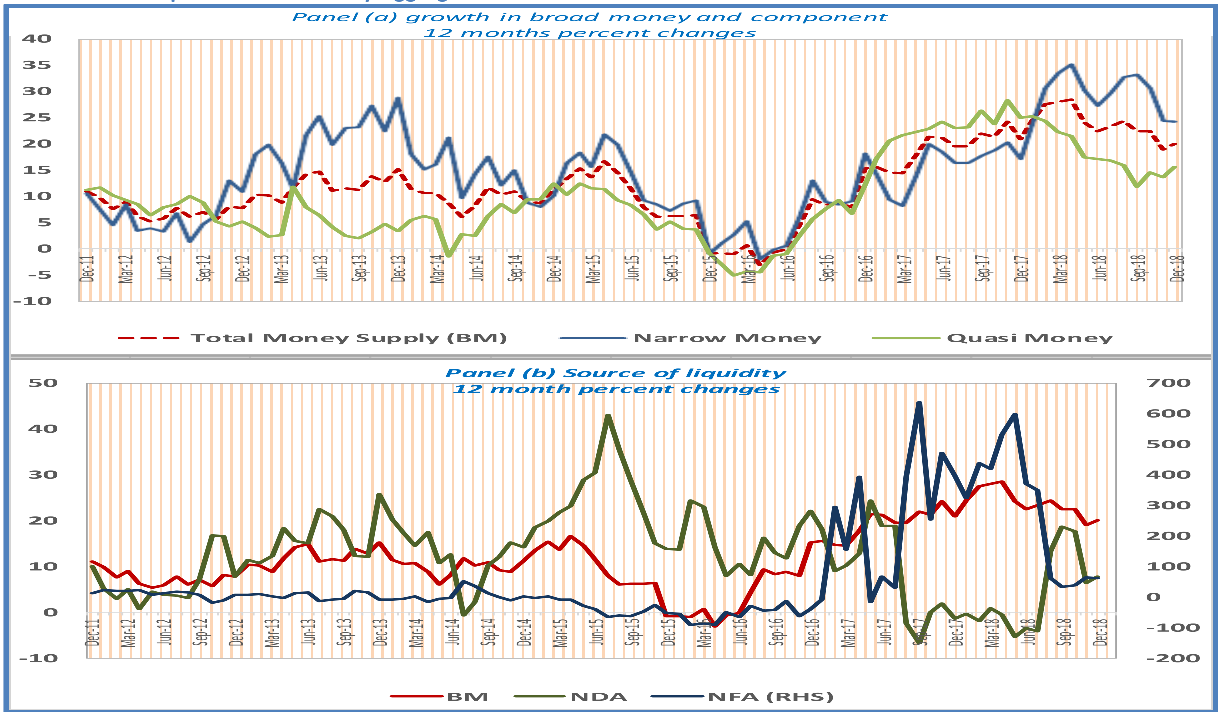
Inflation, as measured by the National Consumer Price Index (NCPI), remained broadly subdued. Inflation decelerated to 6.5 percent in October 2018 from 7.4 percent a year ago, thanks to the decline in consumer food inflation. The outlook is a further deceleration towards the Bank's medium-term target of 5 percent predicated on continued stability of the exchange rate of the dalasi, moderate global food prices, and well-anchored inflation expectation. However, the Committee noted that risks to the outlook remain, including rising global inflation which may put upward pressure on prices of imported goods. The rising interest rates in advanced economies and stronger U.S. dollar in the international market may exert pressure on the exchange rate.

Taking the above factors in to consideration, the Monetary Policy Committee has decided to keep the monetary policy rate unchanged at 13.5 percent. The Committee also decided to maintain the overnight deposit rate at 2.0 percent.

3.3 Analysis of Monetary Aggregates

Broad money supply growth remained expansionary during the year compared to 2017, reflecting the accommodative monetary policy stance. The net foreign assets (NFA) of the banking system were the main driver of liquidity on the back of high capital inflows and the drive of the Bank to bolster external reserve level. Commercial bank credit to the private sector recovered strongly due to confluence of reduced borrowing by the government, the decline in treasury bills rates and the accommodative monetary policy stance.

Chart 12: Developments in Monetary Aggregates



Source: CBG

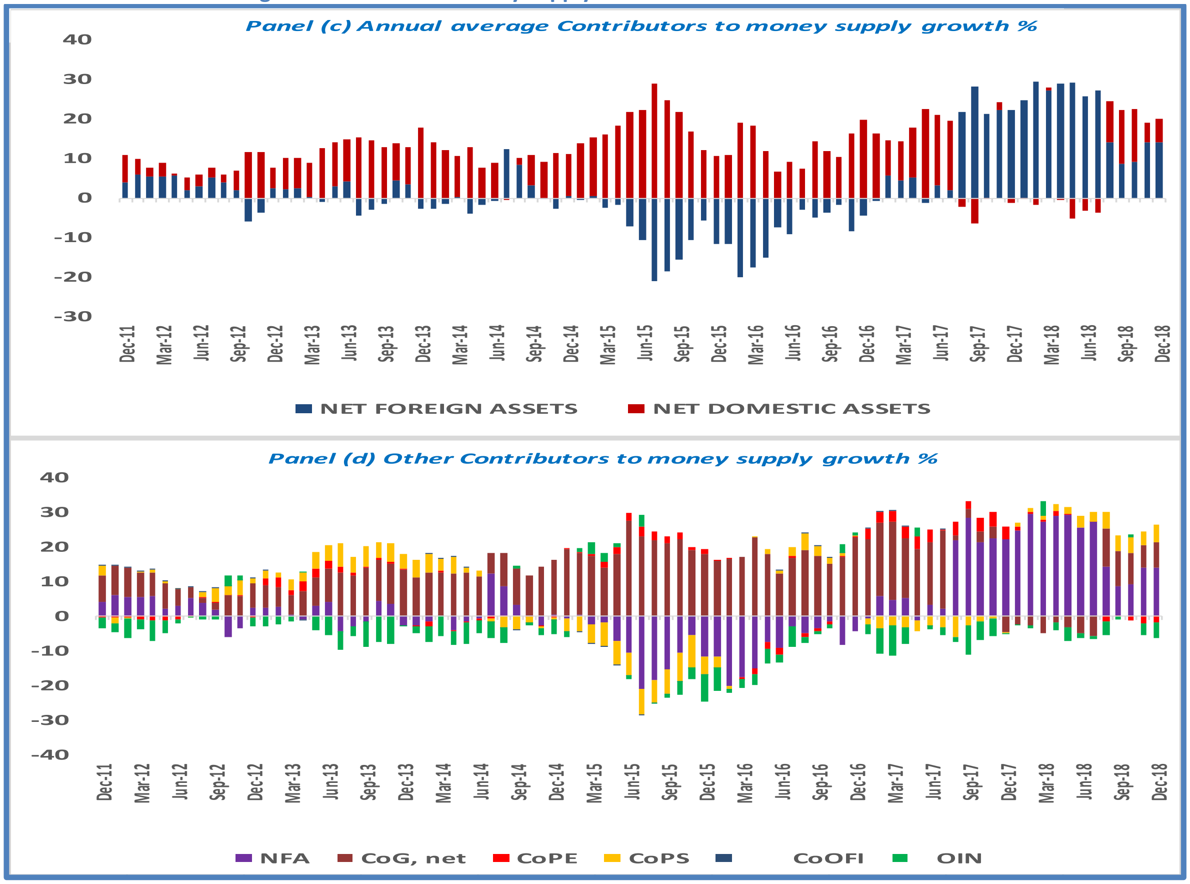
3.3.1 Annual Money Supply Growth

In the year to end-December 2018, broad money rose by 20.0 percent compared to 20.9 percent during the same period in 2017. The growth in broad money was driven largely by the increase in net foreign assets of the banking system.

Narrow money (M1), which comprises of demand deposit and currency outside banks grew by 24.2 percent to D17.9 billion as at end-December 2018, slightly higher than the 17.2 percent a year earlier. Currency outside banks rose to D6.6 billion or by 15.8 percent at end-December 2018, while demand deposits grew by 29.7 percent to D11.3 billion in December 2018.

Growth in quasi money was 15.6 percent in December 2018, well below the 25.0 percent growth during the same period last year. Of the components of quasi money, savings deposits increased to D12.4 billion or by 17.6 percent in 2018 compared to 35.4 percent in 2017. Time deposits also increased to D3.5 billion or by 9.1 percent in 2018 from a contraction of 0.3 percent a year ago.

Chart 13: Contribution to growth in the total money supply



Source: CBG

3.3.1.1 Net Foreign Assets

Net foreign assets (NFA) of the banking system rose to D10.4 billion or by 61.0 percent as at end-December, 2018 from D6.5 billion in the corresponding period a year ago. The growth in NFA during the period under review reflects the increase in the NFA of both Central Bank and Commercial Banks. The NFA of the CBG grew to D4.5 billion as at end-December 2018 or by 62.0 percent from D4.0 billion in the corresponding period a year earlier. The favorable supply conditions in the foreign exchange market provided an opportunity for the Bank to build the external reserve buffer. Foreign assets of the CBG stood at D 8.7 billion, an increase of 62.0 percent whilst foreign liabilities contracted by 6.6 percent to D4.2 billion during the year under review.

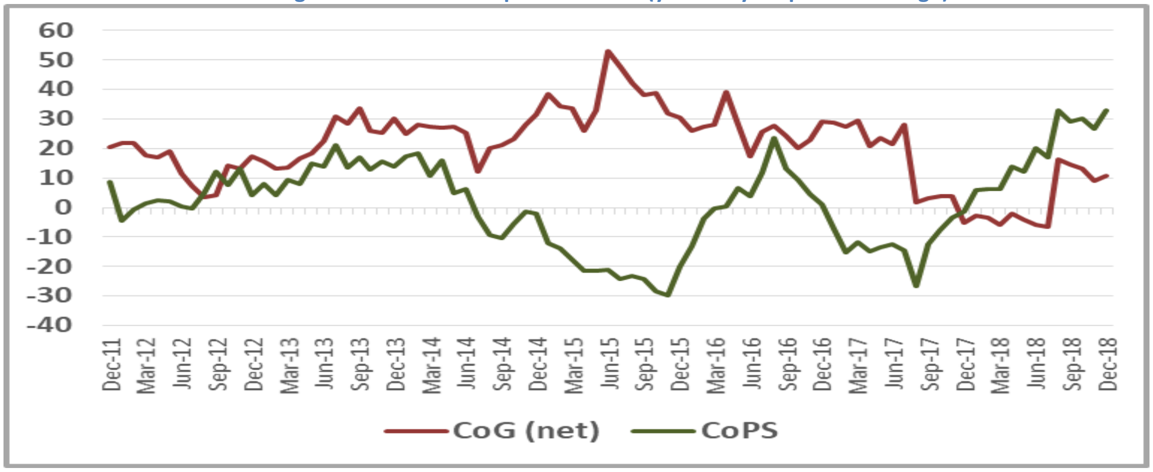
Similarly, the NFA of commercial banks increased markedly by 60.3 percent to stand at D5.9 billion in December 2018 relative to D3.7 billion reported at end-December 2017, attributed to the marked increase in foreign assets by 45.9 percent and decline in foreign liabilities by 24.2 percent. Of the components of foreign assets, foreign currency cash holdings increased to D1.3 billion or by 56.3 percent. Similarly, balances held at foreign banks and other foreign investments rose to D4.6 billion and D0.5 billion or by 46.3 percent and 22.5 percent, respectively.

3.3.1.2 Net Domestic Assets (NDA)

As at end-December 2018, the banking system accumulated net domestic assets of D23.3 billion, an increase of 7.8 percent from end-December 2018. Total domestic credit rose to D28.4 billion or by 11.5 percent, up from D25.5 billion in December 2018. Similarly, net claims on government by the banking system picked up to D21.3 billion or by 10.7 percent compared to a contraction of 5.3 percent a year ago. The shortfall in the anticipated budget support from development partners rendered the execution of the 2018 national budget challenging. In addition, government assumed significant contingent liabilities related to state-owned enterprises (SoEs) during the year. As a result, government increased borrowing from the domestic money market to fill the financing gap and hence the 10 percent increase in net borrowing from the banking system.

Private sector credit continues to recover strongly in line with the Bank's policy of promoting healthy credit growth. Chart 14 shows that from 2014 to 2017, private sector credit growth was hampered by the government's strong appetite for private resources. The high cost financing on the back of little fiscal adjustment constrained credit expansion to the private sector. Private sector credit expanded (year-on-year) by robust 32.9 percent as at end-December 2018 compared to a growth rate of negative1.2 percent a year ago.

Chart 14: Growth in credit to government and the private sector (year-on-year percent change)

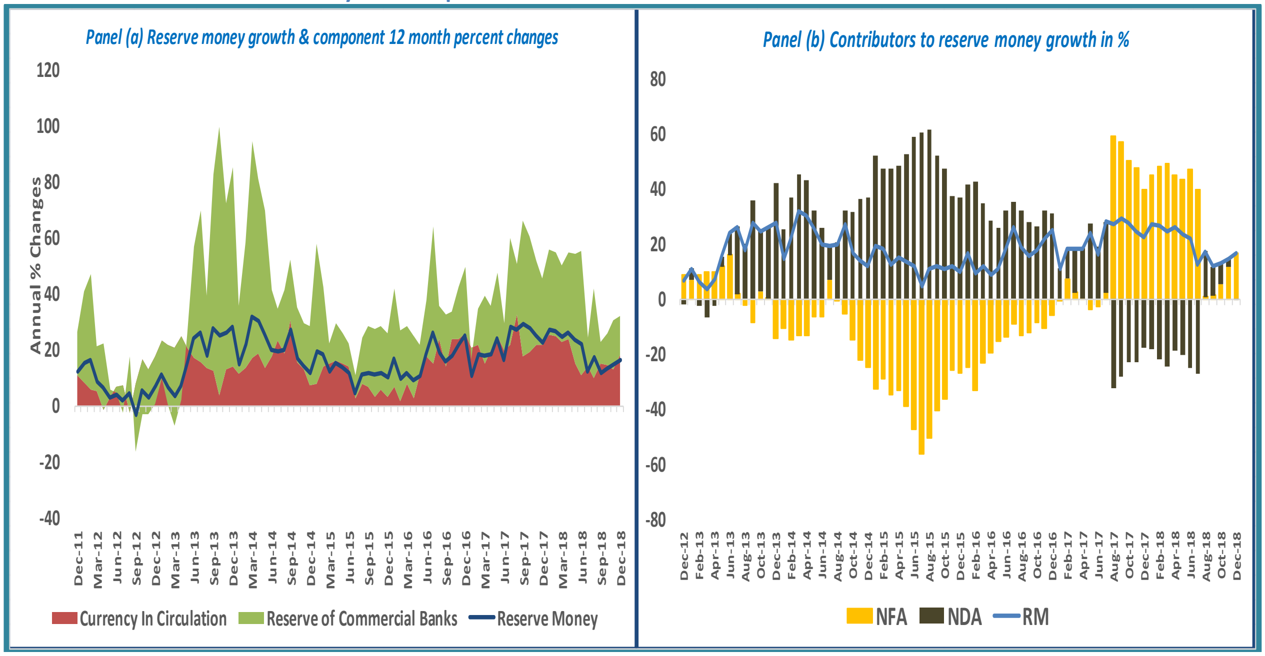


Source: CBG

3.3.2 Reserve Money

Reserve money growth slowed in 2018 in line with expectations following the decision of CBG to institute a policy of zero direct lending to government with the objective of suppressing inflationary pressures and creating room for greater financial intermediation. Reserve money grew by 16.5 percent as at end-December, 2018, lower than 22.6 percent recorded in the previous year. Of the components of reserve money, currency in circulation rose by 18.1 percent as at December 2018, lower than 21.6 percent in December 2017. Reserves of commercial banks similarly grew by 14.2 percent from a year ago. The net foreign assets of the bank was the main driver of reserve money growth due to large foreign capital inflow related to budget support and Central Bank intervention to build external reserve buffer.

Chart 15: Growth in reserve money and components



Source: CBG

The NFA of the Central Bank rose to D4.5 billion or by 62.0 percent as at end-December 2018. The net domestic assets (NDA) of the Bank contracted to D7.3 billion or by 0.6 percent from a year ago. The Bank's net claims on government, on the other hand, grew by 6.8 percent from a year ago, attributed to the decline in government deposits.

3.4 Distribution of Commercial Bank Credit to the Private Sector

Financial intermediation picked up significantly in 2018 supported by the accommodative monetary policy stance of the Bank. In the face of low money market interest rates, commercial banks significantly increased lending to the private sector including increased appetite for real estate lending. Outstanding credit by commercial banks to sectors of the economy stood at D5.5 billion as at end-December 2018, indicating a significant growth of 31.6 percent from a year ago. Credit to all sectors increased with the exception of agriculture, manufacturing, and energy which accounted for 1.6 percent, 0.1 percent, and 1.2 percent, respectively of total credit.

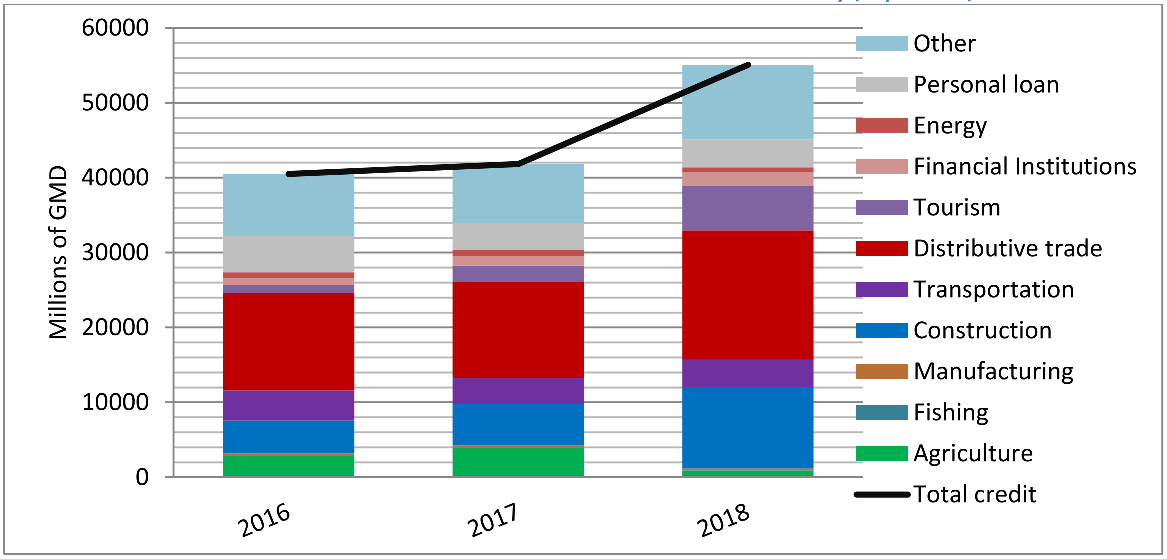
Table 5: Distribution of commercial banks credits (in millions of GMD)

	2016	2017	2018	Percent change	Percent share
Agriculture	**2899.1**	**3940.9**	**866.0**	**-78.0**	**1.6**
Production	1680.9	2623.8	702.1	-73.2	1.3
Processing	0.2	2.9	0.0	-100.0	0.0
Marketing	1218.0	1314.3	163.9	-87.5	0.3
Fishing	**4.9**	**41.1**	**72.4**	**76.1**	**0.1**
Manufacturing	**293.2**	**284.6**	**234.6**	**-17.5**	**0.4**
Construction	**4365.2**	**5541.5**	**10910.8**	**96.9**	**19.8**
Companies and corporations	4219.1	5074.2	10467.1	106.3	19.0
Individuals and partnerships	146.1	467.3	443.7	-5.1	0.8
Transportation	**4031.3**	**3430.2**	**3608.9**	**5.2**	**6.6**
Companies and corporations	4012.9	3398.4	3608.9	6.2	6.6
Individuals and partnerships	18.4	31.8	0.0	-100.0	0.0
Distributive trade	**12991.0**	**12841.9**	**17266.0**	**34.5**	**31.4**
Companies and corporations	12185.6	10919.0	16864.3	54.4	30.6
Individuals and partnerships	805.4	1922.8	401.8	-79.1	0.7
Tourism	**1090.4**	**2176.8**	**5958.2**	**173.7**	**10.8**
For premises	596.2	1196.6	4912.4	310.5	8.9
For capital equipment	64.8	68.6	0.0	-100.0	0.0
For working capital	429.4	911.6	1045.9	14.7	1.9
Financial Institutions	**944.0**	**1274.2**	**1785.3**	**40.1**	**3.2**
Energy	**761.5**	**808.3**	**662.3**	**-18.1**	**1.2**
Personal loan	**4848.9**	**3645.6**	**3740.7**	**2.6**	**6.8**
Other	**8291.2**	**7852.9**	**9946.8**	**26.7**	**18.1**
Total	**40520.6**	**41838.0**	**55052.3**	**31.6**	**100.0**

Source: CBG

Chart 16 indicates that distributive trade, the largest sector contributor to GDP, continued to be the leading recipient of commercial banks credit. As at end-December 2018, the sector attracted 31.4 percent of the outstanding credit, equivalent to D1.7 billion as at end-December 2018. This represents an increase of 34.5 percent from a year ago.

Chart 16: Distribution of commercial banks credits to various sectors of the economy (in percent)



Source: CBG

Credit to agriculture, a significant contributor to GDP and a leading employer accounted for only 1.6 percent of the total outstanding loans in 2018. Total loans to the sector stood at D86.6 million in December 2018, 78.0 percent lower than D394.1 million recorded as at end-December 2017. Agricultural production in The Gambia is challenged by numerous factors, including high frequency of droughts, low productivity, lack of access to finance, and low level of mechanization.

Stock of credit extended to the manufacturing sector contracted by 17.5 percent to D234.6 million as at end-December 2018 from D284.6 million as at end-December 2017. The sector accounted for 0.4 percent of the total credit to the private sector, lower than 0.7 percent a year ago.

Credit to the tourism sector continued to grow. Outstanding credit to the sector more than doubled to D595.8 million as at end-December 2018 from D217.7 million in the corresponding period of 2017. This reflects the strong recovery of the sector from the effect of the political impasse of 2016.

Outstanding loans and advances to the construction sector increased marked by 96.9 percent to D1.1 billion as at end-December 2018 from D0.6 billion as at end-December 2017. The sector constitutes 19.8 percent of total credit, higher than 13.2 percent a year ago. The increase in lending to the construction sector is reflective of the activity boom the sector experienced in recent years.

Commercial bank credit extended to the transportation sector rose by 5.2 percent to D360.9 million (6.6 percent of total credit), following negative growth of 14.9 percent a year ago. Stock of commercial bank credit to other financial institutions (other than banks) stood at D178.5 million (3.2 percent of total credit), 40.1 percent higher than a year ago. Personal loans and other unclassified loans increased to D374.1 million and D364.6 million or by 2.6 percent and 26.7 percent, respectively.

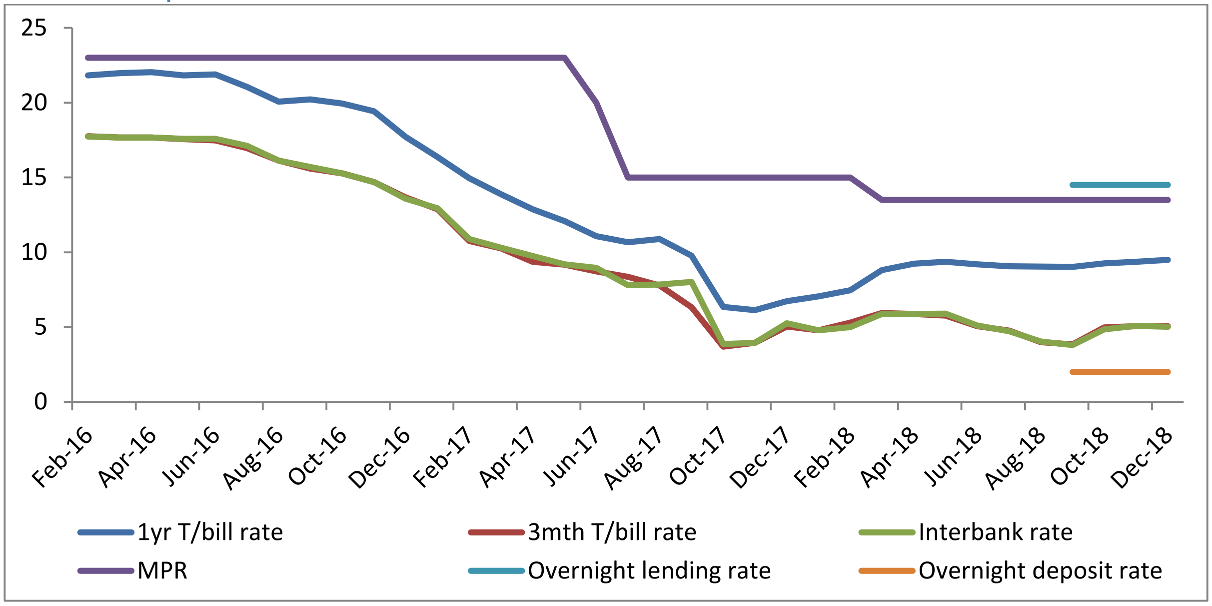
3.5 Interest Rates Developments

The favorable inflation outlook and stable exchange rate created room for the MPC to reduce the monetary policy rate (MPR) by 150 basis points in May 2018 from 15 percent to 13.5 percent where it was maintained for the remainder of the year (see Chart 11). The move to reduce the policy rate was to support recovery in private sector credit given the low inflationary environment. The MPR was reduced further by 100 basis points in February 2019 to 12.5 percent. The reduction in the monetary policy rate has translated to lower interest rates in the money market as well as for commercial banks' lending and deposit rates.

In addition, the MPC in August 2018 set the interest rate on the standing deposit facility at 2 percent per annum and the interest rate on the standing lending facility at 1 percentage points plus the MPR.

The money market interest rates increased in 2018 but remained well below the long term average. The increase in new borrowings by the government to seal the financing gap created by the shortfall in the anticipated grant disbursement accounted for the increase in interest rates on short-term government securities above the 2017 levels. The weighted average interest rates on the 91-day, 182-day, and 364-day Treasury bills, which respectively stood at 5.03 percent, 5.52 percent and 6.73 as at end-December, 2017 decreased to 5.06 percent, 7.04 percent and 6.73 percent in the corresponding period in 2018. The interbank lending rate also increased as banks generally lend to one another at the 3 months Treasury bills rate (see Chart 17).

Chart 17: Development in selected *interest rates*



Source: CBG

The minimum and maximum interest rate on savings deposits remained unchanged at 0.5 percent and 8.0 percent, respectively from December 2017. However, the minimum rate on 3-month time deposits declined from 5.0 percent at end-December 2017 to 2 percent at end-December 2018. The maximum rate on the same deposit type decreased from 16.0 percent in December 2017 to 9.0 percent in December 2018. The 6-month time deposit attracted a maximum rate of 12.0 percent in December 2018 compared to 16.1 percent in December 2017. Time deposit for a duration of 12 months attracted maximum interest rates of 16.0 percent, lower than 18.4 percent a year earlier.

As at end-December 2018, commercial banks were lending at a minimum interest rate of 12.0 percent, lower than a minimum rate of 15.0 percent a year ago. Similarly, the maximum lending rate declined from 30.0 percent to 28.0 percent during the review period.

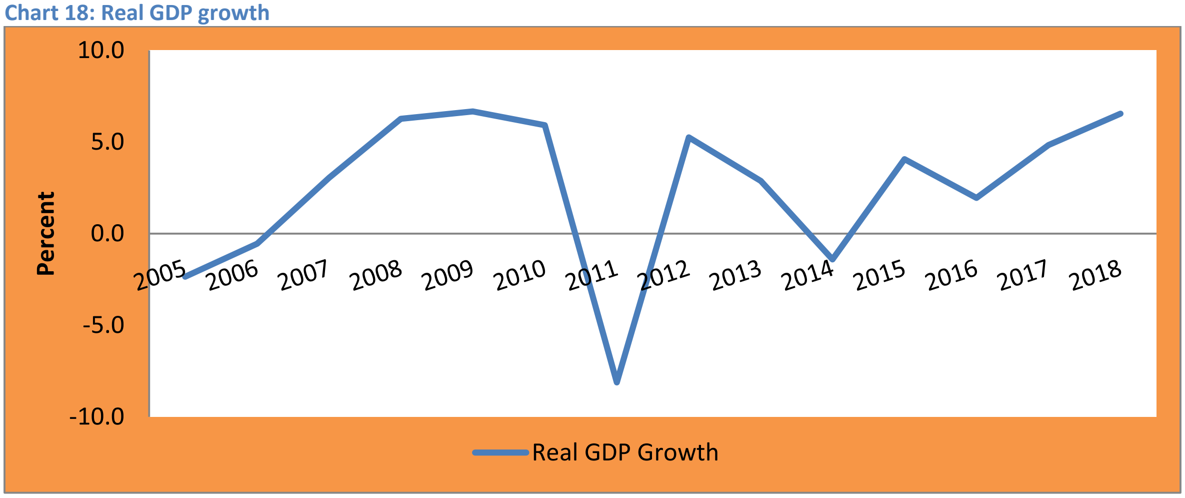
3.6 Real Sector developments

3.6.1 Real Economic Growth

The growth momentum that started in 2017 continued in 2018 and the near-term outlook is positive. The stability of the political environment and the improvement in macroeconomic management restored confidence and business optimism.

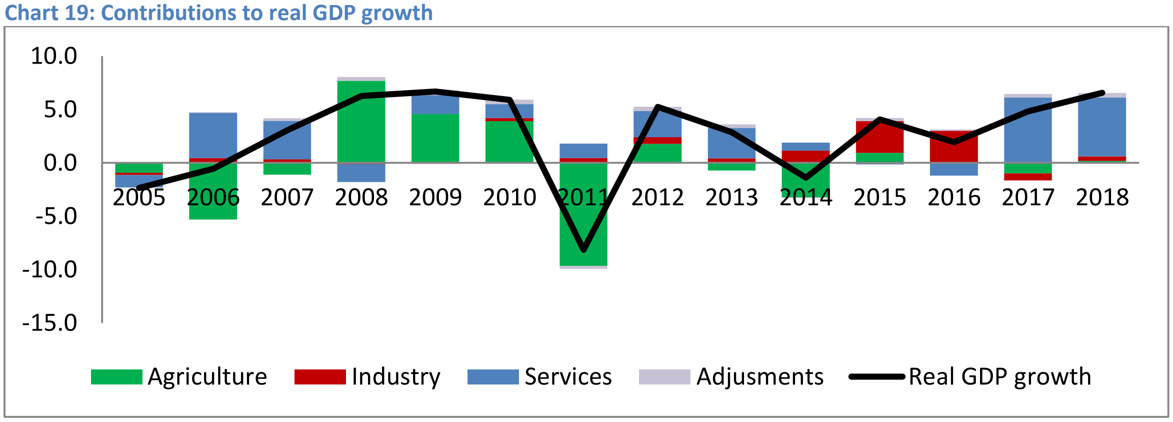
Preliminary estimates from the Gambia Bureau of Statistics (GBoS) shows that real GDP grew by robust 6.5 percent in 2018 compared to 4.8 percent in 2017. The strong economic growth was supported by increased activities in construction and services, including tourism, trade, telecommunication, and financial intermediation. The medium-term outlook is promising, predicated on continued improvement in macroeconomic management, increased investment in agriculture, and public infrastructure as enshrined in the National Development Plan (NDP). The gains registered in the energy sector are expected to be consolidated with more investment and reforms. In addition, stronger business and investor confidence associated with the outcome of the reform agenda and political stability will continue to attract foreign direct investment. However, there are risks to the outlook, including the effect of higher frequency of draughts on agriculture and the high level of public debt.

Chart 18: Real GDP growth



Source: GBOS

Chart 19: Contributions to real GDP growth

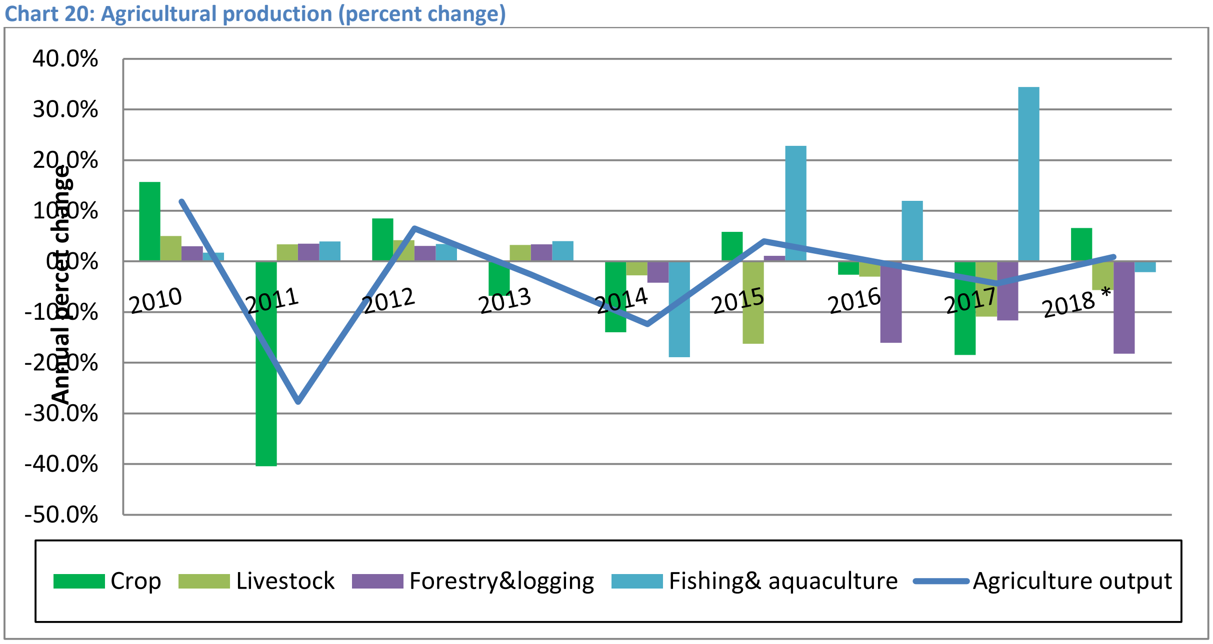


Source: GBOS and CBG staff estimates

3.6.1.1 Agricultural Sector

The agricultural sector in The Gambia is vulnerable to weather and climate-related challenges. This is because the sector is almost entirely dependent on rainfall and still characterized by smallholder land ownership and low level of mechanization. The sector is estimated to have recovered from a contraction of 4.4 percent (in real terms) to growth by 0.9 percent in 2018 (see Chart 19). Crop production grew by 6.6 percent in 2018 following a sharp contraction of 18 percent a year ago. However, livestock production, forestry and logging, and fishing and aquaculture contracted by 5.6 percent, 18.2 percent, and 2.1 percent, respectively.

Chart 20: Agricultural production (percent change)

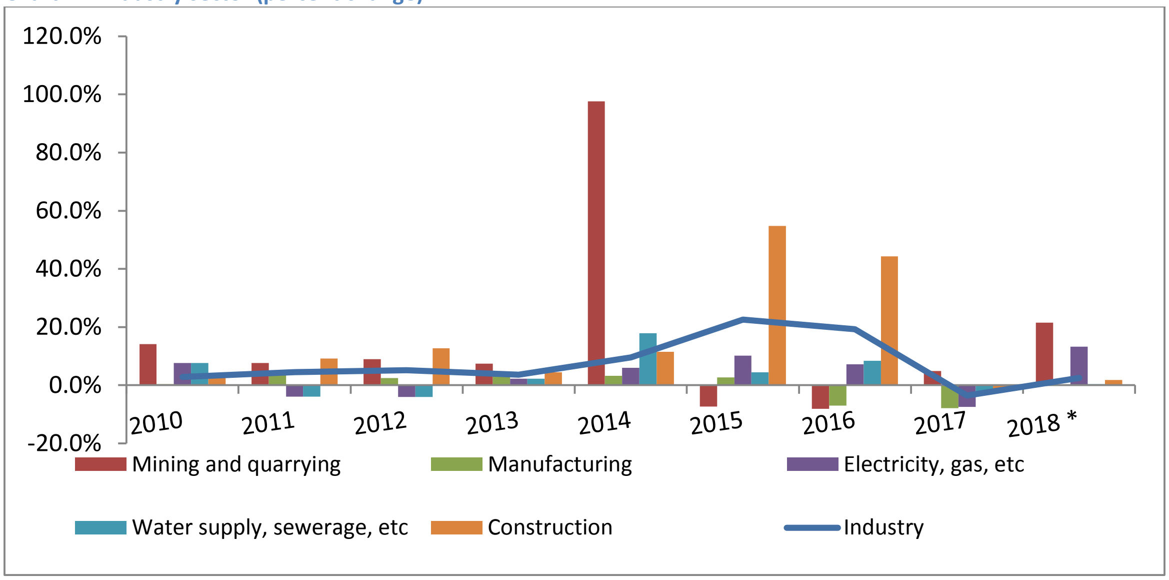


Source: GBoS and CBG staff estimates

3.6.1.2 Industry Sector

The industry sector is estimated to have grown by 2.5 percent in 2018 compared to a contraction of 3.5 percent in 2017, reflecting recovery in all the sub-sectors from the contraction in 2017. Efforts by the authorities to stabilize the energy sector and improve electricity generation are yielding benefit. The energy sub-sector recovered strongly to grow by 13.3 percent in 2018 after contracting by 7.4 percent a year ago. Mining and quarrying grew by robust 21.6 percent compared to 4.9 percent in 2017. Construction activities, on the other hand, slowed significantly after registering strong growth from 2013 to 2016. It contracted by 1.4 percent in 2017 before recovering to grow by 1.8 percent in 2018. Manufacturing, which is mainly on a small scale, grew by 0.3 percent, compared to a contraction of 7.9 percent in 2017.

Chart 21: Industry sector (percent change)

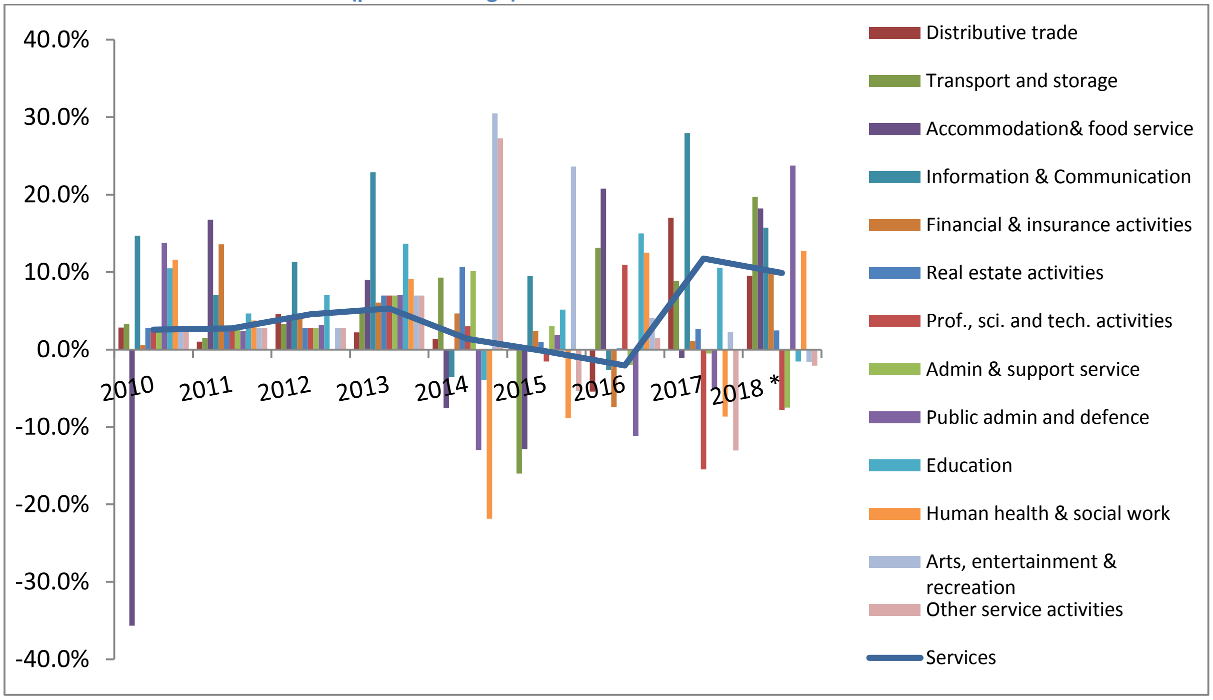


Source: GBoS and CBG staff estimates

3.6.1.3 Services Sector

The services sector remains the largest contributor to the GDP in The Gambia, supported largely by tourism and trade. The sector is estimated to have grown by 9.9 percent in 2018, lower than 11.7 percent in 2017. Financial intermediation, trade, communication activities, and hospitality have been key drivers of the sector. Wholesale and retail trade grew by 9.9 percent in 2018 compared to 17.0 percent in 2017. The lower growth rate reflects largely the base effect after contracting by 5.4 percent in 2016. Transportation, accommodation and food, communication, financial intermediation, and real estate activities expanded by 19.7 percent, 18.2 percent, 15.8 percent, 10.2 and 2.5 percent, respectively. Health and social work activities increased significantly by 12.7 percent as well as public administration by 23.8 percent. All other sub-components of the services sector contracted in 2018.

Chart 22: Chart 20: Services sector (percent change)



Source: GBoS and CBG staff estimates

Tourism Industry

Tourism has recovered strongly from the shocks related to the effect of Ebola outbreak in the sub-region in 2016 and the political impasse in 2017. The industry has attracted quite a lot of private investment in the past year. Total arrivals for the year ended 2018 increased to 203,470 tourists from 161,888 visitors in 2017 or by 25.7 percent. Britain and Scandinavia are the major source market for The Gambian tourism industry.

Chart 23: Air-chartered tourist arrivals

Source: Gambia Tourism Board and CBG staff estimates

Table 6: Monthly air-chartered tourist arrivals

	2014	2015	2016	2017	2018	2017 % change	2018 % change
January	26,144	14,457	21,789	13,278	28,305	-39.1	113.2
February	22,919	12,972	19,991	17,507	24,416	-12.4	39.5
March	21,308	13,379	17,787	16,217	23,326	-8.8	43.8
April	13,984	9,235	11,923	10,996	12,968	-7.8	17.9
May	7,516	6,455	7,032	7,641	7,501	8.7	-1.8
June	7,746	6,329	6,510	7,170	8,432	10.1	17.6
July	6,499	6,809	7,323	8,556	8,981	16.8	5.0
August	8,893	6,236	6,650	8,906	9,230	33.9	3.6
September	8,477	7,698	8,431	9,112	8,479	8.1	-6.9
October	13,926	9,466	10,837	11,385	13,309	5.1	16.9
November	20,301	18,888	19,305	22,807	27,153	18.1	19.1
December	15,527	22,636	23,549	28,313	31,370	20.2	10.8
Total tourist arrivals	173,240	134,560	161,127	161,888	203,470	0.5	25.7

Source: Gambia Tourism Board and CBG staff estimates

3.6.2 Price Developments

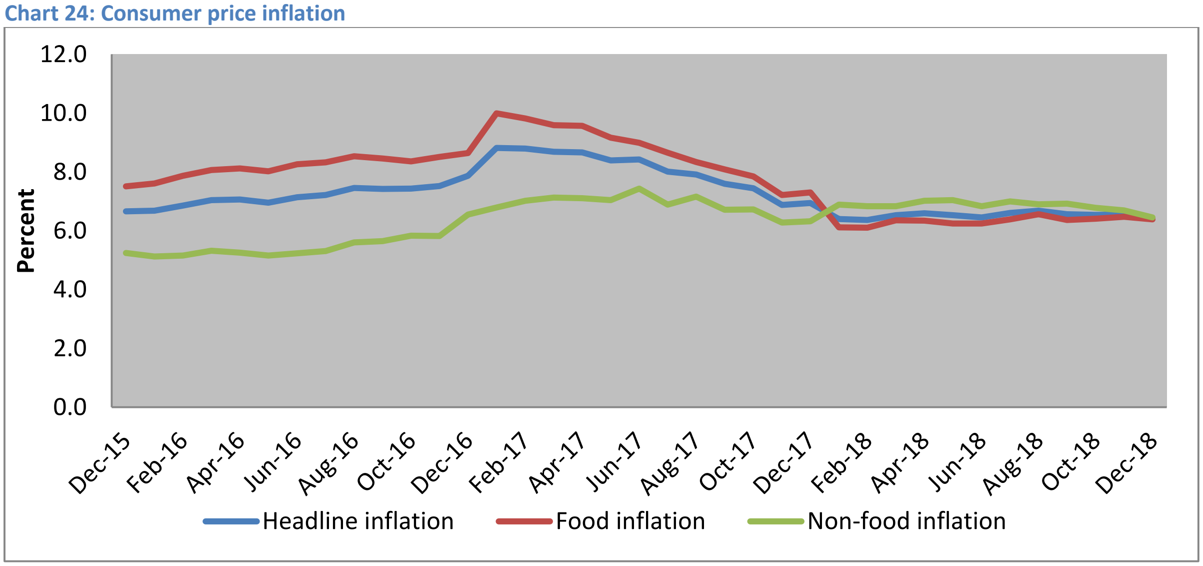
Inflationary pressures were largely contained in 2018, attributed to the relative stability of the exchange rate and moderate global food prices as well as improved monetary policy management. The Bank has been embarking on reforms to improve liquidity management and the effectiveness of monetary policy (see section 3.2). Improvement in the predictability and transparency of exchange rate and monetary policies helped increase confidence and anchored inflationary expectations. In addition, efforts to enhance monetary and policy coordination, especially the decision to halt Central Bank financing of fiscal deficit has greatly improved the effectiveness of monetary policy and liquidity management.

Inflation is projected to remain stable predicated on moderate prices of imported goods, and the stability of the exchange rate, supported by positive business and consumer sentiments, and well-anchored inflation expectations. The medium-term outlook is further deceleration towards the 5.0 percent target. However, the potential risks to inflation outlook include domestic food supply conditions and the uncertainty surrounding the direction of fiscal policy. External factors that represent downside risks to inflation include the uncertainty in commodity prices, especially oil, and the effect of stronger U.S. dollar and monetary policy normalization in advance economies.

3.6.2.1 Headline Inflation

Data from the Gambia Bureau of Statistics (GBoS) shows that headline inflation, measured as the year-on-year change in the National Consumer Price Index (NCPI) decelerated from 6.9 percent in December 2017 to 6.4 percent in December 2018. This level of inflation is still higher than the Central Bank's medium-term target of 5 percent. The outlook for 2019, however, is a further deceleration closer to the target, predicated on the continued pursuance of prudent monetary policy, supported by improved fiscal policy.

Chart 24: Consumer price inflation

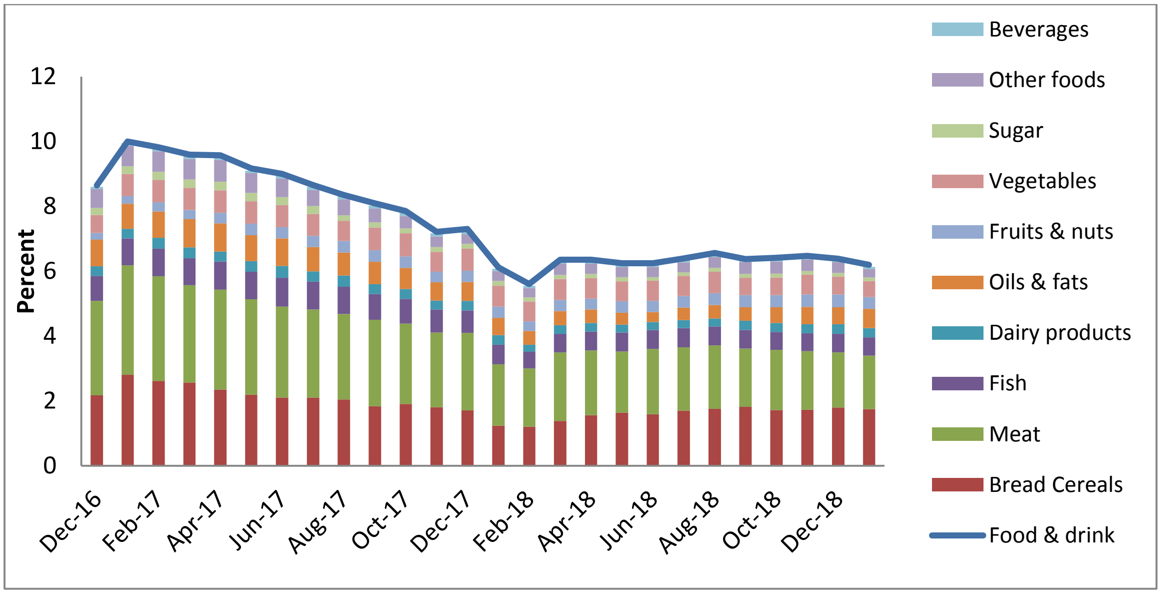


Source: GBoS and CBG staff estimates

3.6.2.2 Consumer Food Inflation

Consumer food inflation decelerated to 6.4 percent in December 2018 from 7.3 percent in December 2017, mirroring relative exchange rate stability and lower global food prices. Given that the high import content of the food basket, the relative stability of the exchange rate and the moderate global food prices are important determinants of the direction of food inflation in The Gambia. However, domestic food production continues to be affected by the high frequency of droughts, pest infestation and lack of investment in agriculture.

Chart 25: Contribution to food inflation



Source: GBoS and CBG staff estimates

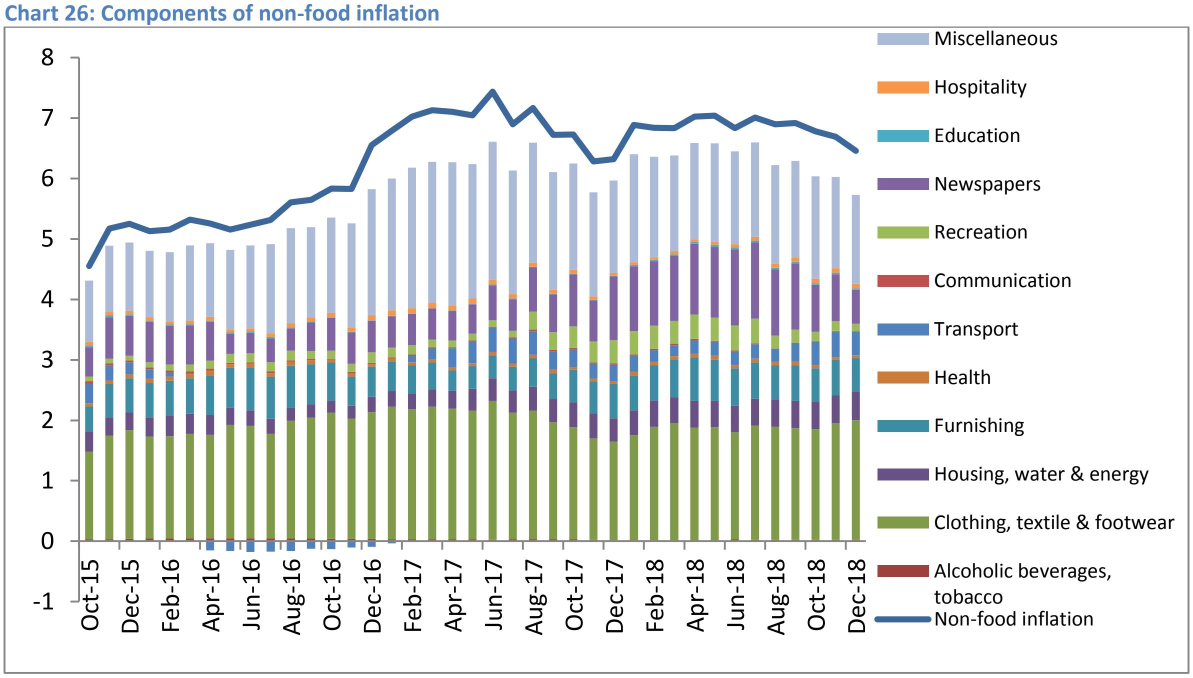
All sub-components of food inflation with the exception of Bread Cereal, Fruits and Nuts and Other Food Products declined during the period. Bread Cereal sub-component which accounts for about 23 percent of the food basket, accelerated from 7.3 percent in December 2017 to 7.7 percent in December 2018. Fruits and Nuts, and Other Food Products increased from 4.5 percent to 5.0 percent during the period under review. All other sub-components of food inflation decelerated, including Meat which accounts for 24 percent of the food basket. Meat price inflation decelerated from 9.8 percent in December 2017 to 7.0 in the corresponding period in 2018. Other sub-components including "Fish", "Milk, Cheese and Eggs, Oils and Fats", "Vegetables, Root Crops and Tubers", and "Sugar, Jam and Honey" declined from 10.0 percent, 7.0 percent, 5.7

percent, 5.1 percent and 3.3 percent in December 2017 to 8.4 percent, 6.7 percent, 5.1 percent, 4.2 percent, and 2.6 percent in December 2018, respectively. Non-alcoholic beverages also decline from 3.4 percent to 2.7 percent during the period under review.

3.6.2.3 Non-food inflation

Non-food inflation, on the other hand, accelerated to 6.5 percent in December 2018 from 6.3 percent in the corresponding period of 2017. The rise in non-food inflation was mainly on account of the increase in the prices of Hotels, Cafés and Restaurants, which increased to 9.5 percent in December 2018 from 6.4 percent a year ago. Consumer inflation of Housing, Water, Electricity, Gas and Other Fuels' increased during the review period to 6.4 percent from 5.1 percent a year ago. Clothing, Textiles and Footwear increased to 8.0 percent from 6.6 percent. The prices of transportation and health increased from 2.8 percent and 1.7 percent to 4.1 and 1.9 percent respectively. In contrast, newspapers, books, and stationeries declined to 3.6 percent in December 2018 from 6.7 percent a year earlier.

Chart 26: Components of non-food inflation



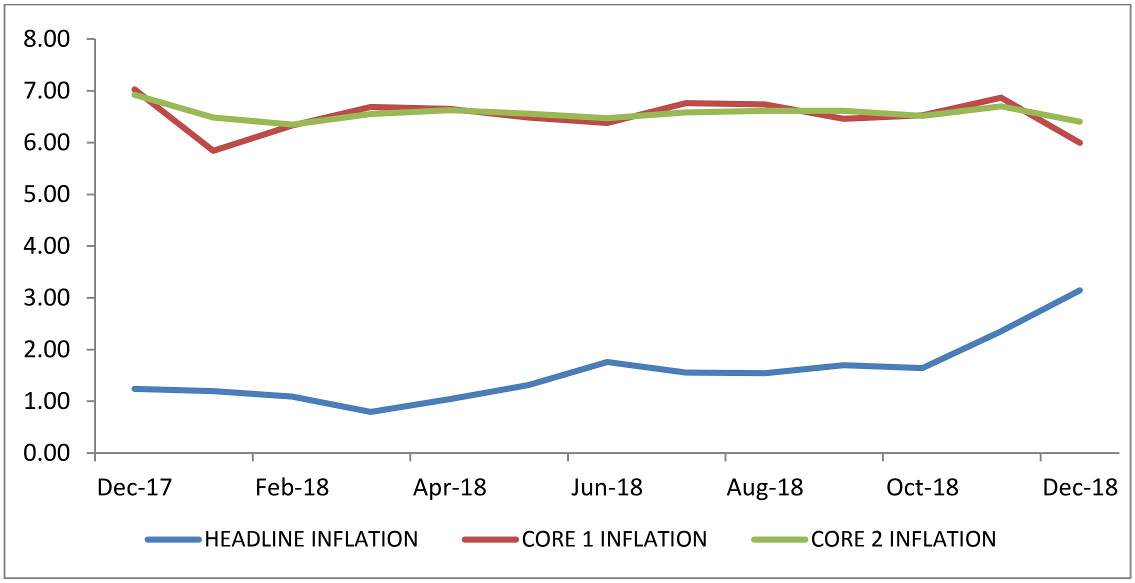
Source: GBoS and CBG staff estimates

3.6.2.4 Core inflation

All measures of core inflation declined in December 2018, indicating the easing of underlying inflationary pressures. Core-1 measure of inflation which excludes the price effects of energy and utility items in the CPI basket declined to 6.25 percent at end-

December 2018 from 7.03 percent in the same period of 2017. Similarly, core-2 inflation, which further strips out prices of volatile food items, decelerated to 6.42 percent in the review period from 6.92 percent a year ago.

Chart 27: Both core measures of inflation declined



Source: GBoS and CBG staff estimates

3.7 Government Fiscal Operations

3.7.1 Fiscal policy

Fiscal policy in 2018 was largely expansionary. The execution of the 2018 budget was affected by the marked decline in the disbursement of grants. The implementation challenges related to the structural benchmarks under the Staff Monitored Program (SMP) agreed with the IMF resulted in delays in the anticipated budget support from development partners. In addition, although domestic revenue increased compared to 2017, it was significantly lower than projected. As a result, expenditure pressures mounted during the year, the budget deficit (including grants) widened and borrowing increased.

The 2019 budget is anchored on limiting the net domestic borrowing to 1.3 percent of GDP by controlling domestic borrowing. However, the overall fiscal deficit is projected to increase to D3.4 billion (4.3 percent of GDP) from D0.9 billion (1.3 percent of GDP) budgeted in 2018. Revenue performance is projected to increase markedly by 28 percent in 2019 through a number of tax measures. However, total expenditure is projected to increase at a faster pace (38.4 percent), mainly in the form of current expenditure, due largely to the government policy to increase salaries of civil servants by 50 percent.

3.7.2 Analysis of Fiscal Operations in2018

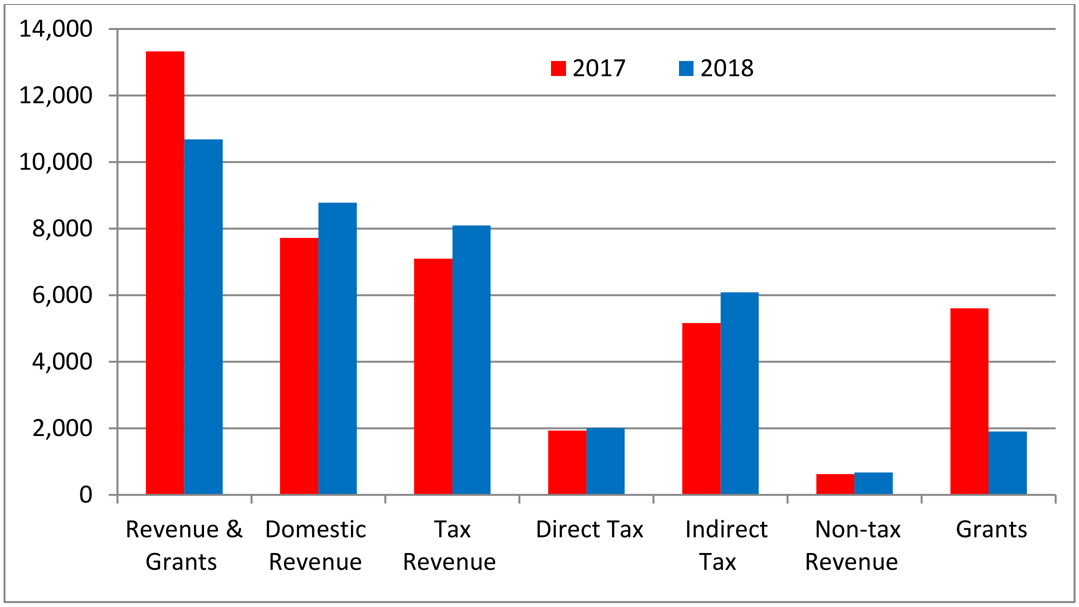
3.7.3 Revenue Performance

Total revenue and grants mobilized in 2018 amounted to D10.7 billion (13.6 percent of GDP), a decline of 19.5 percent compared to the outturn of D13.3 billion (19.0 percent of GDP) in 2017, due largely to the significant drop in grants, by 66.0 percent.

Domestic revenue (total revenue excluding grants) increased by 13.7 percent to D8.8 billion (11.2 percent of GDP) in 2018 compared to D7.7 billion (11.0 percent of GDP) in 2017. Total tax revenue for the year increased by 14.2 percent to D8.1 billion (10.3 percent of GDP) from D7.1 billion (10.1 percent of GDP) in 2017. Revenue generated from direct taxes rose to D2.0 billion or by 4.2 percent compared to the 2017 outturn, driven by improvement in personal and corporate taxes. Personal and corporate taxes increased to D785.5 million and D1.1 billion or by 1.9 percent and 7.5 percent, respectively.

Indirect taxes in 2018 increased to D6.1 billion, higher than the 2017 outturn by 17.9 percent. Of the components of indirect taxes, domestic taxes on goods and services amounted to D2.1 billion and Value Added Tax (VAT) totaled D1.1 billion. Taxes on international trade rose by 14.5 percent to D4.0 billion in the review period.

Chart 28: Government receipts (in millions of GMD)



Source: MOFEA and CBG staff estimates

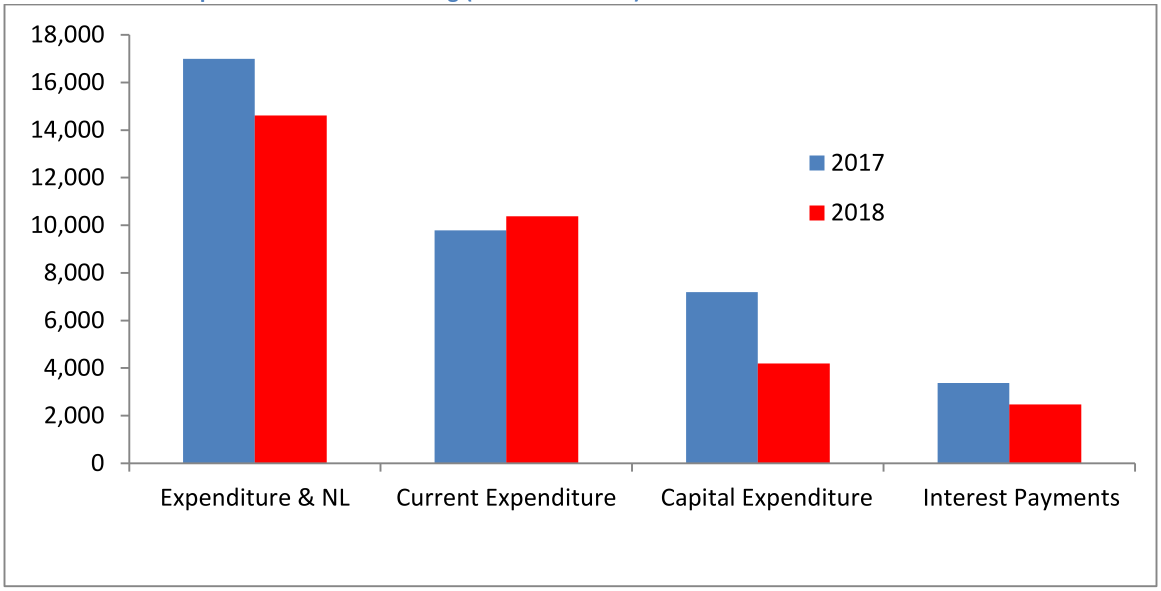
Furthermore, non-tax revenue rose by 8.4 percent to D676.4 million. With the exception of receipts from Gateway Proceeds for telecommunication, all the other components of non-tax revenue increased compared to the outturn for 2017. Total grants disbursed, in the form of project and program grants, totaled D1.9 billion compared to D5.6 billion a year ago, representing a decrease of 66.0 percent.

3.7.4 Expenditure and Net Lending

Expenditure and net lending for the year ended 2018 decreased to D14.6 billion (18.6 percent of GDP) or by 14.0 percent, compared to D17.0 billion (24.2 percent of GDP) in 2017. The decline in expenditure and net lending was due to the marked drop in capital expenditure which is largely from externally funded sources.

Recurrent expenditure, on the other hand, increased by 6.1 percent to D10.4 billion (13.2 percent of GDP) in 2018 compared to D9.8 billion (14.0 percent of GDP) registered a year ago. The increase was on account of the increase in other charges (goods and services, and subsidies and transfers) by 21.9 percent.

Chart 29: Annual expenditure and net lending (millions of GMD)

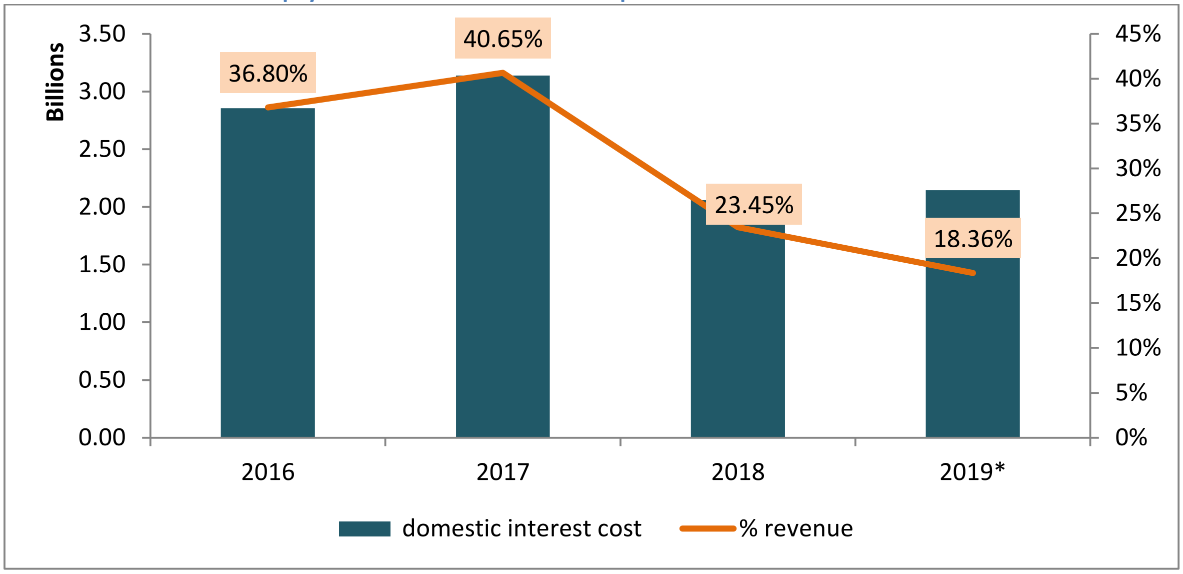


Source: MOFEA and CBG staff estimates

Overall interest payments decreased by 26.7 percent due mainly to the 34.5 percent decline in domestic interest payments. Domestic interest expense for 2018 was D2.06 billion (23.45 percent of domestic revenue) relative to D3.14 billion (40.65 percent of revenue) in 2017. The decline in interest payments is attributed to the lower interest rates in the domestic money market. Chart 28 illustrates the marked decline in domestic interest payments in 2018 and the projected increase in 2019. External interest payments, on the other hand, increased markedly by 73.9 percent to D419.6 million in 2018 from D241.2 million in 2017.

Capital expenditure decreased significantly to D4.2 billion (5.3 percent of GDP) or by 41.6 percent in 2018, from D7.2 billion (15.2 percent of GDP) in 2017. The decline in development expenditure was mainly attributed to the 45.4 percent decline in grants. Public infrastructure development in The Gambia depends largely on external financing.

Chart 30: Domestic interest payments in millions of GMD and percent of revenue

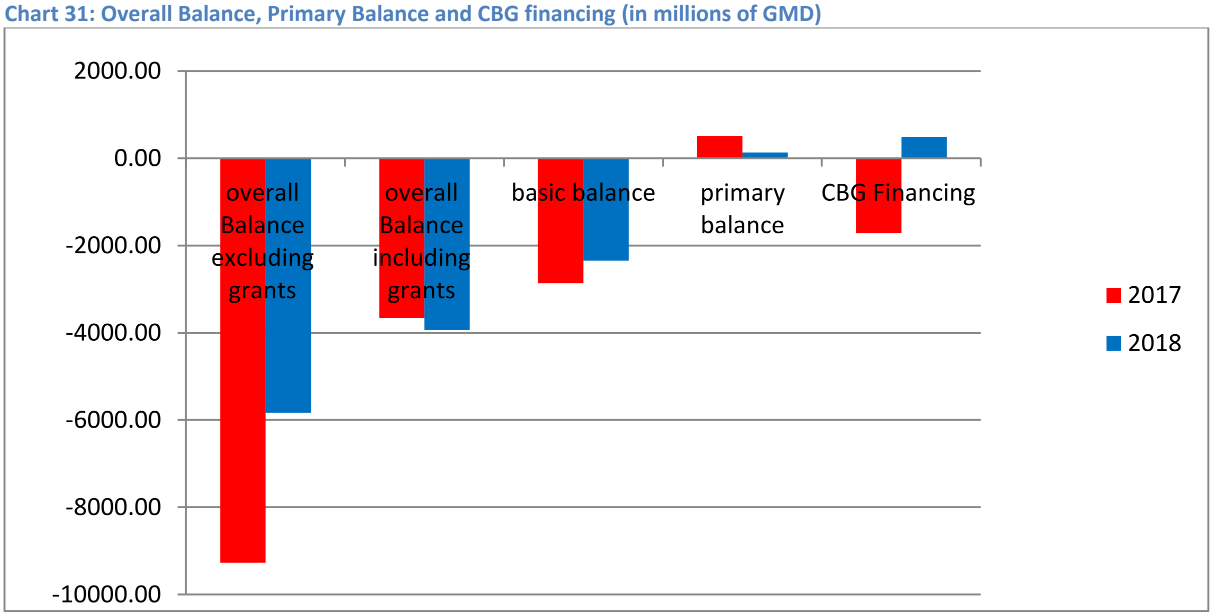


Source: MoFEA and CBG staff estimates

3.7.5 Budget Balance

The overall deficit (including grants) widened to D3.9 billion (5.0 percent of GDP) compared to a deficit of D3.7 billion (5.3 percent of GDP) in 2017. The increase in the deficit was partly due to the 19.8 percent decline in revenue and grants. However, government expenditure and net lending fell by 14 percent compared to 2017.

Chart 31: Overall Balance, Primary Balance and CBG financing (in millions of GMD)



Source: MOFEA and CBG staff estimates

Similarly, the primary balance worsened from a surplus of D0.5 billion (0.7 percent of GDP) in 2017 to a surplus of D0.1 billion (0.2 percent of GDP) during the period under review. The sharp decline in the primary balance is explained by the significant drop in external financing by 45.4 percent.

The deficit in basic balance, on the other hand, improved from a deficit of D2.9 billion (3.0 percent of GDP) in 2017 to a deficit D2.3 billion (4.1 percent of GDP) in 2018. This was mainly attributed to an increase in domestic revenue by 13.7 percent.

3.8 Public Debt

The lower-than-expected grant disbursements and the shortfall in domestic revenue affected the execution of the 2018 budget. This created a financing gap which was sourced from the domestic money market. In addition, government during the year increased guarantees to the State-Owned Enterprises, including the energy sector. As a result, the total public and publicly guaranteed (PPG) debt stock as at end-December 2018 stood at D67.1 billion (US$1.36 billion), of which external debt constituted 53.4 percent and domestic debt accounted for the remaining 46.5 percent. The rebasing of the GDP significantly improved the public debt-to-GDP ratio from 130 percent of GDP to 88 percent in 2017. As at end-December 2018, the ratio declined further to 87.0 percent. Present value (PV) of debt to GDP ratio also decreased from 106 percent to 73.1 percent during the period under review.

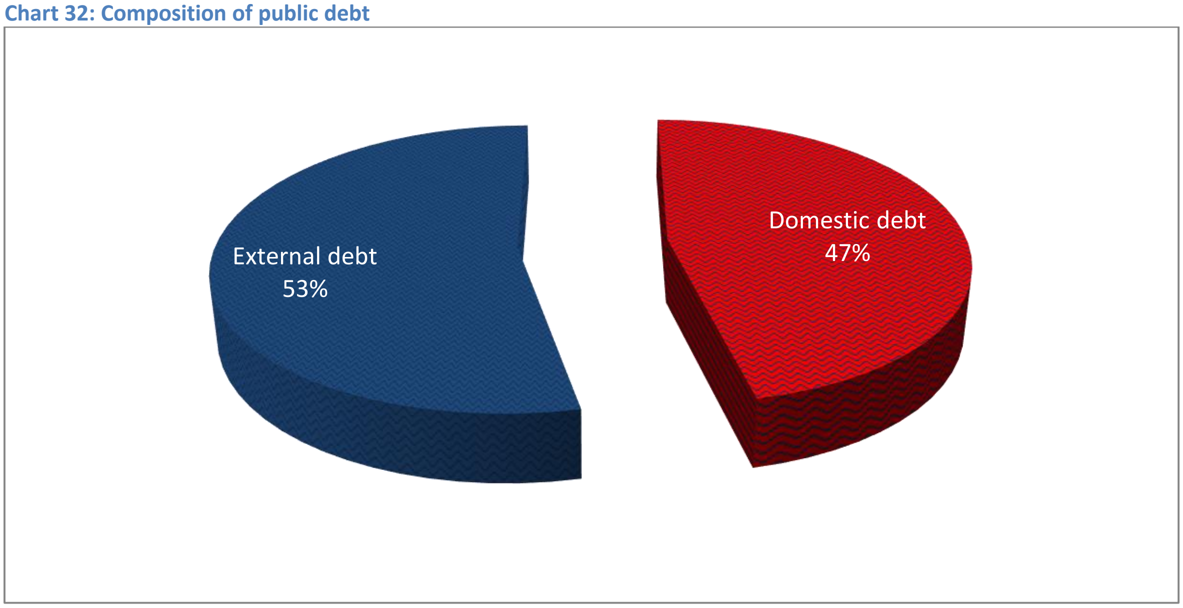
Total debt service payment for 2018 amounted to D3.9 billion, lower than D4.3 billion a year ago. The decline is as a result of the lower interest cost on domestic debt due to the fall in interest rates in the money market. External debt service payment, on the other hand, increased compared to a year ago. Total debt service as a percentage of total domestic revenue also decreased from 55.0 percent in 2017 to 44.7 percent in 2018, representing 10.3 percentage points reduction.

The latest release of the debt sustainability analysis report by the Ministry of Finance and Economic Affairs (MoFEA) and the IMF concluded that the Gambia's current level of public debt remains unsustainable. In this regard, public debt management has been a macroeconomic policy priority for the government in recent years. To offer a strategic direction of Government's intent in this regard, a Medium Term Debt Management

Strategy (MTDS) for 2019-2022 has been developed. The strategy is to minimize domestic borrowing, lengthen the maturity of domestic debt and negotiate with external creditors for possible external debt rescheduling. The strategy also encompasses limiting external financing by sticking to only highly concessional external loans and only for the purpose of financing essential projects. Reforms are also ongoing to place fiscal policy on a sustainable footing, including strengthening public finance management and improving the efficiency of state-owned enterprises (SOEs) to minimize the incurrence of contingent liabilities. Furthermore, efforts are continuing to enhance domestic revenue mobilization by improving efficiency in tax collection and administration so as to reduce dependence on borrowing.

In 2018, the government in collaboration with Central bank introduced longer-dated instruments, including a 3-year and 5-year bonds in the domestic debt market. The aim is to elongate the maturity profile of the domestic debt so as to minimize rollover risk. In addition, domestic debt instruments were successfully separated from monetary policy tools.

Chart 32: Composition of public debt



Source: MOFEA and CBG staff estimates

Table 7: Structure of Gambia's public debt

	Domestic debt	External debt	Public debt
Debt stock (in millions of GMD)	31,227.0	35,874.5	67,101.5
Debt stock (in millions of USD)	631.3	725.3	1,356.6
Nominal debt as % GDP	39.7	45.6	87.0
PV as % of GDP	39.7	33.5	73.1

Source: MOFEA and CBG staff estimates

3.8.1 External debt

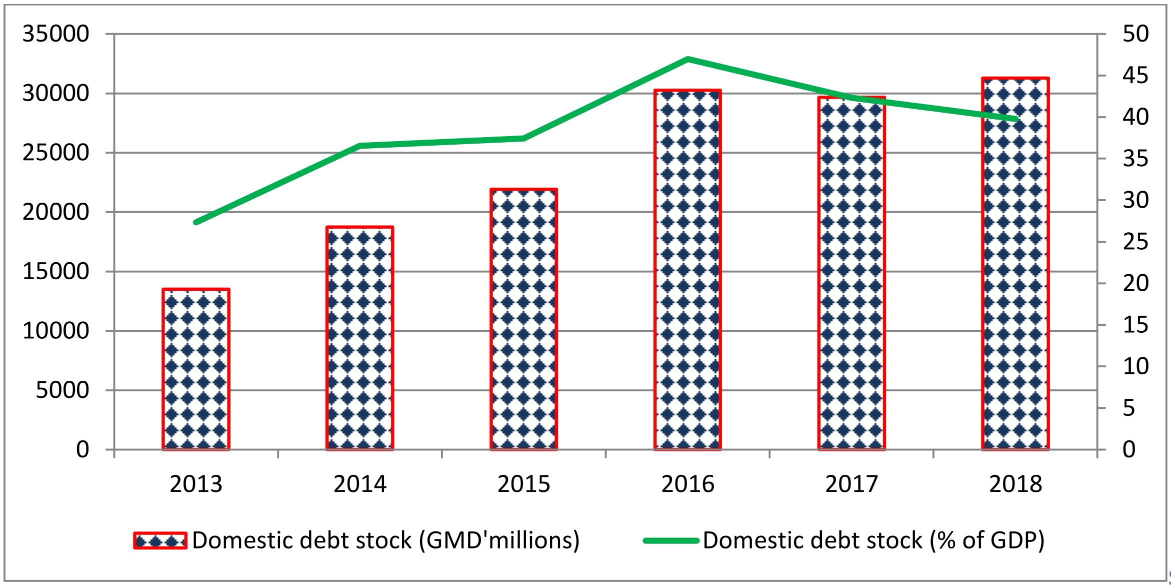
Total external debt stock stood at US$725.3 million equivalent to D35.87 billion in 2018 compared to US$638.5 million in 2017, representing an increase of 13 percent. The nominal external debt stock expressed as a proportion of GDP increased from 40.7 percent in 2017 to 45.6 percent in 2018. External debt stock mainly comprises concessional loans from multilateral creditors, which accounted for 66 percent of the total external debt portfolio, and bilateral creditors, which accounted for the remaining 34 percent of the portfolio.

External debt service payment for 2018 amounted to D1.9 billion (US$37.6 million). Principal payment amounted to D1.4 billion (US$29.18 million), representing 77 percent of the total external debt service payment, and the remaining D419.5 million (US$8.48 million) was interest payments, which represent 23 percent.

3.8.2 Domestic debt

The stock of outstanding domestic debt rose to D31.2 billion in 2018 from D29.7 billion in 2017, representing a growth of 5.2 percent. However, domestic debt stock expressed as a ratio of GDP declined from 42.3 percent in 2018 to 39.8 percent in 2018. Treasury bills and Sukuk- Al Salaam accounted for 53.0 percent and 2.7 percent, respectively of the domestic debt stock in 2018. Treasury bills grew by 13.2 percent while Sukuk-Al Salaam fell by 0.7 percent from 2017.

Chart 33: Evolution of domestic debt



Source: CBG

Table 8: Composition of domestic debt

	2016	2017	2018		
	Stock	**Stock**	**Stock**	**Percent change**	**Percent Share**
Treasury Bills	17,133.50	14,604.90	16,538.60	13.2	53
Sukuk-Al-Salam Bills	757.7	852	846.1	-0.7	2.7
12 percent 3-Year Gov't Bond	0	1,403.70	1,403.70	0	4.5
10 percent 3-year Gov't Bond	0	0	131.5	-	0.4
8 percent 3-year Gov't. Bond	0	283	283	0	0.9
8 percent 3-year Gov't. discount bond	0	420	518.5	23.5	1.7
10 percent 5-year Gov't.Bond	0	120	120	0	0.4
5 percent 30-year Gov't Bond	10,779.20	10,419.90	10,060.60	-3.4	32.2
12 percent 7-year NAWEC bond	1,574.60	1,566.00	1,325.10	-15.4	4.2
Total domestic debt	**30,245.00**	**29,669.50**	**31,227.00**	**5.2**	**100**

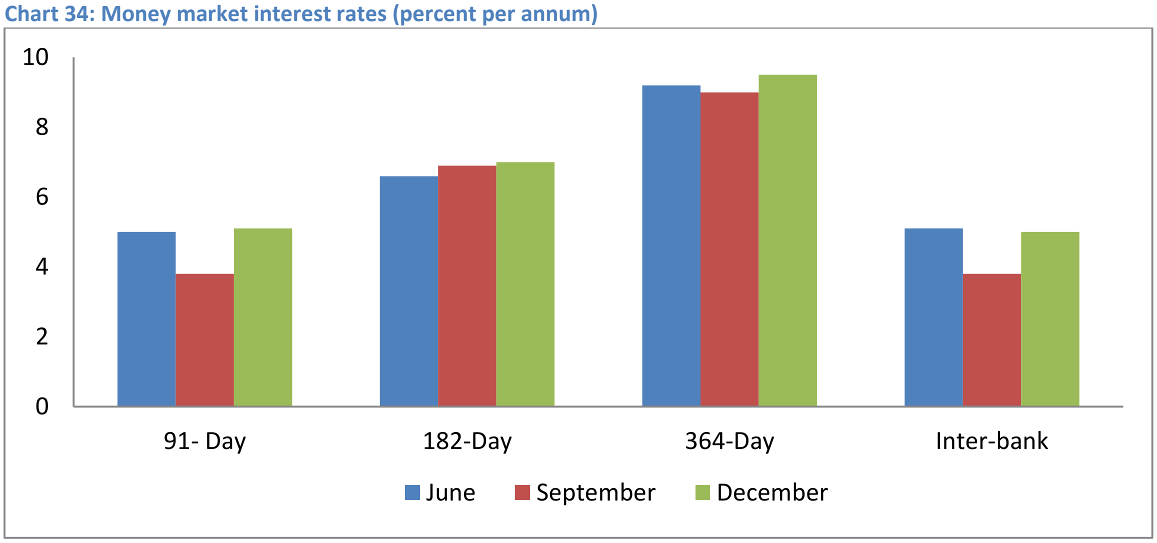
Source: CBG

3.8.3 Security Yields

The yield on 91-day treasury bills dropped from an average of 5.0 percent in June 2018, to 3.8 percent in September 2018 before increasing to an average of 5.1 percent in December 2018. The 182-day yields also increased from an average of 6.6 percent in June 2018 to 6.9 percent in September 2018 then further increased to 7.0 percent in

December 2018. The yield on 364-day treasury bills declined slightly from an average of 9.2 percent in June 2018 to 9.0 percent in September 2018, it, however, increased to an average of 9.5 percent in December 2018. The inter-bank rate also declined from a monthly average of 5.1 percent in June 2018 to an average of 3.8 percent in September 2018 and edged up to 5.0 percent in December 2018.

Chart 34: Money market interest rates (percent per annum)



Source: CBG

3.9 External Sector Developments

The external position of the Gambian economy has improved in the past year, thanks to the rebound in confidence and assistance of development partners. The overall balance of payments remained in surplus, supported by the rebound in tourism, official transfers related to donor disbursements for project and budget support, and increases in private remittances and foreign direct investment. These positive developments aided the continued expansion in gross official reserves.

3.9.1 Balance of payments

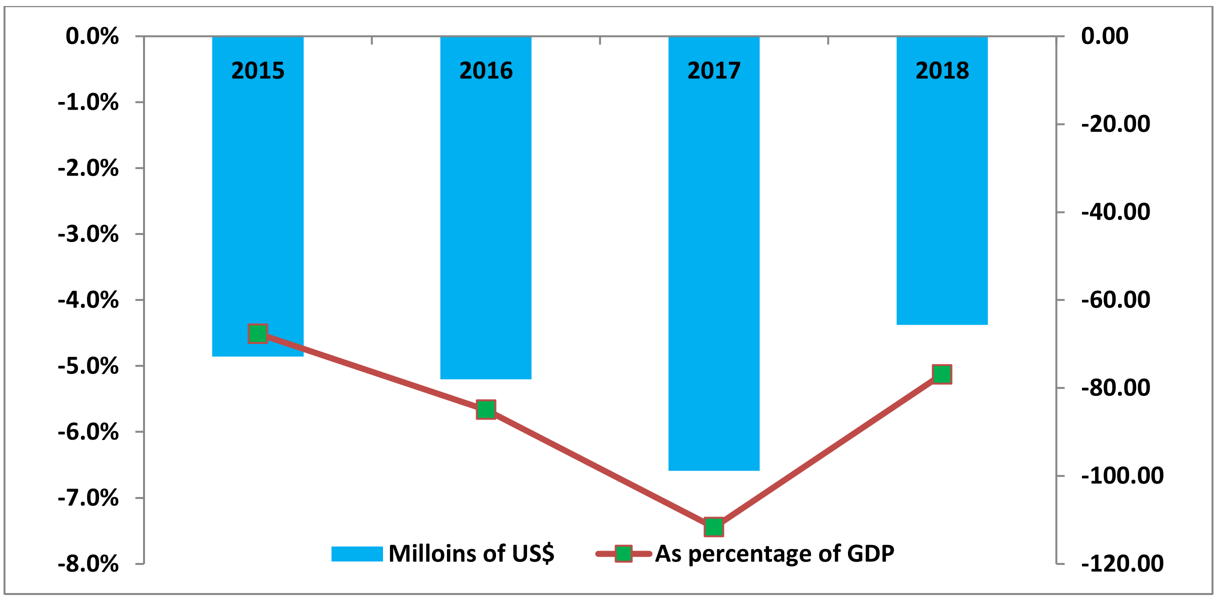
Preliminary balance of payments estimates for the year ended 2018 indicated an overall balance of payments surplus of US$22.8 million, lower than US$90.3. million in 2017, due mainly to the higher level of donor disbursements for project and budget support in 2017.

3.9.1.1 Current Account

The current account balance improved despite the marked increase in imports to finance the rise in economic activity. The current account balance narrowed to a deficit of US$69.7 million (4.3 percent of GDP) in the review period from a deficit of US$98.81

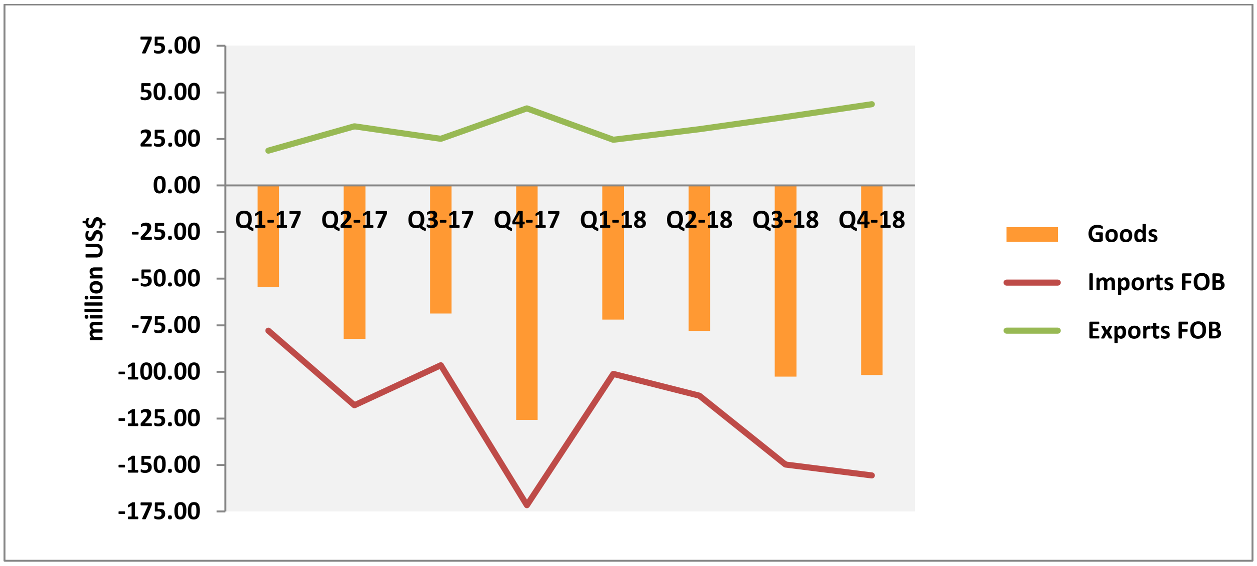
million (7.2 percent of GDP) in the corresponding period of 2017, due to improvement in the services account. However, the good account balance deteriorated to a deficit of US$354.4 million (22.0 percent of GDP) in 2018 compared to a deficit of US$331.2 million (21.5 percent of GDP) in 2017. Imports (FOB) rose to US$519.4 million or by 11.9 percent in 2018 from US$464.1 million in 2017. Major imported items during the year include oil and petroleum products, cement products and other construction-related materials. Exports (FOB) also increased to US$135.3 million or by 15.5 percent in the twelve months of 2018 from US$117.1 million in the corresponding period of 2017.

Chart 35: The current account balance



Source: CBG

Chart 36: Merchandise trade balance



Source: GBoS and CBG staff estimates

The services account balance surged to US$106.9 million or by 73.7 percent in the twelve months of 2018 from US$61.6 million in the same period a year ago, on the back of an increase in personal travel, which rose to US$150.93 million or by 14.81 percent relative to US$131.5 million in 2017. This reflects 14.6 percent growth in air-chattered tourist arrivals during the year.

Current transfers, mainly workers' remittances (net) over the review period amounted to US$182.4 million compared to a net inflow of US$153.6 million in the same period of 2017, representing an increase of 18.8 percent.

3.9.1.2 Capital and Financial Account

The capital and financial account balance improved markedly to a surplus of US$59.1 million in 2018 from a surplus of US$8.5 million a year ago, mainly on account of improvements in the financial account. The financial account improved to a surplus of US$31.2 million and was driven mainly by the increase in foreign direct investment which rose to US$28.8 million from a surplus of US$17.7 million a year ago. Other investments and change in reserve assets, which are components of financial account registered lower surpluses of US$20.9 million and US$18.5 million in from US$35.1 million and US$90.7 million, respectively a year ago.

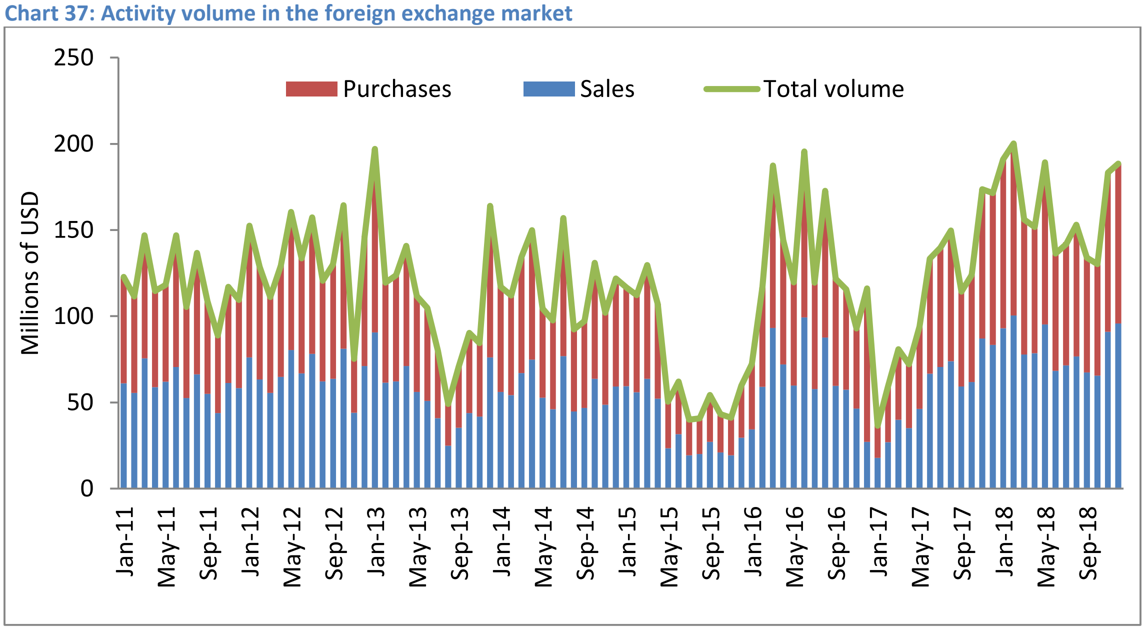
3.9.2 Foreign Exchange Developments

The domestic foreign exchange market has stabilized, supported by improved foreign exchange liquidity conditions and confidence. This neat performance of the external sector coupled with the return of market confidence and the improved transparency in the exchange rate policy are major contributing factors to the stability of the exchange rate of the dalasi. Volume of transactions in the foreign market measured by aggregate purchases and sales of foreign currency in the year to end-December 2018 increased to US$1.96 billion from US$1.35 billion in the corresponding period a year earlier.

Purchase of foreign currency, indicating supply, increased from US$679.6 million in 2017 to US$975.7 million in 2018, representing an increase of 43.6 percent. Improved private remittance inflows, rebound in tourism, growth in foreign direct investment flows, and project disbursements are contributing factors to the improvement in supply conditions in the market.

The Bank kept its intervention on the domestic foreign exchange market to build external reserves. In 20118, the Bank's purchases of foreign currencies amounted to US$31.2 million.

Chart 37: Activity volume in the foreign exchange market

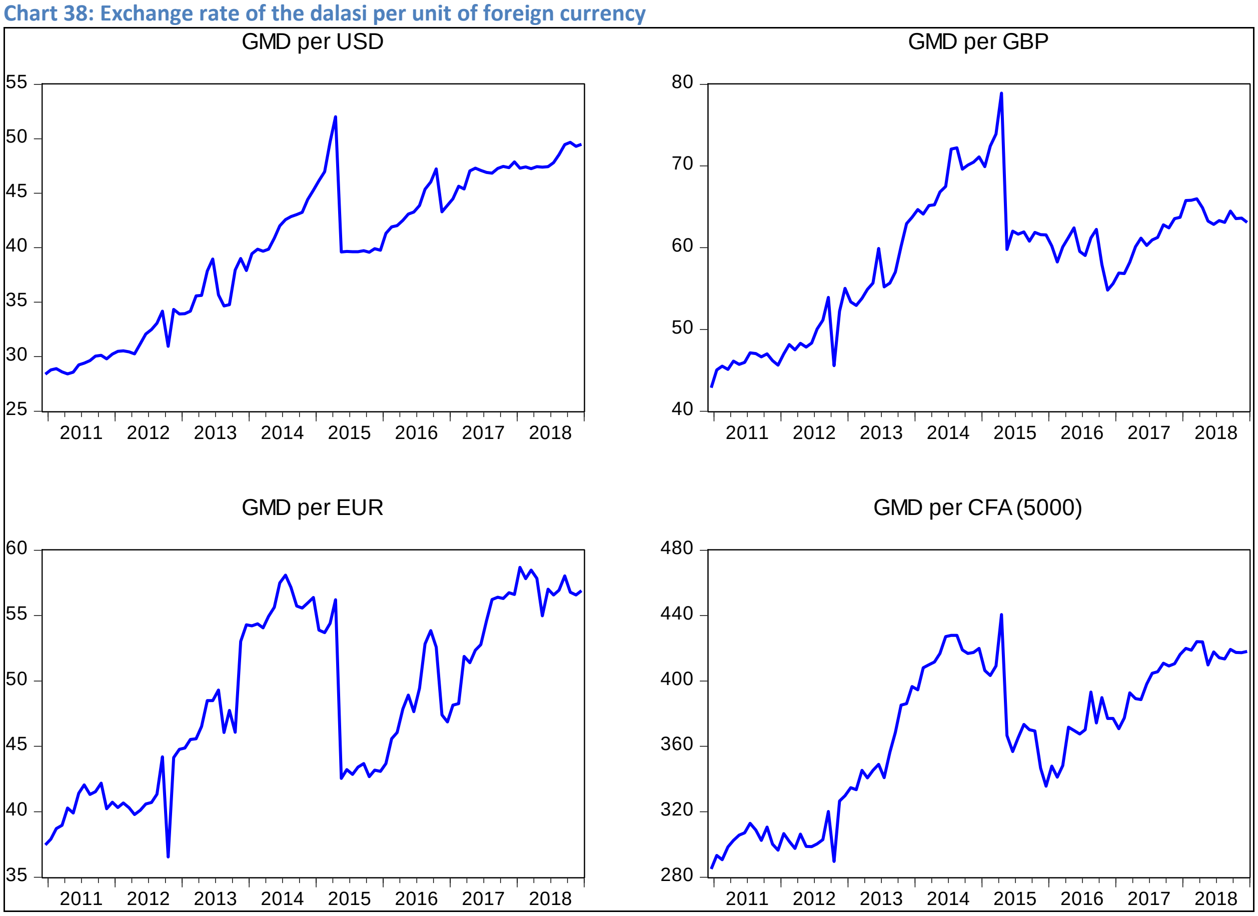


Source: CBG

During the year, demand pressures emanated mainly from the energy sector, import of basic commodities, government external debt payments, and maintenance of embassies abroad. As a result, sales of foreign currency, indicating demand, rose to D975.7 million or by 46.7 percent in the year to end-December 2018 compared to D669.1 million in the corresponding period a year ago.

The exchange rate of the dalasi remained broadly stable and the volatility in the market had eased. From January to December 2018, the dalasi depreciated against the U.S. dollar by 4.6 percent but appreciated against the British pound sterling by 4.0 percent, CFA by 0.4 percent and euro by 3.0 percent. The relative stability of the dalasi during the period under review signifies the improvement in the overall macroeconomic management, political stability, and return of confidence.

Chart 38: Exchange rate of the dalasi per unit of foreign currency



Source: CBG

4 DEVELOPMENTS IN BANK AND NON-BANK FINANCIAL INSTITUTIONS

4.1 Overview of the financial system

The financial system in The Gambia is composed of banks and non-bank financial institutions, the insurance sector, and foreign exchange bureaus. The system is dominated by banks which hold over 85 percent of total assets of the financial sector. The financial system is regulated by the Central Bank of The Gambia.

As at end-December 2018, 12 banks were operating in The Gambia, of which three were domestically owned, and the remaining eight were foreign-owned subsidiaries with parents mostly headquartered in Nigeria. One of the banks is an Islamic bank. The banking sector comprised a network of 87 branches across the country and operated a total of 69 Automated Teller Machines (ATMs). The banking landscape is relatively concentrated, with the three largest banks accounted for over 53.8 percent of the industry's assets as at end-December 2018.

The insurance industry in The Gambia as at end-December 2018 comprised of 11 insurance companies, 10 brokerage firms, and 130 insurance agents. The three main categories of insurance companies are General, Life, and Takaful (Islamic) insurance. Five of the eleven (11) insurers are 100 percent locally owned and control 49 percent of the total assets of the industry. The remaining six (6) have mixed ownership and control 51 percent of industry assets. The industry is regulated by the Central Bank of The Gambia.

Microfinance institutions in the Gambia comprise three main categories namely: Finance Companies, Credit unions, and Village Saving and Credit Associations (VISACAs). As at end-December 2018, there were three Finance Companies, 68 Credit Union and financial cooperatives and 14 VISACAs. There are a total of 112 branches across the length and breadth of the country targeting mainly low-income section of the population.

As at end-December 2018, there were 97 licensed foreign exchange bureaus with 452 branches operating in all the seven administrative regions of the country. All the FX Bureaus are locally owned as stipulated in the Guidelines. These institutions are mainly engaged in buying and selling of foreign currency as well as local and international money transfer activities. About six big bureaus have developed their own local money transfer platform that has considerably enhanced money transfer activities to the most remote catchments in the country. During the year, total activity volume in the domestic foreign exchange market was $1.96 billion, of which bureaus accounted for 20.58 percent ($0.40 billion). This compares favorably with $0.28 Billion recorded a year earlier.

4.2 The Banking Sector

There are twelve banks one of which is an Islamic Bank (AGIB Bank). Eight of our banks are foreign-owned with parents mostly headquartered in Nigeria. Two of the foreign-owned banks plus an indigenous bank are the large banks accounting for 53.8 percent of total assets and the remaining eight banks control 46.2 percent of the assets. At the end of the reporting period, there were 87 branches spread across all six regions of the Gambia.

Despite the drop in total interest income by 20.4 percent, total profit after taxes in 2018 was D706.57 million, an increase of D145.36 million or 25.9 percent from a year ago. This is as a result of the 19.0 percent or D234.84 million increase in non-interest income and the 4.5 percent (D103.39 million) drop in overheads. Total interest expenses also dropped by D343.21 million or by 44.8 percent from December 2017.

4.2.1 Assets and liabilities

Total assets of the banking industry expanded to D43.6 billion or by 15.4 percent as at end-December 2018 from D37.8 billion in the corresponding period a year ago. The increase in assets was due to the growth in almost all asset components. In the year to end-December 2018, treasury bills and loans and advances representing 29.4 percent and 12.7 percent of total assets grew by 13.5 percent and 32.8 percent, respectively. Government increased borrowing from commercial banks to close the financing gap created by the shortfall in anticipated grant disbursement. As at end-December 2018, stock of commercial bank investment in government papers increased by 7.3 percent to stand at D15.8 billion. Investment in long term government bonds contracted to D2.4 billion or by 17.0 percent and accounted for 5.5 percent of total assets. Trade financing in the form of guarantees and letters of credit and other off-balance sheet items grew by 14.6 percent or D958.99 million whiles cash and cash equivalents increased by 27.6 percent or D2.06 billion from end-December 2017 to end-December 2018.

The capital and reserve of banks stood at D5.9 billion as at end December 2018, higher than D5.2 billion in the previous year. Long-term borrowing increased to D437.7 million or by 0.2 percent from a year ago. Unclassified borrowings, on the other hand, contracted markedly by 52.6 percent to D115.3 million as at end-December 2018 from D243.4 million in the prior year. Other liabilities decreased by 11.3 percent to D2.5 billion during the period under review.

Deposit liabilities have been the largest source of funding for banks. As at end-December 31, 2018, total deposits stood at D27.2 billion and accounted for 62.3 percent of total liabilities. The private sector drives the increase in deposits, accounting for 85.91 percent (D23.35 billion) of total deposits.

Table 9: Summary of assets of commercial banks

	2015		2016		2017		2018	
	GMD 'millions	Annual % change	GMD 'millions	Annual % change	GMD 'millions	Annual % change	GMD 'millions	Annual % change
Cash-in-hand	1,299.1	47.1	769.2	-40.79	1361.8	77	2,057.6	51.2
Balances due from other banks	5,281.7	8.91	5,764.8	9.15	7,028		9,508.8	27.6
Cheque & other items in transit	45.7	41.9	73.2	60.31	93	27	91.4	-1.7
Government sector investment	11,793.2	15.83	15,439.0	30.91	15,136	-1.96	15,786.2	7.3
Investment account securities (private sector)	1,274.0	37.58	350.5	-72.49	357	1.95	16,153.6	-7.2
Bills purchased and discounted	111.3	443.53	0.1	-99.91	62	61,825	0.0	-100
Loans and advances	4,691.5	-9.22	4,156.9	-11.4	3,890	-6.41	5,367.7	38
Fixed assets	1,742.1	22.84	1,921.2	10.28	1,912	-0.49	1,916.9	0.3
Acceptance endorsement and guarantees	2, 217.3	-40.39	3,145.1	41.84	6,582	109.29	7,541.4	14.6
Other assets	793.2	-21.27	861.9	8.67	1,407	63.25	989.6	-29.7
Total assets	**29,249.2**	**3.7**	**32,481.9**	**11.05**	**37,830**	**16.46**	**43,627.0**	**15.3**

Source: CBG

Table 10: Summary of liabilities of commercial banks

	2015		2016		2017		2018	
	GMD 'millions	Annual % change	GMD 'millions	Annual % change	GMD 'millions	Annual % change	GMD 'millions	Annual % change
Capital& reserves	4,481.9	14.07	4,747.6	5.9	5,217.5	9.9	5,852.3	12.2
Long term borrowing	197.1	-32.53	225.5	14.37	436.9	93.78	437.7	0.2
Balance due to other banks	70.7	-	67.5	-4.61	104.3	54.63	17.9	-82.8
Deposit	16,537.9	-1.9	18,533.8	12.07	22,440.0	21.08	27,176.3	21.1
Other borrowings	2,390.1	75.2	2,278.4	-4.67	243.4	-89.32	115.3	-52.6
Acceptance, endorsement & guarantee	2,217.3	-40.39	3,145.1	41.84	6,582.4	109.29	7,541.4	14.6
Other liabilities	3,354.0	64.04	3,612.8	7.71	2,804.0	-22.39	2,486.0	-11.3
Total liabilities	**29,249.2**	**3.7**	**32,610.6**	**11.49**	**37,828.6**	**16**	**43,627.0**	**15.3**

Source: CBG

4.2.2 FINANCIAL SOUNDNESS INDICATORS

4.2.2.1 Capital Adequacy Ratio (CAR)

Banks in The Gambia remain well-capitalized. All the twelve (12) banks have capital and reserves higher than the minimum statutory requirement of D200.00 million. The risk-weighted capital adequacy ratio stood at 31.7 percent as at end-December 2018, a slight drop from 33.7 percent at end-December 2017, but higher than the 10 percent minimum requirement. The drop in capital adequacy is attributed to the rapid expansion of risk-weighted assets, of which loans and advances carry 100 percent risk weight.

4.2.2.2 Asset Quality

Significant steps towards a near zero non-performing loans ratio were recorded. The banking system due to robust risk management, regulatory sanctions/queries for inadequate provisioning, have reduced non-performing loans to D174.65 million from D306.06 million and D248.25 million at end-December 2017 and end-September 2018, respectively. Non-performing loans as a ratio of total loans declined to 3.3 percent from 7.2 percent and 4.7 percent at end-December 2017 and end-September 2018, respectively.

Newly classified loans represent 1.3 percent or D2.32 million, whiles sub-standard, doubtful, loss category, and restructured credit accounts for 26.1 percent or D45.52 million, 12.4 percent or D21.66 million, 47.6 percent or D83.14 million and 12.6 percent or D22.02 million respectively of the non-performing loans.

4.2.2.3 Earning and Profitability

The banking sector remains profitable despite the decline in interest rates. In the year to end-December 2018, total profit (after tax) of the banking industry amounted to D706.6 million, representing an increase of 25.9 percent or D145.4 million compared to D561.2 million as at end-December 2017. Income from Treasury bills was D1.01 billion equivalent to 28.1 percent of total interest income. Income from loans and advances stood at D802.4 million or 22.3 percent of total income. Non-interest income (fees and charges as well as foreign exchange related income) totaled D1.47 billion or 40.9 percent of total income.

Return on assets (ROA) and return on equity (ROE) were respectively 1.6 percent and 11.3 percent at end-December 2018, an improvement from 1.5 percent and 11.1 percent at end-December 2017 and 1.3 percent and 9.8 percent at end-September 2018.

4.2.2.4 Liquidity

The banking sector continued to be highly liquid. Liquid assets of banks as a ratio of total assets stood at 57.4 percent as at end-December 2018, 4.6 percentage points higher than the 52.9 percent recorded at end-December 2017. Total liquid assets as a proportion of total deposits stood at 94.8 percent, higher than 92.9 percent at end-December 2017. Investment in Treasury bills totaled D12.8 billion, equivalent to 51.22 percent of the stock of liquid assets, while cash and cash equivalents (cash at hand, and cash balances with other banks locally and abroad) stood at D12.28 billion or 48.88 percent of the stock of liquid assets.

Deposits at D27.18 billion in December 2018 remained the single largest source of funding for banks, growing by 21.1 percent from end-December 2017. Loan to deposit ratio stood at 20.4 percent at end-December 2018 compared to 19.9 percent recorded at end-September 2018.

4.2.3 Financial Infrastructure Development

4.2.3.1 International financial reporting Standard (IFRS)

A directive was issued to all banks to submit their respective IFRS implementation road maps and impact assessments. These were done and now being monitored by the CBG over time. Moreover, all banks are reporting on the IFRS format on their financials and staff of the Financial Supervision Department are been trained on IFRS.

4.2.3.2 Credit Reference Bureau

The credit reference bureau which sits on the V-RegCoss platform continues to run satisfactorily after experiencing technical hitches last year that created back-log of data to be inputted. Efforts are being made to automate the inputting of data which is more efficient than the manual method.

4.2.3.3 Collateral Registry

The Collateral Registry is up and running and individual and institutions are coming to register their collaterals, especially banks and microfinance institutions. The significance of the collateral registry is to expedite the realization of collateral. Movable properties such as computers and motor vehicles can be used by people to access credit from commercial banks.

4.2.3.4 Risk Based Supervision

The Financial Supervision Department (FSD) acquired approval from the management of the Bank to implement risk-based offsite supervision (RBS) in September 2017. Currently, all the offsite analyses are done using RBS. The FSD have completed four joint onsite examinations with its counterpart at the Central Bank of Nigeria (CBN) last year using risk-based supervision. The collaboration between the two supervisory authorities is part of the regional initiative to promote financial stability within the sub-region through cross-border supervision.

4.2.3.5 Financial Integrity

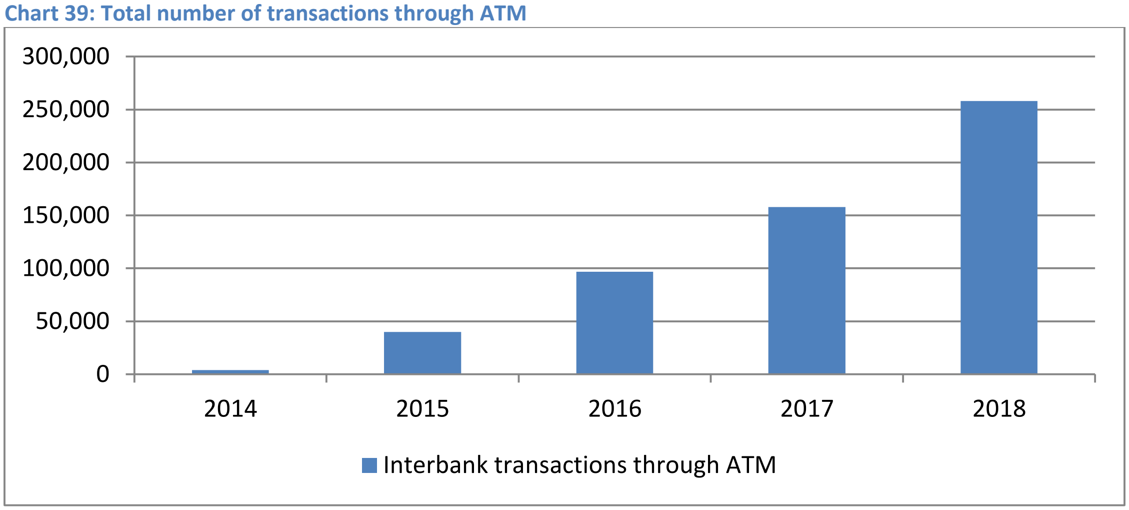
The Central Bank of The Gambia continues to take steps to strengthen its Anti Money Laundering and Counter Terrorism Financing (AML/CFT) regulatory framework. A national risk assessment is being conducted that will assist the country to test the strength of the current money laundering and terrorism financing (ML/TF) regime, identify weaknesses and develop suitable safeguards to mitigate the risk identified.

The independent Gambia financial Intelligent Unit (GFIU) has been fully operational outside the Central Bank of the Gambia. A memorandum of understanding was signed between the GFIU and Financial Supervision Department (FSD) of the Central Bank of The Gambia to conduct joint on-site examinations on banks.

4.2.3.6 GAMSWITCH

All the twelve (12) banks are now connected to the national switch, Gamswitch, and the system is up and running smoothly. The volume of transactions through ATM has increased exponentially since 2014 (see Chart 37).

Chart 39: Total number of transactions through ATM



Source: CBG

4.2.3.7 Mobile Money

The mobile money service in The Gambia is provided by the two largest GSM companies in the country, namely Africell and Qcell. Africell (Africell Mobile Money) and Qcell (Qodoo Mobile Money Financial Services) were issued a license in 2012 and 2016, respectively. The customer base has since been increasing.

4.2.3.8 Capital Market Development

The Central Bank of the Gambia in collaboration with the Ministry of Finance & Economic Affairs (MoFEA) has received funding from the African Development Bank under the Inclusive Growth Promotion Institutional Support Project (IGPISP) for the development of a capital market in The Gambia. The IGPISP funding includes contracting the services of an international firm to assist in the establishment of a capital market. The process is being finalized and the project will commence operation soon.

4.2.3.9 Deposit Insurance

The establishment of a deposit insurance scheme in the CBG was approved by the Finance Ministry in 2014. A taskforce was established which considers the best way to establish a vibrant deposit insurance scheme and works are being done towards its implementation.

4.3 Non-Bank Financial Institutions

4.3.1 Insurance Industry

4.3.1.1 Overview

The industry comprises 11 insurers, 10 brokers and about 130 agents. The three main categories of insurance companies in The Gambia are General, Life (2) and Takaful (Islamic) insurance. Nine (9) of the insurance companies including a Takaful/Islamic operator underwrite general business (non-life business) only, and two (2) are wholly life insurers. The industry is regulated and governed by the Insurance Act 2003, Insurance Regulations 2005, and the Insurance Amendment Act 2006 which caters for the operation of Takaful or Islamic Insurance.

In terms of ownership structure, five of the eleven (11) insurers are 100 percent locally owned and control 49 percent (D302.5million) of the industry assets. The remaining six (6) that account for 51 percent (D317.3 million) of the total assets of the industry have mixed ownership. Of this amount, local ownership constitutes 33.4 percent (D105.9 million) and foreign ownership is 66.3 percent (D210.4million).

4.3.1.2 Performance of the Insurance Industry

Total assets of the industry expanded by 19 percent to stand at D620 million as at end-December 2018 from D519 million a year earlier. Current assets totaled D403 million and accounted for 65 percent of total assets. Financial investments such as treasury bills and fixed deposits represented 54 percent and 29 percent of total current assets and total assets, respectively.

Total liabilities dropped by 4 percent to D227 million as at end-December 2018 from D236 million in the corresponding period a year ago. Consequently, net assets of the industry increased to D393 million or by 39 percent at end-December 2018 compared to D283 million a year ago.

Table 11: Summary Balance sheet of the insurance industry

	Dec-18	Dec-18	Percent change
	D'000	D'000	
Total Fixed Assets	228,633	216,479	-5.3
Total Current Assets	290,669	403,308	38.8
Total Assets	519,302	619,787	19.4
Financial Investments	158,630	249,003	57
Total Current Liabilities	176,317	220,180	24.9
Total Noncurrent Liabilities	59,634	78,323	31.3
Total Liabilities	235,951	227,099	-3.8
Net Current Assets	54,718	183,128	234.7
Net Assets (Shareholders' funds)	283,351	392,688	38.6
Paid-up Capital	180,641	186,056	3

Source: CBG

Non-life insurance constituted D490.1 million or 79 percent of total assets of the industry and Life insurance accounted for D129.7 million or 21 percent of industry assets. The life sector recorded significant improvements over the past three years with an average growth rate of 18.3 percent per year from 2016-2018. Takaful (Gambia) Limited, the only Islamic insurer in the industry registered significant growth in past years to become the market leader in terms of both premium income generation and profitability. It also incurred about 48 percent of the claims in 2018.

Total industry gross premium income increased by 37 percent to D364 million at end-December 2018 from D265 million a year earlier. Written premium (gross premium less sales tax and refunds) also rose by 31 percent to D341million from D261million during the period under review.

Premiums ceded to reinsurers jumped by 100 percent from D29 million at end-December 2017 to D58 million at end-December 2018. There is no reinsurance company in The Gambia although some major reinsurance companies are counterparties to players in the local market.

Consequently, the industry's risk exposure in terms of retained premium increased by 23 percent to D283 million from D231 million, resulting in a 74 percent rise in the total industry claims payout of D122 million in 2018 from D70 million in 2017. About D58.49 million or 18 percent of the retained premiums was ceded to reinsurers.

Table 12: Summary income statement of the insurance industry

	Dec-18	Dec-18	Percent change
	D'000	D'000	
Premium Income	264,568	364,383	37.7
Refunds	340	4,170	1126.5
Written Premium	260,544	341,218	31
Reinsured Premium	29,278	58,464	99.7
Retained Premium	231,266	282,754	22.3
Claims	69,924	122,465	75.1
Surplus Premium	123,064	153,619	24.8
Expenses	131,315	142,298	8.4
Underwriting Profit(Loss)	-4,630	69,802	1607.6
Pre-tax Profit(Loss)	24,672	65,905	167.1
Post-tax Profit(Loss)	18,074	57,803	219.8

Source: CBG

Table 13: Performance ratios of the insurance industry

	Dec-18	Dec-18
Net Returns on Assets (ROA)	3.50%	9.30%
Net Returns on Equity (ROE)	6.40%	14.70%
Claims Ratio (Claims/WP)	26.80%	39.90%
Expense Ratio (Exp./WP)	50.40%	41.70%
Combine Ratio (CR+ER)	77.20%	80.60%

Source: CBG

Expenses increased by 6 percent from D134 million to D142 million during the period under review. There was, however, a positive underwriting performance of D57 million as at end-

December 2018. This represents a 217 percent increase from D18 million a year earlier. This performance can largely be attributed to the 37 percent increase in gross premium, and a low 6 percent increase in the overheads from D134 million to D142 million in December 2017 and December 2018, respectively.

The Gambia has an insurance penetration rate of about 0.51 percent. An insurance penetration rate indicates the level of development of the insurance sector in a country and is defined as the total written premiums as a share (percent) of a country's gross domestic product (GDP).

4.3.1.3 Review of the Insurance Legislation

The insurance legislation is under review with support (Technical Assistance) from the African Development Bank (AfDB). This review is substantially anchored to the International Association of Insurance Supervisors (IAIS) Core Principles of risk-based insurance supervision. Some key features of this review include provisions relating to the establishment of:

- an Independent Insurance Commission;
- Fire services maintenance fund;
- Motor compensation fund;
- Insurance of commercial buildings;
- Consumer protection; and
- Local content and co-insurance.

The upcoming regulatory framework will among other things strengthen the safety and security of the insurance market operations through the issuance and implementation of Guidelines on the following:

- Micro-Insurance;
- Actuarial Reporting;
- Claims Management;
- Corporate Governance;
- Risk Management & Internal Control;
- Market Conduct;
- Reinsurance Arrangements; and

- Suitability of Persons (including a fit and proper assessment form) and Solvency Requirements.

4.3.2 Microfinance Industry

Microfinance plays an important role in advancing financial inclusion by providing support to people who do not have access to financial services. Financial inclusion has emerged as an important policy priority of the Bank. This is in line with the Bank's mandate of supporting the overall macroeconomic objective of the government. In view of this, the Bank is working with stakeholders to develop a national strategy to promote financial inclusion. The strategy will seek to empower microfinance institutions through capacity building and enhancing their capacity to take advantage of the existing range of technology to make financial services accessible to the low-income population. Currently, the microfinance industry is small compared to mainstream financial institutions. Licensed microfinance institutions in The Gambia comprise 3 main categories, including Finance Companies, Credit unions, and Village Saving and Credit Associations (VISACAs).

There are three finance companies operating in The Gambia and are expanding rapidly both in terms of asset and deposit base. Capital adequacy ratio (CAR) grew to 77.7 percent which is above the 20 percent minimum requirement. All the institutions met the minimum capital requirement of D50 million. The non-performing loans (NPLs) stood at 8.3 percent and a liquidity ratio of 104 percent, significantly above the 30 percent requirement.

Total assets of the three institutions together expanded by D145 million or 14 percent to D1.15 billion as at end-December 2018 from D1.0 million at end-June 2018. Outstanding loans extended by finance companies increased by 12.6 percent to D227.1 million as at end-December 2018 from D201.7 million at end-June 2018. Similarly, total deposits grew significantly to D888.4 million at end-December 2018 from D811.1 million at end-June 2018, representing an increase of 9.5 percent. Total capital also rose by 11.2 percent to reach D221.8 million at end-June 2018.

As at end-December 2018, there were 68 credit unions in The Gambia. This represents a decline from 80 a year ago. This is as a result of merger of some dormant credit unions.

Total assets of credit unions contracted to D1.1 billion at end-December 2018 from D1.3 billion at end-June 2018, representing a contraction of 15 percent. On the other hand, total loans grew by 6.5 percent to reach D836.8 million from D785.6 million during the same period. Total deposits contracted by 6.6 percent to D1.13 billion at end-December 2018 and capital also grew by 3.7 percent to D247.5 million during the period.

At the lowest microfinance tier, the VISACAs play an important role in bringing financial services to the doorstep of the poor or rural dwellers. The performances of these rudimentary financial institutions have seriously deteriorated with more than 75 percent of them dormant. This is mainly caused by structural weaknesses, poor governance, low capitalization, internal control lapses, and high rate of non-performing loans.

4.3.2.1 Strategy to promote financial inclusion

In 2018, the Central Bank joined the global financial inclusion network, Alliance for Financial Inclusion (AFI). The Bank has hitherto received support from AFI to build capacity to enhance the level of financial inclusion in the country. Further, the Bank received technical assistance from the World Bank as well as UNCDF to formulate a National Financial Inclusion Strategy with full support from the Ministry of Finance and Economic Affairs and buy-in from key stakeholders. A concept paper was developed by the Bank and launched in the latter part of 2018 to guide the formulation and implementation process.

The process of drafting the national strategy had begun and the first draft is expected to be completed by end-December 2019. The Bank is being supported in this regard by way of consultancy from the African Development Bank (AfDB) to review the Non-Bank Financial Institutions' (NBFI) regulatory guidelines in line with the NBFI Act 2016. The exercise is expected to be completed in the second quarter of 2019.

In line with reviving the VISACAs to foster greater financial inclusion, the Bank has taken some initiatives to start a transformation process to professionalize them. In light of this, it issued a press release to inform the public about its effort to commercialize or privatize VISACAS in collaboration with the VISACA Apex. The response has, however, been very slow warranting the need to explore other measures to revitalize the VISACAs.

5 OPERATIONS AND ADMINISTRATION OF THE BANK

5.1 Board of Directors

The governing body of the Bank as stipulated in the CBG Act (2018) is the Board of Directors. The Act specifies the composition, appointment, term structure and functions of the members. The members are appointed for a renewable term of two years by the President in consultation with the Public Service Commission. The Board consists of the Governor (Chairman) and four other members.

The Board held four regular meetings for the year 2018. Discussions focused on policy, operational, and administrative matters of the Bank.

5.2 Human Resource Activities

5.2.1 Staff Strength

The staff strength of the Bank stood at 295 as at end-December 2018, unchanged from a year ago. The proportion of female staff declined from 37 percent in 2017 to 36 percent in 2018. Staff within the age bracket of 40-49 made up 33 percent of the Bank's workforce, followed by employees at the age bracket of 30-39 at 29 percent. Employees within the age bracket of 50-59 form 24.1 percent of the workforce while those within 20-29 years and over 60 years respectively accounted for 8.5 percent and 4.7 percent of the entire workforce. Chart 38 shows that the proportion of female staff was a little more than half the proportion of male employees.

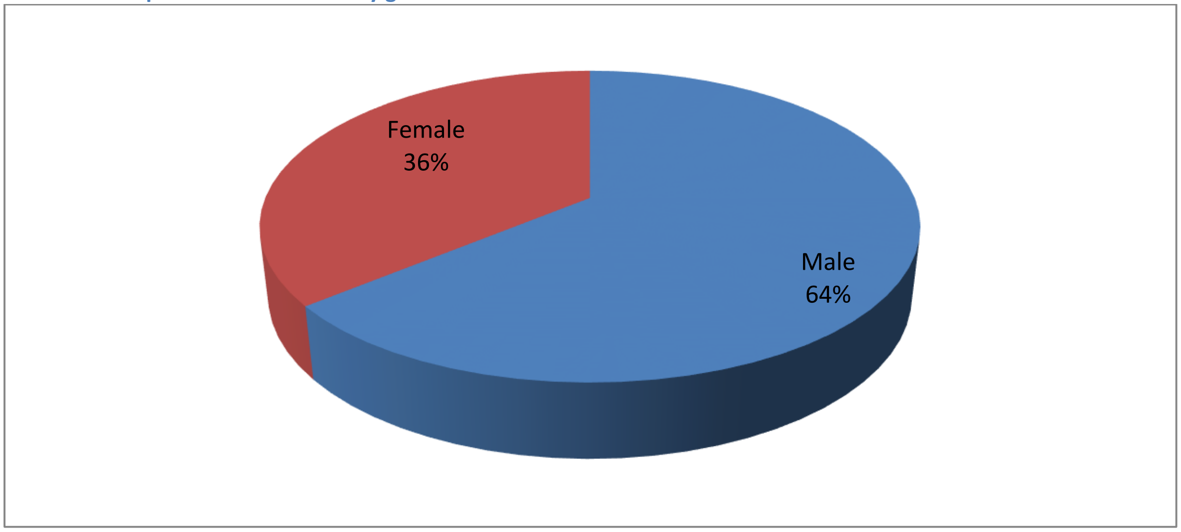
In 2018, the Bank employed a total of 8 new staff, comprising of a principal officer, 3 officers, and 4 support staff. On the other hand, 9 staff left the services of the Bank, of which, 4 proceeded on statutory retirements, 3 on voluntary retirement and 2 resigned.

Table 14: Composition of staff by grade as at end-December 2018

	Male	Female	Total	% of Total
Management Staff	25	8	33	11.2
Middle Level Staff	53	34	87	29.5
Junior Staff	111	64	175	59.3
Total staff	189	106	295	100.0

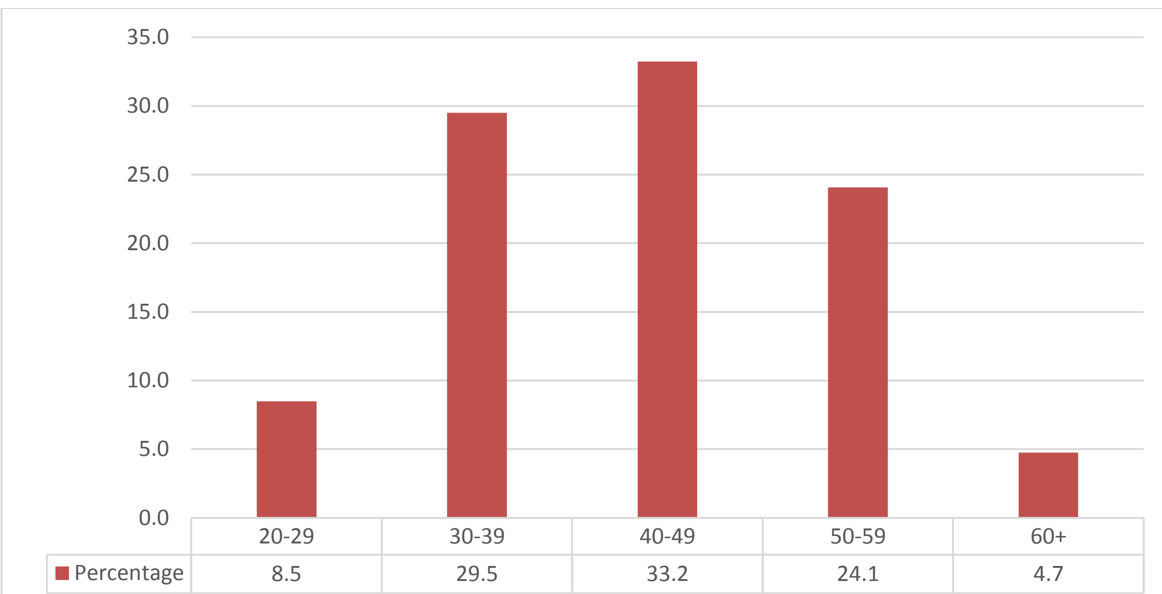
Source: CBG

Chart 40: Composition of CBG staff by gender as at end-December 2018



Source: CBG

Chart 41: Staff breakdown by age category



Source: CBG

5.2.2 Staff Training

The Bank through the Human Resources Unit provides variety of training and development opportunities to its staff aimed at building employee capacity to meet the Bank's strategic needs and in line with its mission and vision. In the year 2018, the Bank sponsored five (5) members of staff to pursue postgraduate degree in various fields, including Islamic Finance, Audit, Information Technology, Economics and ACCA Level 3 tenable in the United Kingdom, Malaysia and Ghana. The fields of study were dictated by the capacity needs of the Bank.

A significant proportion of the supervisory clerical staff also benefitted from sponsorship to pursue undergraduate degree courses at the University of the Gambia (UTG) and also professional courses such as AAT, CAT, CIB, ACCA, Procurement and Supply Chain Management, and Secretarial Studies. Also, several members of staff benefited from short-term courses tenable in the United Kingdom, United States of America, Europe, and West Africa.

The Bank continues to offer staff opportunities for short-term on-the-job training at various regional and international capacity building institutes. Staff received training in areas such as macroeconomic management, financial stability, debt management, and information technology. During the year under review, employees participated in short-term courses that were offered at the IMF Institute, AFRITAC West II, West African Institute for Economic and Financial Management (WAIFEM) and Africa Training Institute.

5.2.3 Staff Medical Scheme

To sustain a healthy and productive workforce, the Bank continues to operate the medical scheme for staff and their dependents.

5.2.4 Support to the Social Sector

The Bank continues its active participation in the discharge of its corporate social responsibility through the provision of financial assistance in the areas of health, education, sports, and other various social activities.

5.3 Developments in the Payment Systems

The CBG introduced a whole array of financial market infrastructures in 2011 with the objective of transforming the payment systems landscape in the country. These include the Real Time Gross Settlement System (RTGS), Automated Clearing House (ACH), Securities Settlement System (SSS), and National Switch. The project was part of a broader regional initiative championed by the West Africa Monetary Institute (WAMI). Since introduction, the systems have been functioning smoothly by enabling transactions to be carried out in a safe environment and in a timely manner. Nonetheless, the Bank continues to embark on several initiatives to reinforce and modernize the systems. The main objective is to improve on safety, security, and efficiency of the systems as well as ensuring optimal utilization of the existing infrastructure. This is critical not only for enhancing the efficiency of the financial system but also promoting financial stability and facilitating the conduct of monetary policy. This is also important given that the volume of transactions through cashless electronic means has been increasing rapidly and of the emergence of persistent cyber-threats around the world.

5.3.1 Legal Framework

The CBG has the legal mandate to maintain monetary stability and ensure the safety and soundness of the financial system. To achieve these objectives, the security and efficiency of the payment systems infrastructure through regulation and oversight is a core function of the Bank. In this regard, the Bank draws its powers from the Payment System Act 2016, and the CBG Act 2018. The Bank is currently considering a proposal to review the Payments Systems Act with a view of strengthening regulation, governance, and integrity of all forms of electronic payment and settlement systems in the country. The mobile money regulation also falls under the remit of the Bank. In this regard, the CBG in 2011 issued a Regulation for the provision of mobile money services. This forms part of the regulatory framework for the development of mobile payments.

5.3.2 Transactions through the payment systems

Table 15 shows the statistics of the usage of the payment systems in terms of volume, value, and percentage change from 2017 to 2018. The volume of cheques processed through ACP/ACH decreased from 155,800 in 2017 to 144,518 in 2018, representing a 7.2 percent decline. Similarly, the value of the cheques processed fell by 1.1 percent to D3.67 billion in 2018 from D3.71 billion in 2017. The decline in transactions using cheques could be attributed to the increasing use of ATM cards.

Total volume of direct debit transactions increased from 656,953 in 2017 to 663,049 in 2018, an increase of 0.9 percent. In value terms, transactions increased by 21.8 percent to D4.3 billion in 2018 from D3.5 billion in 2017.

Chart 43 illustrates the usage of the Real Time Gross Settlement System (RTGS) in 2017 and 2018. Volume of transactions through the RTGS increased from 40,987 in 2017 to 46,174 in

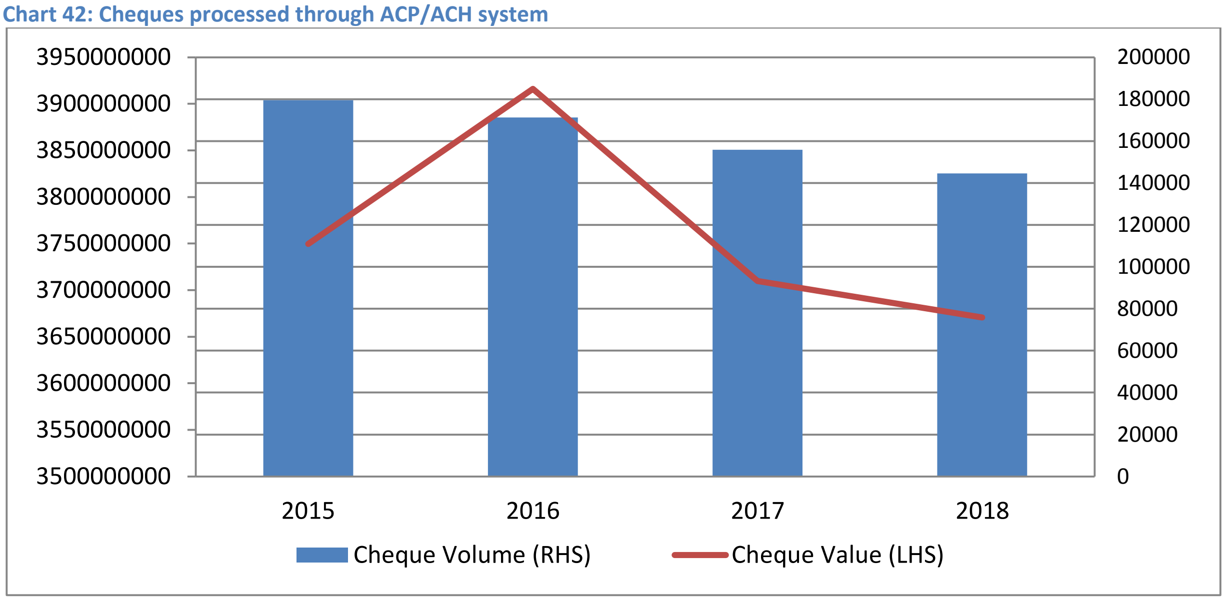
2018, representing an increase of 12.66 percent. In value terms, however, RTGS transactions dropped by 13.9 percent from 2017 to 2018.

Table 15: Total transactions through the ACP/ACH system

	2015		2016		2017		2018		Percent change	
	Volume	Value (D'millions)	Volume	Value (D'millions)	Volume	Value (D'millions)	Volume	Value (D'millions)	Volume	Value
Direct Credits	552470	2630.86	594650	2857.11	656,953	3,491.73	663,049	4,251.65	0.9	21.8
Cheques	179546	3749.64	171208	3916.18	155,800	3,709.74	144,518	3,670.77	-7.2	-1.1
Total	732016	6380.50	765858	6773.28	812,753	7,201.47	807,567	7,922.42	-0.6	10.0

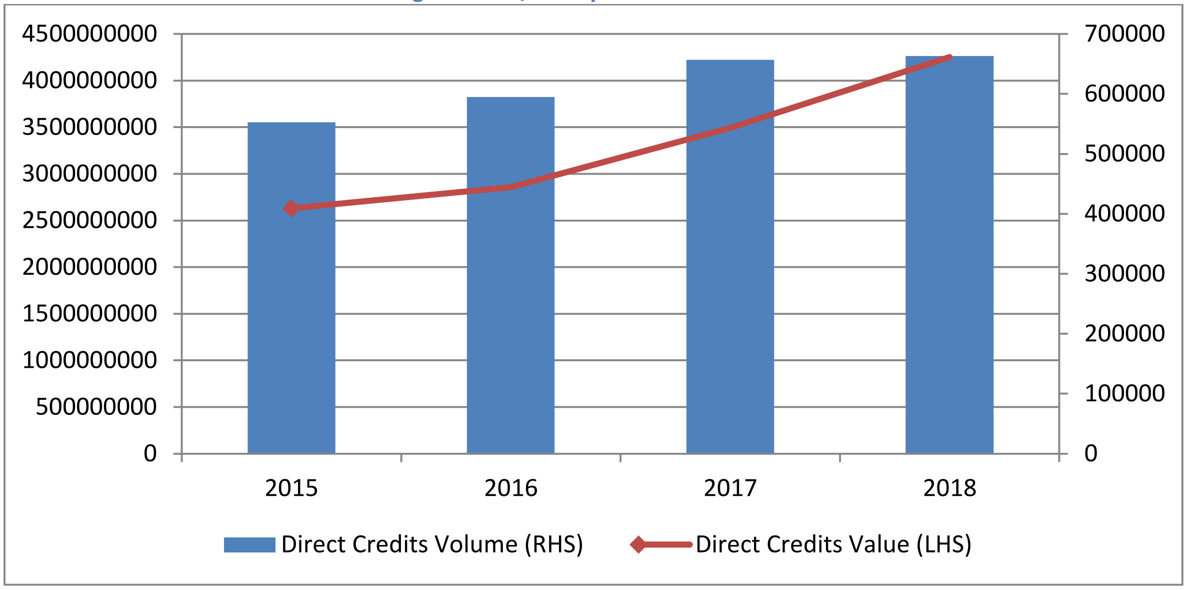
Source: CBG

Chart 42: Cheques processed through ACP/ACH system



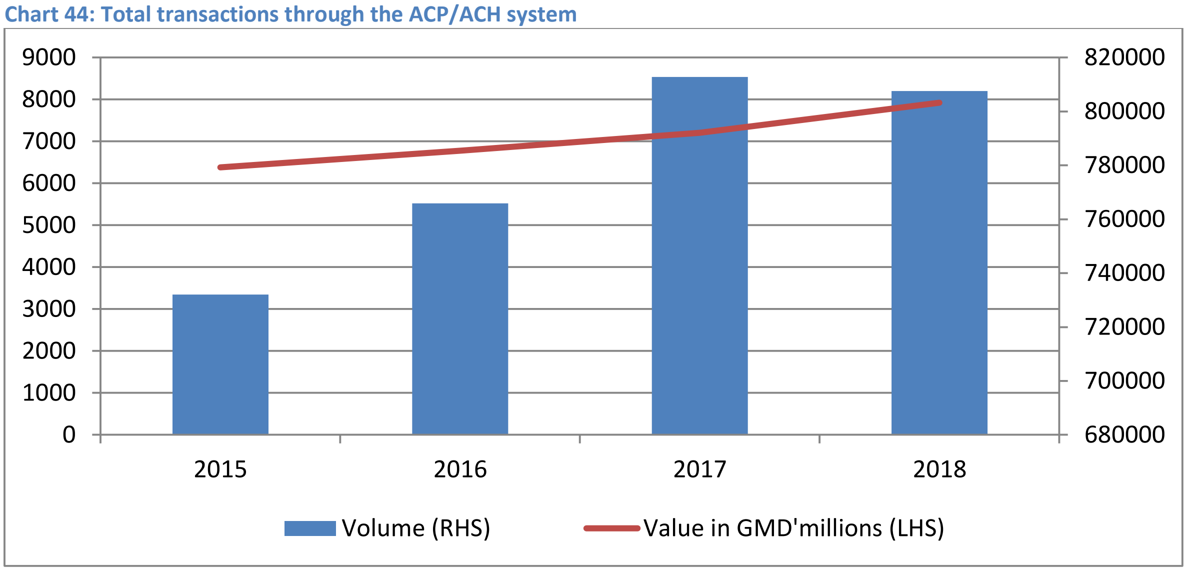
Source: CBG

Chart 43: Direct credit transactions through the ACP/ACH system



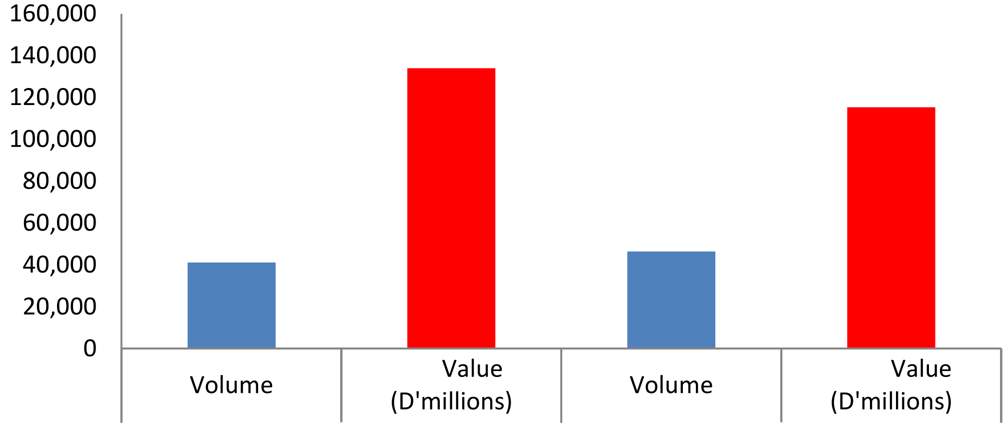
Source: CBG

Chart 44: Total transactions through the ACP/ACH system



Source: CBG

Chart 45: Transactions through the RTGS System 2017-2018



	2017 Volume	2017 Value (D'millions)	2018 Volume	2018 Value (D'millions)
Total Transactions	40,987	134,005.70	46,174	115,348.91

Source: CBG

5.3.3 Currency Management

Currency in circulation increased to D7.3 billion or by 18.0 percent in 2018. During the quarter ending March 2018, currency in circulation increased by 6.4 percent but declined by respective 1.0 percent and 2.0 percent in the second and third quarters of 2018. However, in the last quarter of 2018, currency in circulation registered a significant increase of 13 percent compared to a decrease of 10 percent in the corresponding period of 2017.

In 2018, the Dalasi notes accounted for 99.08 percent of currency issued and the remaining 0.92 percent was coins. The D200 note, which was introduced in 2015 accounted for 41.08 percent of total issuance in 2018. The D100 note is the most popular, accounting for 39.66 percent of bank notes in circulation, followed by D50 note (15.58 percent), D20 note (1.15 percent), D25 note (0.31 percent), D10 note (1.09 percent), and D5 notes (1.11 percent), respectively. Since the introduction of the D20 note, the D25 note is being withdrawn from circulation.

Amongst the family of Gambian coins, the 1 Dalasi coin accounted for 75.55 percent of coins in circulation, the 50 Butut coin (15.50 percent) and the 25 butut and the rest (10 Butut, 5 Butut and 1 Butut) accounted for 8.95 percent.

5.3.3.1 Commemorative Coins

The Central Bank of the Gambia continued to sell gold and silver commemorative coins during the year under review. The coins are issued to commemorate important events and to stimulate interest in the Gambia. The Bank also derives substantial income from royalties on the sale of these coins worldwide.

The last occasion celebrated and honored with the issue of Commemorative coins was The Gambia 50th Independence Anniversary. It is a gold coin available for sale together with other commemorative coins as follows:-

- The 25thIndependence anniversary- The Gambia Silver Jubilee;
- Papal visit Gold & Silver;
- UN 50thAnniversary;
- World Wildlife Conservation Coin;
- African Union Summit- Gold coin; and
- The Gambia 50th Independence Anniversary.

6 EXTERNAL RELATIONS

The Central Bank of The Gambia continues to strengthen collaboration with sub-regional, regional and international financial institutions. The Bank participated in several regional and international meetings during the year under review. The Bank also enjoyed technical assistance and capacity building support in several critical areas of need from these institutions.

6.1 Regional Integration

The Bank continues to participate actively in regional initiatives, including the ECOWAS financial and monetary integration agenda and an active member of the West African College of Supervisors. As at end-December 2018, the country met 3 out of 4 macroeconomic convergence criteria for a single currency for West Africa.

In February 2018, The Gambia hosted the end-of-year meetings of the institutions of West Africa Monetary Zone (WAMZ). At the meeting of the Committee of Governors in February 2018, the Honorable Governor of the CBG, Mr. Bakary Jammeh assumed Chairmanship of the Committee for a period of one year, replacing Mr. Godwin I. Emefiele, Honorable Governor of the Central Bank of Nigeria. The Gambia also assumed the Chairmanship of the Convergence Council and the Technical Committee. The Committee considered the reports of the Technical Committee, which respectively provided updates on the status of implementation of the ECOWAS Single Currency Roadmap. The report of the Committee of Governors was discussed and adopted by the Convergence Council of Ministers.

Also, the 2018 Mid-Year Statutory Meetings of the West African Monetary Zone (WAMZ) were held in September 2018 in Abuja, Nigeria. The Mid-Year Statutory Meetings were preceded by the 33rd Joint Ordinary Meetings of the Technical Committees including that of the WAMZ College of Supervisors (CSWAMZ).

The meetings reviewed the progress made in the implementation of the ECOWAS Single currency roadmap, and the status of implementation of programmes under the ECOWAS Monetary Cooperation Programme (EMCP), member countries compliance with the convergence criteria, and harmonization of the payment systems. The meetings also considered the implementation status of the harmonization of monetary policy framework and exchange rate regimes, harmonization of statistics, capital account liberalization, and financial integration as well as other administrative and governance issues in those Institutions. The meetings assessed member countries readiness to meet the deadline for the introduction of the single currency in ECOWAS by 2020.

Other meetings held by the WAMZ included those of the College of Supervisors of WAMZ (CSWAMZ) and the West African Institute for Financial and Economic Management (WAIFEM). The meetings ended with the Convergence Council which comprises ministers of finance of all WAMZ member countries.

6.2 Relations with Multilateral Institutions

The Gambia's relation with development partners such as IMF, World Bank, and AfDB has improved significantly in the past two years. These institutions continued to engage The Gambia following severe shocks to the economy related to the political events that followed the presidential election in December 2016 and provided substantial financial support to assist in its reforms process.

The Bank participated in the 2018 IMF/World Bank Spring and the Annual Meetings which were held in Washington D.C to discuss issues of global concern and to find ways of sustaining the global economic recovery.

6.3 Association of African Central Banks

The Association of African Central Banks (AACB) organized various meetings during the year under review. In February 2018, the Bureau of the AACB held its first ordinary meeting of the year, in Dakar, Senegal attended by 10 central banks members and the African Union Commission (AUC). The meeting was a prelude to an Ordinary Meeting to be held in Egypt in August 2018. The Central Bank of The Gambia had high-level participation at the meetings given its role as the Chairman of the West African sub-region. Amongst other important issues, the meeting took note of the status report on the implementations of the Africa Monetary Cooperation Program (AMCP) and considered the report of the Expert Group on the Monitoring Framework and a peer review mechanism for macroeconomic convergence and approved the submission of the report to member central banks of the association for comments. The Bureau also took note of the observer status granted to the Banque de la Republic d'Haiti, pending further engagement with the AUC.

The Ordinary Meeting of the Assembly of Governor was held in Sharm El Sheikh, Egypt in August 2018. The meeting was attended by 35 central banks in Africa and the AUC. The meeting was preceded by the Technical Committee and Bureau Meetings. Among the list of decisions, is the election the Governor of the Central Bank of Egypt as Chairman and the Governor of Central Bank of Rwanda as the Vice Chairperson of AACB to serve until August 2019. The Central Bank of The Gambia also handed over the chairmanship of the West Africa Bureau to the Bank of Sierra Leone.

6.4 AFRITAC WEST II

The Bank continues to benefit from technical assistance from the International Monetary Fund (IMF) through AFRITAC West II in the areas of economic research, forecasting, and policy analysis. This is in line with the objective of modernizing monetary policy implementation. With assistance from the team, the Bank has launched its first ever macroeconomic data warehouse on its website that contains about 471 time-series data. Since the launch in 2017, the number of visitors has been increasing exponentially from countries all over the world. Other areas that the Bank continues to receive technical assistance, capacity building and support include liquidity forecasting and management, payment systems development and financial stability.

6.5 Africa Institute of Remittances

During the year, the Central Bank of The Gambia forged collaboration with the Africa Institute of remittances (AIR) with the objective of improving compilation and reporting of remittance statistics. Technical assistance was provided and members of staff were trained by the Institute on compilation and reporting of remittance statistics so as to improve accuracy and reliability. Remittance inflows contribute significantly to the Gambian economy and constitute an integral part of household livelihoods. However, policymakers traditionally rely on data that only captures inflows and outflows through the official channels. Therefore, improving the quality of data in this area will not only complement the bank's efforts to improve the overall balance of payment statistics but will also support the country's efforts to put in place effective framework to maximize the development impact of remittance.

6.6 United Nations Economic Commission for Africa

The Bank also reached cooperation with the United Nations Economic Commission for Africa (UNECA) in the area of macro modeling with the aim of building a national macroeconomic model for The Gambia to support policy-making particularly in the area of monetary policy. Within an agreed action plan, staff of the Economic Research Department received capacity building and support to design and implement the macroeconomic model. The model is currently at a testing stage but expected to be fully operational this year.

STATISTICAL TABLES

Table 1: Monetary Survey

in millions of GMD	2011	2012	2013	2014	2015	2016	2017	2018
Net Foreign Assets	**4,549.4**	**4,909.6**	**4,480.7**	**4,204.7**	**2,204.6**	**1,302.0**	**6,463.5**	**10,407.0**
Monetary Authorities	**3,089.6**	**3,441.8**	**2,834.5**	**1,117.3**	**-140.6**	**-530.5**	**2,787.1**	**4,514.0**
Foreign assets	5,518.7	6,641.2	6,454.3	4,056.8	3,372.4	2,980.0	7,245.8	8,680.2
Foreign liabilities	-2,429.0	-3,199.4	-3,619.9	-2,939.5	-3,513.1	-3,510.5	-4,458.7	-4,166.3
Commercial banks	**1,459.7**	**1,467.8**	**1,646.3**	**3,087.4**	**2,345.2**	**1,832.6**	**3,676.4**	**5,893.0**
Net Domestic Assets	**10,204.1**	**10,992.4**	**13,828.3**	**16,159.9**	**17,974.6**	**21,957.3**	**21,648.1**	**23,337.8**
Domestic Credit	11,437.0	12,628.1	15,791.7	18,164.1	21,948.6	25,738.6	25,457.1	28,389.6
Claims on Gov't, net	6,001.9	7,041.6	9,178.5	12,075.7	16,657.9	20,345.8	19,274.5	21,327.6
Claims on Public Ent.	811.3	764.9	807.1	720.8	346.3	1,055.0	1,896.7	1,365.6
Claims on Private Sect.	4,612.1	4,809.4	5,796.5	5,361.2	4,939.9	4,332.9	4,281.0	5,691.5
Claims on Other Fin. Inst.	11.7	12.3	9.5	6.4	4.6	4.9	4.9	4.9
Other items, net	-1,232.9	-1,635.8	-1,963.4	-2,004.2	-3,974.0	-3,781.3	-3,809.1	-5,051.8
o/w: Revaluation acc.	*0.0*	*612.5*	*835.9*	*777.6*	*-231.7*	*917.6*	*366.2*	*969.6*
Broad Money	**14,753.4**	**15,902.0**	**18,309.0**	**20,364.6**	**20,179.2**	**23,259.4**	**28,111.5**	**33,744.8**
Narrow Money	6,666.8	7,395.8	9,518.4	10,482.5	10,386.2	12,270.4	14,378.3	17,863.4
Quasi-money	8,086.6	8,506.2	8,790.6	9,882.1	9,793.0	10,989.0	13,733.2	15,881.4

Source: Central Bank

Table 2: Summary Account of The Central Bank

(in millions of GMD)	2011	2012	2013	2014	2015	2016	2017	2018
Net Foreign Assets	**3,089.6**	**3,441.8**	**2,834.5**	**1,117.3**	**-140.6**	**-530.5**	**2,787.1**	**4,514.0**
Net International Reserves	*4,087.3*	4,609.3	*4,223.9*	*2,319.2*	*1,151.4*	*867.7*	*4,440.8*	*5,657.5*
Foreign assets	5,518.7	6,641.2	6,454.3	4,056.8	3,372.4	2,980.0	7,245.8	8,680.2
International Reserves	*5,134.3*	6,256.8	*6,105.9*	*3,795.7*	*3,024.0*	*2,628.3*	*6,892.6*	*7,775.2*
Foreign liabilities	2,429.0	3,199.4	3,619.9	2,939.5	3,513.1	3,510.5	4,458.7	4,166.3
Other Liabilities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
IMF - ESAF	1,046.8	1,647.4	1,881.8	1,476.4	1,872.4	1,760.4	2,451.6	2,117.6
SDR Allocations	1,382.0	1,551.9	1,737.9	1,462.9	1,640.5	1,750.0	2,006.9	2,048.5
Net Domestic Assets	**844.6**	**761.2**	**2,548.1**	**4,904.1**	**6,766.4**	**8,825.7**	**7,380.2**	**7,335.0**
Domestic credit	569.4	592.6	2,604.3	4,499.1	6,856.0	9,051.1	7,347.0	7,807.5
Claims on gov't (net)	515.3	529.5	2,539.0	4,407.0	6,734.7	8,952.6	7,236.4	7,725.9
Gross claims	2,291.8	2,469.1	4,489.8	6,784.1	6,321.6	12,486.2	11,538.7	11,248.2
(less) Government deposits	1,776.5	1,939.7	1,950.8	2,377.1	-413.1	3,533.5	4,302.3	3,522.3
Claims on private sector	42.4	50.8	55.8	85.6	116.7	93.5	105.7	106.8
Claims on Other Fin. Inst.	11.7	12.3	9.5	6.4	4.6	4.9	4.9	4.9
Other items (net)	275.2	168.6	-56.2	405.0	-89.7	-225.4	33.2	-472.6
Revaluation account	0.0	612.5	835.9	777.6	-231.7	917.6	366.2	969.6
Reserve Money	**3,934.2**	**4,203.0**	**5,382.6**	**6,021.3**	**6,625.7**	**8,295.2**	**10,167.3**	**11,848.9**
Currency in circulation	2,700.5	3,183.8	3,635.5	3,908.6	4,035.6	5,089.6	6,186.5	7,303.9
Reserves of commercial banks	1,233.7	1,019.1	1,747.1	2,112.7	2,590.1	3,205.6	3,980.8	4,545.1

Source: Central Bank of The Gambia

Table 3: Summary Account of Deposit Money Banks

(in millions of GMD)	2011	2012	2013	2014	2015	2016	2017	2018
Net Foreign Assets	**1,459.7**	**1,467.8**	**1,646.3**	**3,087.4**	**2,345.2**	**1,832.6**	**3,676.4**	**5,893.0**
Foreign assets	1,953.2	2,733.3	2,953.3	4,143.5	3,901.3	3,445.5	4,429.2	6,464.0
Foreign liabilities	493.5	1,265.5	1,307.0	1,056.1	1,556.1	1,612.9	752.7	571.0
Net Domestic Assets	**10,917.3**	**11,615.6**	**13,407.6**	**13,769.2**	**14,192.7**	**16,701.3**	**18,763.6**	**21,283.3**
Domestic credit	10,867.6	12,035.6	13,187.4	13,665.0	15,092.6	16,687.5	18,110.1	20,552.1
Claims on gov't (net)	5,486.6	6,512.1	6,639.6	7,668.7	9,923.2	11,393.1	12,038.1	13,601.7
Gross claims	5,486.6	6,512.1	6,639.6	7,668.7	9,923.2	11,393.1	12,038.1	13,601.7
Government bonds	25.0	25.0	0.0	0.0	596.4	0.0	1,198.3	1,198.7
Treasury bills	5,461.6	6,487.1	6,639.6	7,668.7	9,326.8	11,393.1	10,896.7	12,403.0
Claims on public ent.	811.3	764.9	807.1	720.8	346.3	1,055.0	1,896.7	1,365.6
Claims on private sect.	4,569.6	4,758.6	5,740.7	5,275.6	4,823.1	4,239.4	4,175.3	5,584.8
Reserves	**1,557.9**	**1,384.4**	**2,127.4**	**2,513.3**	**2,984.5**	**3,569.6**	**4,495.7**	**5,310.5**
Currency	324.2	365.2	380.3	400.6	394.3	364.1	515.0	735.4
Deposits at central bank	1,233.7	1,019.1	1,747.1	2,112.7	2,590.1	3,205.6	3,980.8	4,545.1
Other items (net)	-1,508.1	-1,804.4	-1,907.2	-2,409.1	-3,884.3	-3,555.9	-3,842.2	-4,609.2
Net claims on other DMB	112.9	106.7	294.8	129.4	902.3	1,245.9	3.9	23.9
Total deposit liabilities	**12,377.1**	**13,083.4**	**15,053.9**	**16,856.6**	**16,537.9**	**18,533.8**	**22,440.0**	**27,176.3**
Demand deposits	4,290.5	4,577.2	6,263.2	6,974.5	6,745.0	7,544.8	8,706.8	11,295.0
Savings deposits	4,494.1	5,154.2	5,811.3	6,904.0	6,795.4	7,779.3	10,531.9	12,389.1

Source: Central Bank of The Gambia

Table 4: Components Money Supply

(in millions of Dalasis, end of period)	2013	2014	2015	2016	2017	2018
Total Money Supply	**18,309.00**	**20,364.60**	**20,179.20**	**23,259.40**	**28,111.50**	**33,744.80**
Money	**9,518.40**	**10,482.50**	**10,386.20**	**12,270.40**	**14,378.30**	**17,863.40**
Currency outside banks	3,255.20	3,508.00	3,641.30	4,725.50	5,671.50	6,568.40
Demand deposits	**6,263.20**	**6,974.50**	**6,745.00**	**7,544.80**	**8,706.80**	**11,295.00**
Private Sector	5,636.70	6,640.70	6,366.20	7,076.20	8,058.70	9,953.10
Official entities	626.5	333.8	378.8	468.6	648.1	1,341.80
Quasi-money	**8,790.60**	**9,882.10**	**9,793.00**	**10,989.00**	**13,733.20**	**15,881.40**
Savings deposits	**5,811.30**	**6,904.00**	**6,795.40**	**7,779.20**	**10,531.90**	**12,389.10**
Private Sector	5,774.70	6,699.20	6,495.70	7,541.40	10,250.00	12,216.50
Official entities	36.6	204.8	299.7	237.9	281.9	172.6
Time deposits	**2,979.30**	**2,978.10**	**2,997.60**	**3,209.80**	**3,201.40**	**3,492.20**
Private Sector	2,665.80	2,736.70	2,653.50	2,837.80	2,829.90	3,174.60
Official entities	313.5	241.4	344.1	371.9	371.5	317.6

Source: Central bank of The Gambia

Table 5A: Commercial Banks

ASSETS (IN D'000)	2013	2014	2015	2016	2017	2018
Gambian Notes & Coins	**380,282**	**400,629**	**394,338**	**364,065**	**514,973**	**735,429**
Total Foreign Currency	**525,325**	**482,513**	**904,794**	**405,105**	**845,823**	**1,322,178**
CFA Franc	3,434	1,189	1,189	1,209	1,263	1,884
Other Foreign Currency	521,891	481,324	903,605	403,896	844,560	1,320,294
Balances Held With Banks	**2,117,894**	**2,295,218**	**2,707,946**	**2,884,029**	**3,858,180**	**4,459,296**
Central Bank Of The Gambia (Ordinary)	1,764,641	2,095,790	2,601,933	2,866,570	3,850,389	4,435,373
Banks Locally	353,253	199,428	106,013	17,459	7,791	23,923
Balances Held With Banks Abroad	**2,040,470**	**2,656,438**	**2,629,444**	**2,953,971**	**3,158,251**	**4,620,983**
Head Office & Branches	328,777	411,401	411,396	712,577	1,068,288	1,153,797
Other Banks Abroad	1,711,693	2,245,037	2,218,048	2,241,394	2,089,963	3,467,186
Bills Purchased & Discounted	**140,000**	**20,471**	**111,267**	**128,832**	**61,925**	**0**
Residents	140,000	20,471	111,267	128,832	61,925	0
Non-Residents	0	0	0	0	0	0
Payable Outside The Gambia	0	0	0	0	0	0
Loans and Advances	**5,503,423**	**5,100,062**	**4,305,515**	**3,783,191**	**3,960,262**	**5,351,680**
Public Sector	807,134	720,746	346,262	298,066	204,199	164,256
Private Sector	4,696,289	4,379,316	3,959,253	3,485,125	3,756,063	5,187,424
Residents	4,696,262	4,379,301	3,959,226	3,485,003	3,756,005	5,187,409
Non-Residents	27	15	27	122	58	15
Investments	**8,168,645**	**10,414,691**	**13,144,014**	**15,797,054**	**15,493,218**	**16,673,496**
Gambia Government Treasury Bills	6,935,209	8,604,361	10,631,688	13,095,964	11,820,053	13,385,294
Others	845,952	805,771	742,586	625,456	357,328	367,342
Foreign Investments	387,484	1,004,559	367,106	86,418	425,086	520,848
Government Bond	0	0	596,384	0	1,198,272	1,198,683
Interbank Placement			806,250	1,232,290	0	30,000
Public Sector Bond				756,926	1,692,479	1,201,329
Fixed Assets	**1,228,412**	**1,418,208**	**1,742,090**	**1,921,152**	**1,903,964**	**2,141,833**
Acceptances, Endorsements & Guarantees	**2,799,127**	**3,720,008**	**2,217,332**	**3,145,058**	**6,582,403**	**7,541,394**
Other Assets	**872,037**	**1,700,228**	**1,172,111**	**1,228,159**	**1,445,342**	**1,030,935**
Total Assets	**23,775,615**	**28,208,466**	**29,328,851**	**32,610,616**	**37,824,341**	**43,907,224**
Net Balance	**20,976,488**	**24,488,458**	**27,111,519**	**29,465,558**	**31,241,938**	**36,365,830**

Source: Central Bank of The Gambia

Table 5B: Liabilities of Commercial Banks

LIABILITIES (IN D'000)	2013	2014	2015	2016	2017	2018
Capital and Reserves	**3,025,971**	**3,897,036**	**4,483,390**	**4,747,601**	**5,253,221**	**5,871,185**
Demand Deposits	**6,263,206**	**6,974,484**	**6,744,951**	**7,544,830**	**8,706,782**	**11,294,958**
Residents	5,501,621	6,402,203	6,330,479	6,924,250	7,447,441	8,723,496
Non Residents	135,074	238,477	35,699	151,969	611,276	1,229,620
Government Entities	626,511	333,804	378,773	468,611	648,065	1,341,842
Savings Deposits	**5,811,329**	**6,904,006**	**6,795,378**	**7,779,249**	**10,531,865**	**12,389,126**
Residents	5,527,678	6,370,061	6,197,761	6,982,020	9,780,773	11,664,050
Non Residents	247,002	329,127	297,932	559,344	469,203	552,495
Government Entities	36,649	204,818	299,685	237,885	281,889	172,581
Time Deposits	**2,979,310**	**2,978,107**	**2,997,596**	**3,209,754**	**3,201,362**	**3,492,237**
Residents	2,615,502	2,426,241	2,598,669	2,777,258	2,651,380	2,964,803
Non Residents	50,281	310,505	54,798	60,583	178,481	209,831
Government Entities	313,527	241,361	344,129	371,913	371,501	317,603
Total Deposits	**15,053,845**	**16,856,597**	**16,537,925**	**18,533,833**	**22,440,009**	**27,176,321**
Balances Held For	**5,816**	**0**	**66,854**	**67,468**	**166,846**	**65,954**
Head Office & Branches	2	0	52,513	45,453	73,377	48,014
Other Banks Abroad	5,814	0	14,341	18,143	89,597	17,940
Central Bank Of The Gambia	0	0	0	0	0	0
Banks Locally	0	0	0	3,872	3,872	0
Borrowings From	**1,837,599**	**1,656,103**	**2,591,148**	**2,503,896**	**589,764**	**243,836**
Central Bank of The Gambia	0	0	0	0	0	0
Other Banks Locally	536,409	600,000	1,101,872	954,559	0	0
Head Office & Branches	1,169,508	946,103	936,276	852,953	354,764	317,432
Other Banks Abroad	131,682	110,000	553,000	696,384	0	0
Other Sources	0	0	0	0	235,000	187,600
Acceptance Endorsement & Guarantees	**2,799,127**	**3,720,008**	**2,217,332**	**3,145,058**	**6,582,403**	**7,541,394**
Other Liabilities	**1,053,254**	**2,078,725**	**3,432,199**	**3,612,764**	**2,792,097**	**2,747,341**
Total Liabilities	**23,775,612**	**28,208,469**	**29,328,848**	**32,610,620**	**37,824,340**	**43,907,227**
Net Balance	**20,976,485**	**24,488,461**	**27,111,516**	**29,465,562**	**31,241,937**	**36,365,833**

Source: Central Bank of The Gambia

Table 6: Commercial Banks Loans and Advances to Major Economic Sectors (in millions of Dalasis)

Sectors	2013	2014	2015	2016	2017	2018
Agriculture	180	61.5	161.2	289.9	394.1	86.6
Fishing	7.1	1.4	0.8	0.5	4.1	7.2
Construction	786.6	374.3	380.1	436.5	554.2	1,091.10
Transportation	348.1	732.2	458.2	403.1	343	360.9
Distributive Trade	1,917.60	1,812.70	1,755.70	1,299.10	1,284.20	1,726.60
Tourism	348.9	162.3	117.4	109	217.7	595.8
Personal Loans	409.2	430.8	324.7	484.9	401.7	463.2
Other	1,983.60	1,759.10	1,249.40	1028.99	984.9	1173.8
Total	**5,981.10**	**5,334.10**	**4,447.50**	**4,052.07**	**4,183.80**	**5,505.20**

Source: Central Bank of The Gambia

Table 7: Distribution of Outstanding Treasury Balls in Discounted Value (in millions of Dalasis)

		Banks			Non-Banks			TOTAL
End of period stock		Central Bank	Commercial Banks	Total	Public Entities	Private Sector	Total	Govt. T/Bills
2017	January	323.00	11,326.65	11,649.65	22.48	3,650.70	3,673.18	15,322.83
	February	269.67	11,658.48	11,928.15	22.48	3,734.39	3,756.87	15,685.02
	March	342.93	11,765.72	12,108.65	36.40	3,782.15	3,818.55	15,927.20
	April	317.88	11,592.12	11,910.00	73.02	3,925.41	3,998.43	15,908.43
	May	359.26	11,320.07	11,679.33	73.02	3,930.51	4,003.53	15,682.86
	June	60.82	11,473.34	11,534.16	63.98	3,990.32	4,054.30	15,588.46
	July	4.98	11,853.56	11,858.54	73.26	3,651.23	3,724.49	15,583.03
	August	4.98	12,089.88	12,094.86	98.26	3,621.24	3,719.50	15,814.36
	September	4.98	11,758.81	11,763.79	98.26	3,521.84	3,620.10	15,383.89
	October	4.00	11,963.86	11,967.86	172.11	3,196.30	3,368.41	15,336.27
	November	4.00	12,006.36	12,010.36	172.11	3,119.18	3,291.29	15,301.65
	December	0.96	10,839.82	10,840.78	172.11	3,161.77	3,333.88	14,174.66
2018	January	0.00	11,466.72	11,466.72	172.11	3,091.53	3,263.64	14,730.36
	February	29.67	11,620.45	11,650.12	172.11	3,108.74	3,280.85	14,930.97
	March	29.67	11,827.02	11,856.69	144.75	3,114.89	3,259.64	15,116.33
	April	0.00	11,709.59	11,709.59	145.66	3,165.63	3,311.29	15,020.88
	May	27.11	11,258.60	11,285.71	349.65	3,186.11	3,535.76	14,821.47
	June	27.11	11,518.21	11,545.32	349.65	3,237.07	3,586.72	15,132.04
	July	0.00	11,749.15	11,749.15	340.37	3,090.32	3,430.69	15,179.84
	August	0.00	12,162.99	12,162.99	315.37	3,112.36	3,427.73	15,590.72
	September	0.00	12,332.73	12,332.73	315.37	3,177.10	3,492.47	15,825.20
	October	0.00	12,290.11	12,290.11	241.52	3,413.39	3,654.91	15,945.02
	November	0.00	12,246.84	12,246.84	241.52	3,497.88	3,739.40	15,986.24
	December	0.00	12,403.01	12,403.01	241.52	3,503.44	3,744.96	16,147.97

Source: Central Bank of The Gambia

Table 8: Structure of Interest Rates

(In percent per annum)	2016				2017				2018			
	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Lending rates												
Agriculture	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 28	12 - 28	12 - 28	12 - 28	12 - 28
Manufacture	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 25	15 - 25	15 - 25	15 - 25	15 - 25
Building	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28
Distributive Trade	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28
Tourism	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 25	15 - 25	15 - 25	15 - 25	15 - 25
Other	15 - 30	15 - 30	15 - 28	15 - 28	15 - 30	15 - 30	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28	15 - 28
Deposit rates												
Short-term deposit	0.0-7.0	0.0-7.0	0.0-7.0	0.0-7.0	0.0-7.0	0.00 - 6.0	0.25-6.0	0.25 - 4.0	0.25-4.00	0.25-4.00	0.25-4.00	0.25-4.00
Savings bank account	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50- 8.0	0.50 - 8.0	0.5 - 8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0
Time Deposits												
Three months	5.0-18.52	5.0-18.33	5.0-16.47	5.0-15.55	5.0-15.55	5.00-15.55	1.94-16.00	2.14 - 16.0	2.0-9.0	2.0-9.0	2.0-9.0	2.0-9.0
Six months	6.0-19.74	6.0-19.41	6.0-18.65	6.0-16.71	6.0-16.13	5.55-16.13	3.26-16.13	2.71 - 16.13	2.0-12.0	2.0-12.0	2.0-12.0	2.0-12.0
Nine months	7.5-10.5	7.50-15.40	7.5-15.40	7.5-15.40	8.0-15.40	7.50-14.00	6.00-14.00	3.00 - 12.0	2.0-12.0	2.0-12.0	2.0-12.0	2.0-12.0
12 months and over	6.5-22.57	6.5-22.39	6.5-20.77	6.5-19.00	6.5-18.41	6.50-18.41	3.36-18.41	2.81 - 18.41	2.0-16.0	2.0-16.0	2.0-16.0	2.0-16.0
Government												
Average 3mths T/bills	17.67	17.48	15.59	13.67	10.27	8.72	6.32	5.03	5.93	5.05	3.83	5.06
Average 6mths T/bills	18.19	17.88	17.12	16.25	12.43	10.41	8.31	5.52	5.96	6.64	6.85	7.04
Average 12mths T/bills	21.98	21.90	20.21	17.71	13.87	11.07	9.77	6.73	8.81	9.19	9.01	9.48
Average 3mths SAS bills	17.57	17.40	15.72	15.01	10.82	8.64	7.26	5.46	6.18	5.32	4.47	5.10
Average 6mths SAS bills	18.18	17.91	17.25	16.80	13.07	10.63	8.95	6.26	6.84	6.41	6.68	6.96
Average 12mths SAS bills	22.18	21.91	20.84	18.82	14.21	11.50	9.95	6.15	8.04	9.05	9.05	9.39
Central Bank												
Monetary Policy Rate	23	23	23	23	23	20	15	15	15	13.5	13.5	13.5
Standing lending Facility											14.5	14.5
Standing Deposit Facility											2	2

Source: Central Bank of The Gambia

Table 9: Treasury Bills Discount Rates (in percent per Annum)

Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
1997	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
1998	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.5	14.5	14.0
1999	14.0	14.0	14.0	14.0	14.0	14.0	13.5	13.5	13.5	13.5	13.0	12.5
2000	12.5	12.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
2001	12.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	15.0	15.0	15.0
2002	15.0	15.0	15.0	15.0	15.0	15.0	15.0	18.0	18.0	19.0	19.0	20.0
2003	20.0	20.0	23.0	24.0	24.0	25.0	26.0	31.0	31.0	31.0	31.0	31.0
2004	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	30.0	30.0	30.0
2005	28.0	28.0	26.0	26.0	26.0	26.0	22.0	18.0	18.0	18.0	16.0	16.0
2006	15.0	14.9	15.9	15.8	15.4	14.5	14.1	14.0	13.3	12.3	10.7	12.8
2007	13.7	13.8	13.7	13.7	13.9	13.9	13.9	13.4	12.8	12.2	12.9	13.7
2008	13.5	13.7	13.6	13.1	13.3	13.1	12.3	12.3	13.1	14.2	14.3	13.5
2009	14.2	14.2	14.4	14.6	15.2	15.5	13.5	13.3	14.3	14.2	14.0	13.7
2010	13.5	12.9	12.4	13.4	13.2	13.0	13.1	12.9	13.4	13.6	13.5	13.1
2011	13.0	12.9	13.1	13.1	12.5	11.5	11.4	10.9	10.0	10.6	10.9	11.9
2012	14.0	13.0	13.0	13.0	13.0	11.8	11.3	11.1	10.7	10.5	11.1	11.0
2013	11.0	11.0	10.8	8.6	11.3	13.3	16.2	16.0	17.9	18.4	18.4	18.5
2014	18.2	18.1	18.4	18.3	18.0	18.1	18.1	18.6	19.1	19.0	18.8	19.1
2015	18.6	18.1	17.8	17.6	18.3	20.8	21.8	21.9	21.9	21.8	21.7	21.8
2016	22.0	21.8	22.0	22.1	21.8	21.9	21.1	20.1	20.2	19.9	19.4	17.7
2017	16.4	14.9	13.9	12.9	12.1	11.1	10.7	10.9	9.8	6.3	6.1	6.7
2018	7.0	7.5	8.8	9.2	9.4	9.2	9.1	9.0	9.0	9.3	9.4	9.5

Source: Central Bank of The Gambia

Table 10A: End of Period Mid – Market Exchange Rates (GMD/Unit of Foreign Currency)

Period		GBP	USD	CHF	SEK(100)	CFA(5,000) 3/	Euro
2013	January	53.38	33.95	32.85	476.15	334.65	45.33
	February	52.93	34.18	33.99	479.13	333.44	45.72
	March	53.81	35.59	33.80	467.86	345.35	45.36
	April	54.91	35.62	34.69	485.64	340.69	45.94
	May	55.67	37.85	35.13	530.13	345.30	48.50
	June	59.92	38.97	37.66	0.00	0.00	51.00
	July	55.22	35.67	36.00	435.09	340.92	48.08
	August	55.67	34.67	35.30	470.00	356.37	45.90
	September	57.01	34.78	35.61	519.67	368.51	46.95
	October	60.16	37.94	40.50	558.47	385.26	50.36
	November	62.96	39.00	39.13	584.10	386.19	52.95
	December	63.71	37.91	44.36	600.83	396.55	54.47
2014	January	64.68	39.44	41.08	588.27	394.52	54.12
	February	64.10	39.87	43.46	611.26	408.14	54.12
	March	65.17	39.67	44.43	571.08	409.99	54.83
	April	65.25	39.87	45.16	609.11	411.63	55.18
	May	66.82	40.87	45.20	621.22	416.82	55.71
	June	67.49	42.01	46.67	638.61	427.19	57.83
	July	72.07	42.58	48.32	628.05	427.84	58.10
	August	72.22	42.86	46.61	610.23	427.83	57.17
	September	69.60	43.05	45.26	638.24	419.03	55.29
	October	70.10	43.25	46.07	596.56	416.78	55.75
	November	70.48	44.43	43.83	602.56	417.39	55.96
	December	71.12	45.28	45.17	604.75	419.95	56.41
2015	January	69.93	46.14	51.89	572.77	406.42	53.41
	Februay	72.44	46.98	51.41	574.32	403.32	53.80
	March	73.92	49.71	51.54	582.91	409.13	55.39
	April	78.92	52.02	54.86	601.32	440.63	56.75
	May	59.79	39.60	40.40	503.74	366.58	42.28
	June	62.04	39.66	40.76	475.10	356.83	43.70
	July	61.66	39.64	40.50	475.10	365.28	43.12
	August	61.94	39.64	41.07	475.00	373.47	43.74
	September	60.80	39.72	40.83	451.23	370.10	43.38
	October	61.87	39.59	39.50	470.75	369.46	43.67
	November	61.60	39.90	40.04	475.69	346.66	42.81
	December	61.57	39.77	41.95	449.42	335.68	43.08
2016	January	60.21	41.32	39.56	432.62	347.98	43.68
	February	58.24	41.91	41.91	478.75	341.16	45.58
	March	60.10	42.02	40.97	499.93	348.28	46.07
	April	61.26	42.50	42.85	510.53	371.64	47.87
	May	62.42	43.09	43.30	500.01	369.74	48.92
	June	59.55	43.27	43.59	503.62	367.51	47.65
	July	59.05	43.87	45.25	515.91	370.10	49.43
	August	61.21	45.37	48.73	519.12	393.26	52.84
	September	62.23	46.03	48.66	540.90	374.32	53.85
	October	57.95	47.24	46.00	510.17	389.88	52.58
	November	54.81	43.30	43.75	462.40	377.16	47.41
	December	55.60	43.89	43.98	465.52	377.08	46.87
2017	January	56.91	44.50	44.96	475.59	370.76	48.15
	February	56.85	45.63	44.00	488.79	377.33	48.26
	March	58.23	45.39	44.05	507.90	392.73	51.87
	April	60.11	47.05	45.25	518.52	389.21	51.39
	May	61.18	47.30	44.43	515.73	388.55	52.35
	June	60.28	47.09	43.00	522.60	398.10	52.78
	July	60.96	46.90	47.53	538.62	404.75	54.62
	August	61.26	46.84	49.10	533.17	405.57	56.23
	September	62.78	47.28	48.55	575.83	410.84	56.40
	October	62.41	47.45	48.16	578.85	409.16	56.31
	November	63.57	47.34	48.19	577.76	410.61	56.75
	December	63.70	47.88	48.22	578.41	416.20	56.61
2018	January	65.76	47.30	47.78	558.96	419.90	58.68
	February	65.81	47.42	47.35	565.23	418.88	57.83
	March	65.99	47.26	47.51	550.00	424.11	58.48
	April	64.87	47.43	48.46	537.50	423.95	57.85
	May	63.26	47.39	45.35	510.50	409.73	54.98
	June	62.87	47.43	45.55	520.34	417.74	57.02
	July	63.31	47.81	47.40	551.27	414.16	56.58
	August	63.11	48.54	48.31	505.00	413.48	56.93
	September	64.47	49.47	50.69	546.42	419.26	58.03
	October	63.57	49.67	48.19	541.54	417.40	56.79
	November	63.62	49.31	47.70	542.77	417.37	56.58
	December	63.11	49.48	48.82	539.09	418.02	56.90

Source: Central Bank of The Gambia

Table 10B: Period Average Mid-Market Exchange Rates (GMD/Unit of Foreign Currency)

Period		GBP	USD	CHF	SEK(100)	CFA(5,000) 3/	EURO
2013	January	54.3759	34.2175	33.6900	502.4574	324.2505	44.4705
	February	53.1556	33.9756	34.6337	497.6894	329.6547	45.3212
	March	52.7895	34.7764	33.9310	490.8797	331.6542	45.3910
	April	54.2813	35.4465	36.1200	493.0765	340.9257	45.9914
	May	55.4675	36.7750	35.1325	488.3357	345.3000	47.6075
	June	58.5075	38.5825	37.7200	557.0858	360.7125	50.3350
	July	52.8706	34.5494	35.0377	479.0429	345.4728	44.8204
	August	55.3479	35.4950	34.7009	505.7251	345.4668	47.6355
	September	55.4513	34.5582	37.6245	498.6037	366.8487	47.2890
	October	57.6698	35.7332	37.2464	521.9851	370.3558	48.6292
	November	61.4953	38.5761	39.5986	560.4951	386.3271	52.5868
	December	63.7665	38.8729	40.7483	608.2338	393.2323	53.9952
2014	January	64.3542	39.3601	42.9959	599.1185	400.3228	54.1821
	February	64.6397	39.5295	28.7601	605.4247	405.3957	54.1475
	March	64.8865	39.4629	43.0207	572.4586	408.7499	54.2172
	April	64.8978	39.5137	44.4304	604.2885	410.9335	54.4295
	May	65.4781	40.0808	44.9120	606.0287	415.9601	55.2984
	June	67.8249	41.2708	53.9610	602.5296	412.9297	56.9239
	July	70.8016	41.8733	47.8131	631.8021	423.7865	58.3130
	August	71.6915	42.8196	46.9949	620.4094	426.1449	57.1530
	September	69.8312	42.5678	45.4144	616.4445	421.5480	56.1695
	October	69.7482	42.9235	45.4823	604.0192	418.1186	55.5595
	November	70.2566	43.9696	44.8225	600.1148	415.6336	55.8629
	December	70.9249	44.9673	45.9416	606.2115	417.3614	56.4319
2015	January	69.9758	45.4097	47.7729	580.4769	415.0838	54.9904
	February	71.0785	46.2279	51.0930	577.6136	414.0895	53.8508
	March	72.8950	48.0602	50.0764	571.5955	408.1098	53.4926
	April	75.5902	50.3656	51.8838	590.4738	424.0574	55.3857
	May	63.7795	43.1049	48.1035	577.7288	381.7766	47.4801
	June	61.2314	39.6539	40.4841	468.0535	363.0745	43.2866
	July	61.6183	39.5898	40.0778	460.2867	370.6951	43.3192
	August	61.2465	39.6593	40.6379	470.4262	366.5245	42.7660
	September	61.7884	39.4664	40.9479	458.9044	369.8329	43.5966
	October	61.4653	39.4007	40.9208	465.6173	370.3655	43.0716
	November	61.5045	39.5875	41.5604	463.2190	365.4479	43.1588
	December	61.4865	39.5484	40.4645	460.7675	354.9307	43.3404
2016	January	60.6883	40.2182	40.1383	435.1137	348.0116	43.8738
	February	60.4812	47.7904	41.3144	478.1969	350.2445	45.6744
	March	59.4373	41.7829	42.0939	490.4859	349.5138	45.9649
	April	60.3688	42.2414	42.5705	510.0530	361.2332	47.7994
	May	61.8893	42.6421	43.9809	512.3147	369.8863	48.8263
	June	62.1805	43.1430	44.4131	511.6300	368.2304	48.9010
	July	58.8034	43.7409	44.8540	512.9186	371.4632	49.2422
	August	60.1369	44.7502	46.8206	521.5950	382.7728	51.3361
	September	61.2370	45.8064	48.0913	528.4392	381.4611	50.9114
	October	61.7124	46.6033	48.7713	535.3674	391.5973	54.4756
	November	54.7828	44.0766	37.4738	480.3381	334.8840	46.5165
	December	55.4687	43.8203	43.7843	469.3846	372.9328	47.0792
2017	January	55.3324	44.1044	44.3765	470.0726	374.8677	47.4787
	February	55.9848	44.9919	45.1399	485.6314	370.5296	48.8438
	March	57.0348	45.8344	43.6404	518.8881	320.5587	49.6755
	April	58.4485	46.5941	45.8423	528.1453	385.7862	50.9864
	May	60.1233	47.2285	47.5492	528.6326	392.7889	51.9923
	June	60.4005	47.0680	47.4501	539.8409	394.9876	52.8659
	July	60.4679	46.9982	48.5426	549.1049	394.5788	53.6778
	August	60.98	47.01	48.73	556.90	408.92	55.41
	September	61.74	47.19	49.05	577.87	411.19	56.32
	October	62.35	47.36	48.38	568.81	410.98	56.14
	November	62.69	47.28	48.02	580.36	412.52	56.02
	December	63.33	47.63	48.34	579.13	410.23	56.54
2018	January	63.87	47.52	48.48	579.93	410.87	57.14
	February	65.17	47.31	48.26	595.38	419.60	58.24
	March	65.61	47.38	47.79	573.11	422.58	58.48
	April	66.23	47.32	49.18	570.88	428.90	58.17
	May	64.13	47.37	47.45	555.85	422.15	56.51
	June	63.18	47.38	47.64	545.26	416.01	55.93
	July	63.06	47.94	48.34	558.62	414.84	56.52
	August	62.68	48.21	48.24	542.29	414.52	56.41
	September	63.91	49.08	50.35	551.76	418.38	57.63
	October	64.38	49.44	49.28	547.07	417.05	57.09
	November	64.01	49.52	49.04	546.74	417.79	56.84
	December	63.19	49.35	49.63	549.10	417.06	56.78

Source: Central Bank of The Gambia

Table 11A: Volumes of Transactions in the Interbank Foreign Exchange Market

in millions of GMD and USD		PURCHASES		SALES		TOTAL IN	TOTAL IN
		GMD	US$ EQUIV.	GMD	US$ EQUIV.	GMD	US$ EQUIV.
2016	January	1528.6	38.0	1400.6	34.3	2929.2	72.3
	February	2399.2	57.7	2488.7	59.1	4887.8	116.8
	March	3904.0	94.2	3919.0	93.2	7823.0	187.4
	April	3033.3	72.1	3064.2	72.0	6097.5	144.1
	May	2539.2	59.7	2580.5	59.9	5119.7	119.6
	June	4129.7	96.3	4315.7	99.3	8445.4	195.7
	July	2694.0	61.7	2557.8	57.8	5251.8	119.4
	August	3836.1	85.1	4001.5	87.6	7837.6	172.7
	September	2871.5	62.1	2797.4	59.6	5668.9	121.6
	October	2743.9	58.2	2766.6	57.5	5510.5	115.6
	November	2034.8	46.5	2072.5	46.5	4107.4	93.0
	December	1114.3	89.0	1209.9	27.1	2324.3	116.1
2017	January	814.4	18.7	787.8	17.8	1602.2	36.5
	February	1412.7	31.9	1213.2	27.0	2625.9	58.9
	March	1854.2	40.8	1848.3	40.0	3702.5	80.9
	April	1706.2	37.1	1647.8	35.2	3354.0	72.2
	May	2237.9	47.7	2202.4	46.3	4440.3	94.0
	June	3130.2	66.6	3174.0	66.8	6304.2	133.3
	July	3218.9	69.1	3321.4	70.6	6540.4	139.7
	August	3595.3	75.9	3525.0	73.9	7120.3	149.8
	September	2584.2	55.1	2807.2	59.2	5391.4	114.3
	October	2943.5	62.1	2950.9	61.8	5894.4	123.9
	November	4117.4	86.6	4170.0	87.1	8287.4	173.7
	December	4203.0	88.0	4010.5	83.5	8213.6	171.5
2018	January	4622.7	97.9	4429.9	93.0	9052.7	190.9
	February	4666.2	99.8	4750.9	100.4	9417.2	200.3
	March	3664.8	78.3	3682.6	77.8	7347.4	156.1
	April	3456.7	73.3	3733.0	78.5	7189.7	151.7
	May	4427.4	93.9	4536.9	95.3	8964.3	189.2
	June	3201.8	68.1	3251.4	68.3	6453.2	136.4
	July	3428.1	71.5	3392.9	70.2	6821.0	141.7
	August	3686.9	76.7	3719.0	76.3	7405.8	153.0
	September	3257.2	66.6	3335.0	67.3	6592.2	133.9
	October	3115.8	64.7	3229.9	65.6	6345.7	130.3
	November	4502.7	92.4	4538.8	91.0	9041.5	183.4
	December	4562.5	92.6	4784.5	95.9	9347.0	188.5

Source: Central Bank of The Gambia

Table 11B: Banks and Bureaux Volumes of Transactions

(in millions of GMD)		Purchases		Sales		
		Banks	Bureau	Banks	Bureau	Total
2016	January	1,198.6	330.0	1,049.1	351.5	2,929.2
	February	2,067.4	331.8	2,137.1	351.6	4,887.8
	March	3,538.4	365.7	3,467.1	451.9	7,823.0
	April	2,697.0	336.3	2,727.0	337.2	6,097.5
	May	2,269.7	269.6	2,332.5	248.0	5,119.7
	June	3,713.4	416.3	3,882.5	433.1	8,445.4
	July	2,454.7	239.3	2,300.9	256.9	5,251.8
	August	4,671.4	468.9	4,604.2	401.0	10,145.4
	September	2,581.6	289.8	2,501.6	295.8	5,668.9
	October	2,465.9	278.0	2,474.9	291.6	5,510.5
	November	1,701.2	333.6	1,788.2	284.3	4,107.4
	December	897.2	217.1	951.0	258.9	2,324.2
2017	January	658.6	155.8	618.6	169.1	1,602.2
	February	1,103.0	309.6	861.7	351.5	2,625.9
	March	1,437.9	416.3	1,426.2	422.0	3,702.5
	April	1,375.9	330.3	1,343.5	304.3	3,354.0
	May	1,906.8	309.5	1,898.5	301.4	4,416.2
	June	2,737.0	393.2	2,765.8	408.2	6,304.2
	July	2,737.7	481.3	2,799.8	521.6	6,540.4
	August	2,811.2	784.1	2,689.1	835.9	7,120.3
	September	2,045.8	538.4	2,198.8	608.4	5,391.4
	October	2,284.5	659.0	2,158.8	792.1	5,894.4
	November	3,004.7	1,112.7	2,945.3	1,224.7	8,287.4
	December	3,352.1	851.0	3,187.2	823.3	8,213.6
2018	January	3,804.5	818.2	3,478.7	951.3	9,052.7
	February	3,721.8	944.5	3,734.2	1,016.7	9,417.2
	March	3,142.4	522.4	3,099.8	582.9	7,347.4
	April	2,761.6	695.1	2,916.6	816.4	7,189.7
	May	3,763.3	664.0	3,763.3	773.6	8,964.3
	June	2,576.1	625.7	2,561.5	689.9	6,453.2
	July	2,646.7	781.4	2,552.0	840.9	6,821.0
	August	2,828.2	858.6	2,850.9	868.1	7,405.8
	September	2,489.7	767.4	2,503.9	831.1	6,592.2
	October	2,395.0	720.8	2,529.2	700.7	6,345.7
	November	3,424.3	1,078.3	3,403.1	1,135.7	9,041.5
	December	3,344.2	1,218.3	3,499.0	1,285.5	9,347.0

Source: Central Bank of The Gambia

Table 12: National Consumer Price Index (2004=100)

	Food and Drink	Housing, Fuel&Lighting etc	Clothing, Textiles &Footwear	Furnishing, H/H Equipment	Transportation	Newspaper, Books & Stationery	Alcoh Beverages, Naco & Tobacco	Health	Recreation & Culture	Education	Hotels, cafes & Restaur	Communication	Miscellaneous	**All Items Index**	% Change from same period last year
Weights	*54.7*	*3.4*	*11.2*	*5.2*	*4.4*	*7.1*	*0.7*	*1.2*	*1.5*	*1.5*	*0.4*	*2.9*	*5.8*	***100.0***	
Jan-15	180.01	169.60	127.64	128.42	225.42	124.28	115.45	130.72	117.58	108.42	165.63	103.97	170.66	**161.60**	**7.01**
Feb-15	180.74	169.81	128.32	128.83	225.45	124.49	115.68	130.72	117.74	108.42	166.64	104.11	171.45	**162.20**	**6.83**
Mar-15	181.37	170.16	128.60	129.13	225.68	124.50	115.94	130.72	117.77	108.42	167.31	104.11	171.71	**162.64**	**6.73**
Apr-15	182.37	170.57	129.41	129.71	226.34	124.70	115.98	130.72	118.05	108.42	168.20	104.11	172.94	**163.45**	**6.71**
May-15	184.24	171.75	129.56	129.88	226.58	127.12	116.07	131.54	118.28	108.45	171.00	104.28	173.82	**164.83**	**7.21**
Jun-15	185.13	172.69	129.96	130.14	226.79	127.14	116.35	131.54	118.34	108.45	171.90	104.28	174.66	**165.49**	**7.17**
Jul-15	186.44	173.36	131.88	130.51	226.91	127.14	116.49	131.60	118.53	108.45	172.57	104.3	177.12	**166.65**	**6.92**
Aug-15	187.56	174.66	132.03	130.59	227.71	127.34	116.76	131.66	118.59	108.68	173.13	104.31	177.94	**167.43**	**6.88**
Sep-15	189.13	175.01	133.26	131.80	227.91	127.35	117.04	131.67	119.9	108.68	173.58	104.38	180.66	**168.72**	**6.57**
Oct-15	190.47	175.72	133.99	132.28	228.20	127.96	117.57	132.78	119.9	108.98	174.03	104.49	182.23	**169.78**	**6.48**
Nov-15	191.82	175.94	135.71	134.13	228.57	129.53	117.85	133.11	120.04	109.15	175.31	104.48	184.21	**171.10**	**6.58**
Dec-15	192.81	176.18	136.29	134.42	228.69	129.54	118.34	134.02	120.04	109.19	175.98	104.48	184.94	**171.82**	**6.67**
Jan-16	193.7	176.76	136.39	134.81	229.05	129.56	118.88	134.05	120.59	109.23	177.09	104.5	185.12	**172.41**	**6.7**
Feb-16	194.96	177.54	137.16	135.30	227.06	129.59	118.9	134.12	121.18	109.23	177.75	104.58	186.5	**173.32**	**6.9**
Mar-16	196.01	177.78	137.64	135.73	225.86	129.64	119.18	134.18	121.85	109.23	179.08	104.61	188.14	**174.10**	**7.0**
Apr-16	197.19	178.09	138.40	137.15	222.81	129.83	119.58	134.4	122.56	109.15	181.03	104.63	189.21	**174.99**	**7.1**
May-16	199.01	178.31	139.41	137.41	222.76	129.85	119.77	134.4	123.34	109.15	182.42	104.66	191.36	**176.30**	**7.0**
Jun-16	200.42	178.65	139.77	138.22	222.60	129.88	120.01	134.4	123.54	109.15	183.75	104.68	193.11	**177.31**	**7.1**
Jul-16	201.97	179.17	141.12	138.44	222.82	130.32	120.11	134.64	123.87	109.33	185.39	104.69	197.31	**178.66**	**7.2**
Aug-16	203.56	179.53	142.47	138.57	223.86	130.32	120.11	134.87	124.2	109.33	186.50	104.71	197.31	**179.91**	**7.5**
Sep-16	205.13	180.21	144.10	139.37	225.00	131.17	120.29	134.89	124.55	109.33	187.83	104.73	201.48	**181.3**	**7.4**
Oct-16	206.40	180.50	145.34	139.50	225.14	132.40	120.40	135.24	124.69	109.33	189.16	104.73	204.39	**182.40**	**7.4**
Nov-16	208.15	181.00	146.67	139.73	226.17	133.83	120.74	135.90	124.85	109.44	191.82	104.85	208.6	**183.97**	**7.5**
Dec-16	209.49	182.19	147.90	140.24	226.53	133.85	121.31	136.03	126.19	109.44	194.19	104.85	214.75	**185.35**	**7.9**
Jan-17	213.07	182.85	148.52	140.66	228.19	133.85	121.51	136.03	126.39	109.51	196.62	104.85	216.2	**187.61**	**8.8**
Feb-17	214.11	183.66	149.12	140.86	229.62	133.87	121.64	136.65	126.66	109.51	197.75	104.86	219.83	**188.57**	**8.8**
Mar-17	214.81	184.60	149.86	141.00	230.15	133.87	122.01	136.65	126.66	109.51	198.57	104.86	221.96	**189.23**	**8.7**
Apr-17	216.06	185.21	150.54	141.12	230.26	133.87	122.03	136.72	126.66	109.51	200.28	104.86	223.73	**190.15**	**8.7**
May-17	217.25	186.98	151.46	141.91	231.08	133.88	122.03	136.72	127.39	109.51	201.8	104.95	224.13	**191.09**	**8.4**
Jun-17	218.46	187.57	152.79	142.83	231.83	134.69	122.03	137.17	127.42	109.64	202.27	104.96	227.05	**192.26**	**8.4**
Jul-17	219.45	188.08	153.12	143.17	232.38	134.69	122.35	137.23	127.74	109.64	202.93	104.99	238.38	**192.99**	**8.0**
Aug-17	220.55	188.90	154.80	144.32	232.96	136.41	122.42	137.58	135.02	109.64	203.73	105.12	230.02	**194.15**	**7.9**
Sep-17	221.73	189.44	155.47	144.59	232.09	136.41	122.51	137.59	135.09	109.64	204.03	105.17	231.67	**195.02**	**7.6**
Oct-17	222.60	190.40	156.30	146.03	231.87	139.63	122.66	137.8	137.74	109.79	204.70	105.18	232.13	**195.98**	**7.4**
Nov-17	223.17	191.04	156.66	146.18	231.87	139.63	122.78	138.15	137.74	109.79	205.37	105.18	236.23	**196.62**	**6.9**
Dec-17	224.78	191.54	157.68	147.2	232.94	142.85	122.81	138.28	140.48	109.79	206.67	105.18	240.08	**198.22**	**6.9**
Jan-18	226.11	192.92	158.98	147.74	234.32	143.05	122.97	139.33	140.67	110.11	207.93	105.22	245.96	**199.61**	**6.4**
Feb-18	227.19	194.31	160.47	148.08	234.32	143.05	122.97	139.33	140.67	110.11	209.04	105.22	247.98	**200.58**	**6.4**
Mar-18	228.46	195.22	161.66	148.67	234.52	143.06	122.97	139.42	140.72	110.39	210.59	105.23	249.06	**201.59**	**6.5**
Apr-18	229.77	196.19	161.93	149.91	235.63	143.89	123.30	139.78	141.59	110.53	211.70	105.24	251.15	**202.69**	**6.6**
May-18	230.81	197.87	162.94	150.35	236.63	143.91	123.63	139.88	141.62	110.66	213.48	105.26	252.27	**203.57**	**6.5**
Jun-18	232.11	198.60	163.80	150.52	237.21	145.54	124.17	139.92	142.96	110.66	215.40	105.26	253.92	**204.67**	**6.5**
Jul-18	233.48	199.30	164.86	150.71	238.13	145.54	124.25	140.22	142.98	110.66	219.26	105.26	255.82	**205.75**	**6.6**
Aug-18	235.02	200.37	166.53	151.49	238.13	145.95	124.31	140.34	143.39	110.66	220.52	105.26	258.96	**207.12**	**6.7**
Sep-18	235.85	200.94	167.09	152.09	239.54	145.97	124.59	140.44	143.56	110.66	222.39	105.26	260.08	**207.82**	**6.6**
Oct-18	236.88	202.00	167.89	153.09	241.20	146.58	124.67	140.50	144.11	110.66	224.09	105.26	262.44	**208.81**	**6.5**
Nov-18	237.61	202.70	168.92	153.75	242.12	146.58	124.67	140.53	144.22	110.66	224.09	105.26	263.75	**209.51**	**6.6**
Dec-18	239.13	203.87	170.33	154.23	242.38	147.99	124.69	140.92	145.44	110.66	226.31	105.26	267.34	**210.93**	**6.4**

Source: Gambia Bureau of Statistics

Table 13A: Gross Domestic Product at Current Prices (base year = 2013)

	2013	2014	2015	2016	2017	2018
Millions of GMD						
Gross Domestic Product market price	**49,463.6**	**51,309.1**	**58,581.1**	**64,389.9**	**70,142.2**	**78,622.6**
Agriculture, forestry and fishing	**12,970.4**	**11,523.4**	**13,010.2**	**14,076.5**	**14,731.2**	**15,619.2**
Crop	7,413.6	6,233.5	6,978.2	7,130.3	6,525.7	7,185.6
Livestock	2,475.4	2,690.0	2,695.7	2,957.4	2,936.9	2,979.2
Forestry and logging	567.9	572.3	576.8	581.3	585.8	590.3
Fishing and aquaculture	2,513.5	2,027.6	2,759.5	3,407.6	4,682.9	4,864.1
Industry	5,883.5	6,780.4	10,042.8	13,480.4	12,550.4	12,238.9
Mining and quarrying	137.8	262.0	245.7	238.9	324.1	326.7
Manufacturing	2,775.5	3,341.1	3,719.5	3,597.0	3,134.9	3,472.2
Electricity, gas, etc	456.9	482.9	595.3	638.8	584.6	1,173.2
Water supply, sewerage, etc	325.8	384.2	441.8	478.9	467.6	469.2
Construction	2,187.6	2,310.1	5,040.5	8,526.9	8,039.2	6,797.6
Services	27,267.4	28,958.2	30,397.6	31,421.0	37,473.7	44,429.5
Wholesale and retail trade; etc	15,582.5	16,664.0	17,872.1	18,169.2	22,902.5	26,632.4
Transport and storage	1,731.4	2,088.3	1,847.3	2,073.5	2,295.5	2,812.2
Accommodation and food service activities	905.8	876.4	821.9	1,074.6	1,154.3	1,707.7
Information and Communication	1,765.1	1,683.1	1,858.9	1,821.6	2,320.4	2,664.3
Financial and insurance activities	1,193.3	1,346.8	1,269.8	1,164.4	1,417.1	2,571.2
Real estate activities	1,119.6	1,149.4	1,284.7	1,337.2	1,424.7	1,499.8
Professional, scientific and technical activities	105.0	112.4	115.7	135.9	122.1	119.3
Admin. & support service activities	594.4	673.0	708.8	755.4	844.3	790.9
Public admin. and defence; social security	1,727.4	1,592.9	1,732.9	1,651.1	1,695.0	2,234.7
Education	1,156.2	1,109.6	1,176.8	1,364.6	1,507.4	1,485.2
Human health and social work activities	461.7	440.7	421.9	486.3	448.8	511.5
Arts, entertainment and recreation	213.1	283.1	357.4	387.6	420.0	446.8
Other service activities	711.9	938.6	929.5	999.7	921.8	953.4
GDP basic price (Gross Value Added)	46,121.4	47,262.0	53,450.6	58,978.0	64,755.3	72,287.6
Taxes less subsidies on products (+)	3,342.2	4,047.1	5,130.5	5,412.0	5,386.9	6,335.0
Memorandum items						
Population estimates (millions)	1.86	1.90	1.96	2.02	2.08	2.15
GDP per Capita (GMD)	26,634	27,039	29,910	31,870	33,667	36,608
GDP per Capita (USD)	685	651	704	727	722	743

Source: GBoS

Table13B: Gross Domestic Product at Constant Prices (base year = 2013)

	2013	2014	2015	2016	2017	2018
			Millions of GMD			
Gross Domestic Product at market price	**49,463.6**	**48,767.5**	**50,746.5**	**51,732.7**	**54,227.5**	**57,777.8**
Agriculture, forestry and fishing	**12,970.4**	**11,364.1**	**11,813.0**	**11,785.3**	**11,269.2**	**11,370.8**
Crop	7,413.6	6,374.7	6,744.8	6,566.6	5,352.1	5,704.7
Livestock	2,475.4	2,406.9	2,015.1	1,954.4	1,741.5	1,643.6
Forestry and logging	567.9	544.1	550.0	461.8	408.0	333.7
Fishing and aquaculture	2,513.5	2,038.3	2,503.1	2,802.5	3,767.5	3,688.8
Industry	**5,883.5**	**6,446.8**	**7,904.5**	**9,423.8**	**9,089.5**	**9,318.2**
Mining and quarrying	137.8	272.3	252.5	231.9	243.2	295.7
Manufacturing	2,775.5	2,865.9	2,941.5	2,734.3	2,519.2	2,526.3
Electricity, gas, etc	456.9	484.5	533.6	572.3	529.9	600.1
Water supply, sewerage, etc	325.8	384.2	401.5	435.2	424.9	426.4
Construction	2,187.6	2,439.9	3,775.5	5,450.1	5,372.3	5,469.8
Services	**27,267.4**	**27,638.0**	**27,570.8**	**26,997.3**	**30,164.9**	**33,151.2**
Wholesale and retail trade, etc	15,582.5	15,795.9	15,846.5	14,984.6	17,533.5	19,207.2
Transport and storage	1,731.4	1,892.3	1,589.5	1,798.0	1,957.4	2,342.9
Accommodation and food service activities	905.8	837.1	729.3	880.7	871.0	1,029.6
Information and Communication	1,765.1	1,702.7	1,864.4	1,814.5	2,321.4	2,687.2
Financial and insurance activities	1,193.3	1,249.0	1,279.3	1,184.6	1,197.9	1,320.5
Real estate activities	1,119.6	1,238.8	1,251.2	1,253.1	1,286.3	1,317.9
Professional, scientific and technical activities	105.0	108.2	106.5	118.2	99.9	92.1
Admin. and support service activities	594.4	654.5	674.6	661.0	657.7	608.4
Public admin. & defence; social security	1,727.4	1,503.5	1,531.3	1,360.7	1,293.0	1,600.4
Education	1,156.2	1,111.1	1,168.3	1,343.7	1,486.0	1,462.8
Human health and social work activities	461.7	360.8	328.8	370.0	338.0	381.0
Arts, entertainment and recreation	213.1	278.1	343.8	357.8	366.1	360.1
Other service activities	711.9	906.0	857.4	870.4	756.7	741.0
GDP basic price (Gross Value Added)	46,121.4	45,448.9	47,288.3	48,206.4	50,523.5	53,840.2
Taxes less subsidies on products (+)	3,342.2	3,318.6	3,458.1	3,526.3	3,704.0	3,937.6
			Percent change from the previous year			
Growth rate						
GDP growth rate	2.9%	-1.4%	4.1%	1.9%	4.8%	6.5%
Agriculture	-2.6%	-12.4%	4.0%	-0.2%	-4.4%	0.9%
Industry	3.6%	9.6%	22.6%	19.2%	-3.5%	2.5%
Services	5.3%	1.4%	-0.2%	-2.1%	11.7%	9.9%

Source: GBoS

Table 14A: Government Revenues

(in millions of GMD)	2015	2016	2017	2018
Revenue and Grants	**7999.4**	**8354.3**	**13327.8**	**10683.7**
Domestic Revenue	7515.8	7646.7	7723.2	8779.9
Tax Revenue	6694.6	7014.4	7099.3	8103.5
Direct Taxes	1695.5	1811.8	1932.3	2013.3
Indirect Taxes	4999.1	5202.6	5167.0	6090.2
Domestic Taxes on Goods & Services	1544.4	1700.0	1702.9	2123.7
Stamp Duty	96.7	33.3	42.0	52.9
Excise Duties	627.1	732.9	716.9	851.5
Domestic Sales Tax	1.4	0.0	471.4	587.8
Value Added Tax	819.2	893.8	880.2	1147.2
Other taxes on production	0.0	40.0	63.7	72.2
Taxes on International Trade	3454.7	3502.6	3464.1	3966.5
Customs Duty	2109.0	2125.9	1980.5	2092.2
Sales Tax on Imports	1345.7	1376.7	1483.6	1874.3
Nontax Revenue	821.3	632.3	623.9	676.4
Government Services & Charges	85.5	171.4	99.4	118.5
Telecommunications License	238.4	225.2	346.1	283.2
Grants	483.6	707.6	5604.7	1903.8

Source: MoFEA

Table14B: Government Expenditures

(in millions of GMD)	2015	2016	2017	2018
Total Expenditure and Net Lending	**10400.7**	**12568.5**	**16980.3**	**14580.6**
Current Expenditure	8396.2	9979.8	9786.0	10381.5
Expenditure on Goods & Services	5598.2	6718.5	6405.4	7904.9
Salaries	2037.8	2219.6	2234.5	2818.8
Other Charges	3560.5	4498.9	4170.8	5086.0
Interest Payments	2798.0	3261.3	3380.6	2476.6
Internal	2298.9	2805.3	3139.4	2057.1
External	499.1	456.0	241.2	419.5
Subsidies & Current Transfers	0.0	1752.2	1798.8	2155.0
Development Expenditure	2004.5	2588.7	7194.3	4199.1
External	1329.0	1954.0	6403.0	3493.5
Loans	845.4	1246.4	3808.0	2235.3
Grants	483.6	707.6	2595.0	1258.2
Gambia Local Fund (GLF Capital)	675.5	634.7	791.3	705.6
Net Lending	0.0	0.0	0.0	0.0

Source: MoFEA

Table 14C: Fiscal Deficit

(in millions of GMD)	2015	2016	2017	2018
Overall Balance (Commitment Basis)				
Excluding Grants	-2884.9	-4921.8	-9257.2	-5800.7
Including Grants	-2401.3	-4214.1	-3652.5	-3896.9
Adjustment to cash basis (Float)	-2401.3	-4214.1	-9272.2	-5838.3
Overall Balance - Including Grants (Cash Basis)	4917.5	10926.7	8646.3	12644.5
Financing	1803.1	1717.8	11223.1	7414.5
External (net)	845.4	471.4	5179.2	5179.2
o/w: Borrowing	957.6	1246.4	6044.0	2235.3
Domestic	3114.4	9208.9	-2576.9	5230.0
Bank	2386.7	4350.9	-1460.8	2191.6
Non-Bank	642.1	4357.5	-1071.3	2053.1
Accumulation of arrears	85.6	500.5	-44.8	985.3

Source: MoFEA

Table 15: Air-chartered tourist arrivals

Months	2013	2014	2015	2016	2017	2018
January	18,977	26,144	14,457	21,789	13,278	28,305
February	17,997	22,919	12,972	19,991	17,507	24,416
March	20,561	21,308	13,379	17,787	16,217	23,326
April	11,805	13,984	9,235	11,923	10,996	12,968
May	7,386	7,516	6,455	7,032	7,641	7,501
June	8,067	7,746	6,329	6,510	7,170	8,432
July	7,844	6,499	6,809	7,323	8,556	8,981
August	7,545	8,893	6,236	6,650	8,906	9,230
September	7,263	8,477	7,698	8,431	9,112	8,479
October	11,287	13,926	9,466	10,837	11,385	13,309
November	20,905	20,301	18,888	19,305	22,807	27,153
December	26,680	15,527	22,636	23,549	28,313	31,370
Total	**166,317**	**173,240**	**134,560**	**161,127**	**161,888**	**203,470**

Source: Gambia Tourism Board

Table 16: Balance of Payments (in millions of USD)

Period	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Account	**-29.5**	**-27.1**	**9.8**	**-25.8**	**-7.0**	**-29.4**	**-28.9**	**-14.1**
Goods	**-54.6**	**-82.2**	**-68.7**	**-65.6**	**-67.5**	**-78.0**	**-102.6**	**-101.8**
Exports FOB	18.7	31.9	25.1	101.5	5.2	30.3	36.7	43.7
Exports of goods in trade stat	14.2	4.3	2.6	1.3	0.7	3.9	1.8	7.4
Adjustments	4.5	27.5	22.5	100.1	4.5	26.3	34.9	36.3
For coverage (re-exports)	4.5	27.5	22.5	100.1	4.5	26.3	34.9	36.3
Imports FOB	-77.9	-118.0	-96.5	-171.6	-77.2	-112.8	-149.7	-155.7
Imports of goods in trade stat	-90.9	-137.7	-112.6	-200.2	-90.0	-131.6	-174.7	-181.6
Adjustments	13.0	19.7	16.1	28.6	12.9	18.8	25.0	26.0
Services	**-4.0**	**3.4**	**0.9**	**-7.8**	**9.1**	**8.9**	**11.7**	**53.9**
Transportation	-6.9	-6.1	0.4	-13.2	0.6	-13.0	-8.5	-1.6
Travel	4.2	11.6	2.1	8.8	9.3	1.2	20.5	55.3
Communications services	0.4	0.6	0.5	0.4	0.9	1.3	2.4	2.1
Postal and courier services	-0.1	-0.1	0.0	-0.2	0.1	-0.2	-0.1	-0.1
Telecom. services	0.5	0.7	0.5	0.6	0.8	1.5	2.6	2.2
Insurance services	-1.8	-2.7	-2.2	-3.8	-1.7	-2.5	-3.4	-3.5
Construction Services	0.0	0.0	0.1	0.1	0.1	0.1	0.7	1.5
Income	**-8.3**	**-7.0**	**-9.9**	**-8.0**	**-9.3**	**-6.7**	**-6.7**	**-9.3**
Investment income	-6.7	-4.8	-6.8	-5.5	-7.2	-5.4	-6.0	-9.0
Income on equity	-2.4	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.2
Portfolio investment	-4.3	-2.5	-4.5	-3.2	-4.9	-3.1	-3.8	-6.8
Compensation of empl.	-1.6	-2.2	-3.1	-2.5	-2.1	-1.3	-0.6	-0.3
Current Transfers	**37.4**	**58.6**	**87.4**	**55.6**	**60.7**	**56.3**	**68.7**	**43.2**
General government	0.0	0.0	0.0	0.0	2.9	0.0	0.0	5.7
Other sectors	37.4	58.6	87.4	55.6	57.8	56.3	68.7	37.4
Workers' remittances	45.6	56.6	61.5	57.9	60.0	47.5	47.5	45.7
Other transfers	-8.1	2.0	25.9	-2.3	-2.2	8.8	21.2	-8.3
Capital And Financial Account	**27.4**	**63.0**	**-128.6**	**24.3**	**7.5**	**5.2**	**27.4**	**13.2**
Capital Account	**12.9**	**19.6**	**13.6**	**9.5**	**2.3**	**2.3**	**7.3**	**10.2**
Capital transfers	12.9	19.6	13.6	9.5	2.3	2.3	7.3	10.2
Financial Account	14.5	43.5	-142.2	14.8	5.2	2.9	20.1	2.9
Direct investment	3.4	3.3	5.4	5.6	7.3	7.3	7.2	6.9
Other investment	12.0	43.3	-41.9	-9.9	15.0	-7.3	15.3	-2.1
Reserve Assets (increase -)	**-1.0**	**-3.1**	**-105.7**	**19.1**	**-17.1**	**2.9**	**-2.4**	**-1.9**
Overall Balance	**-2.1**	**35.9**	**-118.8**	**-1.5**	**0.5**	**-14.2**	**-1.5**	**-0.9**

Source: Central Bank of The Gambia