



CENTRAL BANK OF THE GAMBIA



ANNUAL REPORT 2008

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FOREWORD BY THE GOVERNOR



2008 was a year of unprecedented dislocation and disruption in financial markets. Food and energy price increases in the early part of the year exerted considerable pressures on the fiscal positions of most oil-importing countries. Bank collapses and bailouts, sharp fall in stock markets, output and employment. Capital flows to some emerging markets have weakened and some currencies have depreciated sharply.

Despite the crisis, the Gambian economy continued to moderate economic performance due to the implementation of good macroeconomic policy and strong implementation of structural reforms.

The economy grew by 6 percent in 2008 propelled by agriculture, electricity and telecommunications. However the impact of the high foods and energy prices and the financial and economic crisis increased inflationary pressures. Annual inflation rose from 1.4 percent in April 2008 to peak at 7.3 percent in November before declining to slightly to 6.3 percent in December. The crisis resulted in a decline in tourism receipts, remittances and official transfers and depreciation pressures on the currency. Thus the balance of payments and fiscal positions deteriorated in 2008 compared to 2007.

Notwithstanding the challenging global environment, the Bank is committed to the

pursuit of prudent policies in order to complement Government's objective of maintaining macroeconomic stability and promoting high economic growth and poverty reduction.

During the year, the Bank completed the establishment of a Financial Intelligence Unit to share data on suspicious transactions with banks and law enforcement agencies.

Substantial progress was made in establishing a credit reference bureau. It is expected that the process would be completed to enhance the capacity of banks to share information on borrowers to reduce the risk of default or fraud.

The Bank also completed the building of a business continuity centre that should allow for backup storage of confidential data.

The Bank also continued to place emphasis on capacity building.

Despite the difficult external environment, the Bank was able to contribute to the maintenance of macroeconomic stability and confidence in the economy by taking a proactive monetary policy stance. Fiscal slippages and adverse external developments were countered with tighter monetary policy.

I am therefore grateful to the staff for their dedication and commitment to the work of

the Bank which has helped us get through a difficult year. I also acknowledge the invaluable guidance provided by the Board of Directors and thank them for their commitment and dedication.

MOMODOU B. SAHO

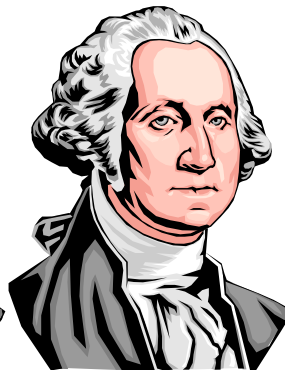
BOARD OF DIRECTORS



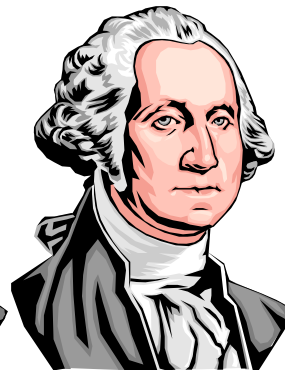
Momodou B. Saho
Governor/Chairman



Benjamin J. Carr
Member



Mustapha A. Kah
Member



Rene Geoffrey Renner
Member

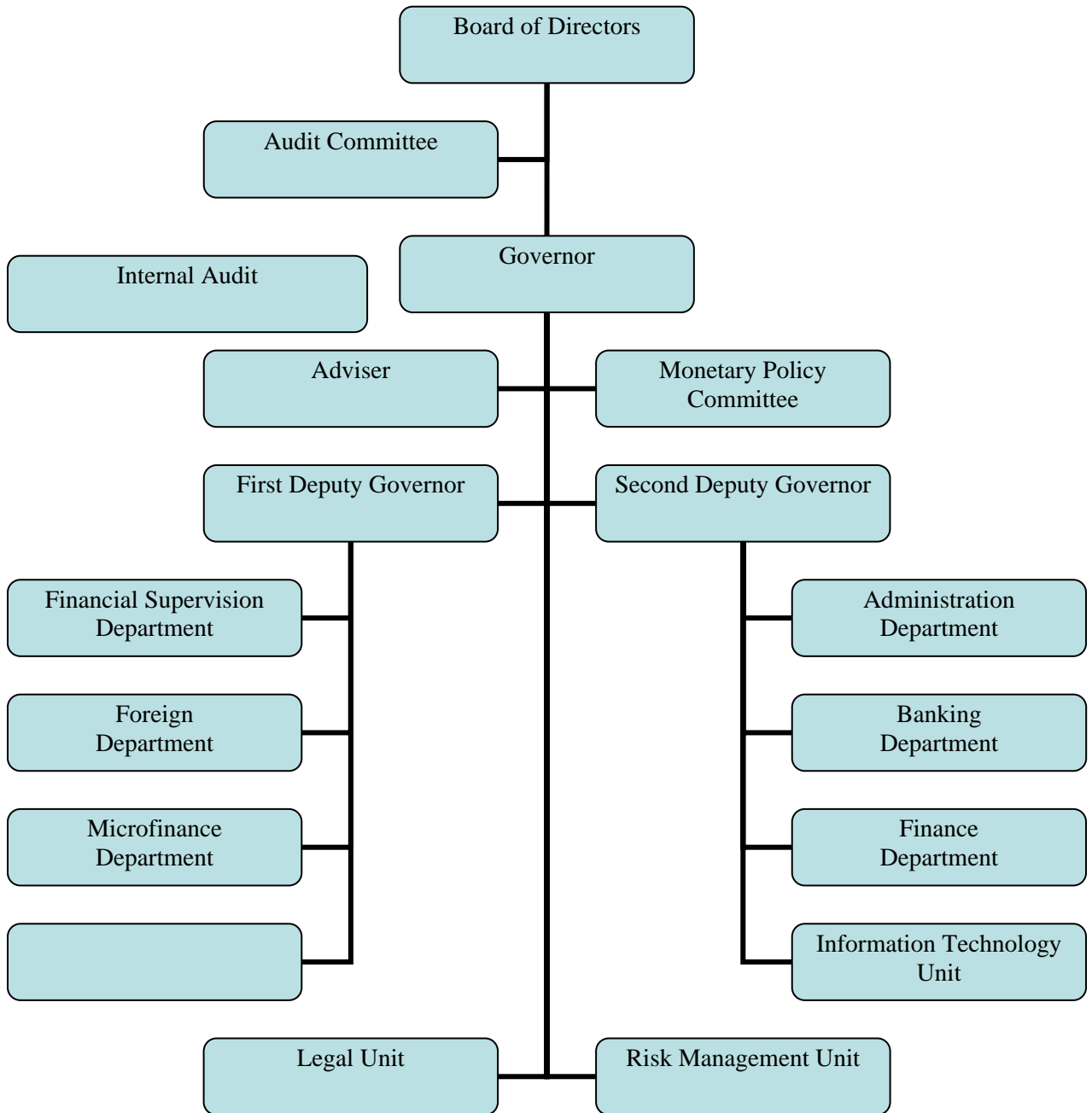


Mod A.K. Secka
Member
Permanent Secretary
MOFEA



Momodou B. Mboge
Secretary

ORGANISATIONAL CHART



DEPARTMENTAL OVERVIEW

Administration Department

- **Herbert M.V. Carr**
 - Haddy Joof
 - Omar K. Janneh

This Department performs support services that are crucial to the success of the Bank's activities. These include human resource management. Staff of the department help recruit, discipline and retire employees. They coordinate the implementation of training of Bank staff. They are also responsible for all procurement in the Bank and for repairs to all the Bank's properties. In addition, this department arranges for travel of Bank staff and provides protocol services to Bank staff and visitors. They are also responsible for organizing meetings and conferences.

Banking Department

- **Amadou Colley**
 - William W. Eunson
 - Baboucarr Koita
 - Mbye M. Jammeh

This department is made up of the following divisions:

- Banking Office
 - Banking and Payment Systems
 - Open Market operations
- Currency Office

The Banking Office is responsible for providing banking services to

Government and commercial banks. They are also responsible for providing safe and efficient payment and settlement systems for The Gambia.

The Open Market Operations Unit plans and executes the Bank's operations in the money market to ensure that interest rates are in line with the policy stance of the Bank. Their operational contact with money market participants enables them to contribute to the monetary policy formulation process in the Bank as well as contribute to the development of a money market. They manage the issue and redemption of the domestic debt of The Gambia.

The currency office discharges the Bank's statutory obligation to ensure that there are enough banknotes and coins to meet the demand of the public.

Economic Research Department

- **Buah Saidy**
 - Ismaila Jarju
 - Fatou Jagne

This department is made up of the following units:

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

The Economic Research Department is responsible for providing the Bank with the

economic analysis necessary to conduct monetary policy. Staff of the ERD perform research on developments in the Gambian and international economy. They produce the Bank's quarterly Bulletins and Annual Report. These reports give the Bank's view of current economic developments. Staff of the department also play the key role in the Bank's relationship with the IMF, WAMI and WAMA. The department's work provides the input for the interest rate decisions that are made by the MPC to achieve the inflation objective. In addition, the department may conduct special studies for the Governor and the Board.

The Statistics unit compiles the monetary and other financial statistics for use by the Bank and other stakeholders.

Finance Department

- **Ousainou Corr**
 - Michael Barraï

This department is made up of the following divisions:

- Treasury
- Budget and Finance
- Verification and Implementation

The Department is responsible for financial planning in the Bank. It prepares and monitors the Bank's budget to ensure that the Bank's financial activities are consistent with the budget and agreed procedures. It is also responsible for the sanction of expenditure. Staff of the department prepare the daily and annual accounts of the Bank and are responsible for the Bank's payroll.

The department is also responsible for providing back office services for the management of The Bank's external reserves. They also are responsible for preparing and monitoring the Bank's Foreign Currency Budget. This department handles all foreign currency payments and receipts. This includes external debt service and payment for services received by Government and the Bank and settlement of interbank foreign exchange deals entered into by the Bank.

Financial Supervision Department

- **Ousman A. Sowe**
 - Essa Drammeh
 - Abdoulie Jallow
 - Paul Mendy
 - Pa Alieu Sillah

This department is made up of the following units:

- Banking supervision
- Insurance

The maintenance of a sound and stable financial system is one of the most important functions of the Bank. Financial stability is a precondition for a strong economy. The Bank tries to do this by regulating and supervising commercial banks and insurance companies.

Banking Supervision is responsible for licensing banks and foreign exchange bureaus. Staff of the department also prepare and implement regulatory guidelines. They conduct on-site and off-site analysis of banks to determine soundness and prescribe measures to stave off bank failure as well as promote safety and soundness of the

banking system as a whole. The head of department is responsible for putting in place an effective infrastructure for supervision. The aim is to ensure that the financial system is safe and sound whilst at the same time encouraging innovation and competition.

The supervision of insurance companies was added to the mandate of the Bank by the 1997 constitution.

Foreign Department

- **Omar Jaata**
 - Ebrima A.C. Ndong

The Foreign Department is responsible, jointly with the Financial Supervision Department, for evaluating the applicants to operate foreign exchange bureaus. They are responsible for foreign exchange dealing and managing the Bank's external reserves. Staff of the department are also responsible for data collection and analysis of the interbank market for foreign exchange. They also calculate the weekly customs valuation rates.

Internal Audit Department

- **Lansana Farti**

The Bank's Internal Audit Department provides an independent appraisal of the adequacy and effectiveness of the Bank's internal control systems and quality of performance as well as test compliance with laid down procedures. The head of department reports to the Governor. The department

also has a direct reporting relationship to the Audit Committee. This department can delve into every aspect of the Bank's work with the aim of providing independent advice to the Bank's Board and senior management in the conduct of their work as well as ensure that the Bank is taking appropriate levels of risk.

Micro Finance Department

- **S. Bai Senghore**
 - Seeku Jaabi

This department is made up of the following units:

- Development
- Supervision

The department performs a function that is similar to the Financial Supervision Department. However, it focuses on the micro finance sector which is concerned about the credit and financing needs of that section of the population that does not have access to the banking system. Microfinance is currently a small part of the Gambian financial system but has been growing rapidly.

The Development Unit works to establish the institutional and operational framework within which the Bank can regulate the Micro Finance Institutions (MFIs). They coordinate with other bodies that work in this sector to prepare strategic action plans for the sector.

The supervision Unit deals with registration, licensing and supervision of MFIs to promote safety. They collect, analyze and disseminate data relating to MFIs and prescribe corrective action for MFIs.

Legal Unit

- **Momodou B. Mboge**

The legal Unit provides advice to the Bank on legal matters and ensures maximum protection of the Bank's interest when signing legal contracts.

Information Technology Unit

- **Peter Prom**
 - Saffie Secka

The Unit is responsible for the management of the Bank's information system

resources. It provides computer-related support to all departments of the Bank and coordinates new information systems development projects.

Risk Management Unit

- **Alieu B.S. Gaye**

The Risk Management Unit is charged with performance measurement and risk management, serving as an additional checking and control mechanism. It is largely involved in verifications and assessing compliance with policy

guidelines. The Unit acts as the middle office for external reserves management purposes and is responsible for risk identification, risk management and financial performance measurement.

1. GOVERNANCE

The Central Bank of the Gambia (CBG) has many, varied responsibilities. It has responsibility for achieving and maintaining price stability. It conducts research and analysis of domestic and external economic and financial matters. The Bank is also tasked with ensuring that the financial system is safe and sound. The Bank supervises banks, insurance companies, foreign exchange bureaus and micro finance institutions. The Bank also has responsibility for oversight of the country's payment systems. The Bank serves as fiscal agent to Government and manages the domestic debt. In addition, the Bank has sole responsibility for issuing banknotes and coin.

The governance framework for the Bank is set by the Central Bank of The Gambia Act 2005, which provides for a Board of Directors, committees of the Board and a Monetary Policy Committee.

1.1 The Board of Directors

The authority of the Bank vests in the Board of Directors. The Board consists of the Governor, who is also the Chairman and four other directors. Members of the Board are appointed by The President of the Republic of The Gambia, in consultation with the Public Service Commission. The members other than the Chairman are appointed for a term of two years and are also eligible for re-appointment.

Under the Act, the Board is responsible for the observance of the objectives of the Bank and its general administration and the formulation of policies necessary for the achievement of these objectives.

Among the issues discussed by the board during 2008 were:

- Decisions of the MPC.
- Review impact of the global economic crisis on the Gambian economy.
- Approved the revised foreign exchange reserves management guidelines;
- Code of conduct for participants in the foreign exchange markets;
- Approved the increase in the minimum capital of banks;
- Approved the Bank's adoption of IFRS as a financial reporting framework.
- Reviewed progress made in the Poverty Reduction and Growth Facility (PRGF) program with the International Monetary Fund (IMF).

1.2 The Committees of the Board

The Board has the following committees that help it carry out its functions:

- The Audit Committee
- The Financial Supervision Committee
- The Interviews Committee

The Audit Committee

The CBG Act establishes the Audit Committee as a Committee of the Board. Under the Act, the functions of the Committee are to:

- Establish appropriate accounting procedures and accounting controls for the Bank and supervise compliance with the procedures;
- Monitor compliance with laws applicable to the Bank;

- Review the external auditor's report and report on them to the Board;
- Review the work of the Internal Audit Department.

The committee was chaired by Mr. Mustapha A. Kah. The other members were Mr. Benjamin J. Carr and Mr. Rene Geoffrey Renner. The Audit Committee normally meets at least once every quarter. The Committee reviewed the 2009 Audit Plan and the quarterly reports of the Internal Audit Department. It also reviewed the draft financial statements for 2007.

The Financial Supervision Committee

The Committee is responsible for evaluation of the functions of the Financial Supervision Department. The Committee reviews the results of onsite examinations of financial institutions and takes decisions on appropriate lines of actions to address shortcomings. The Committee is chaired by Mr. Benjamin J. Carr. The other members are Mr. Mustapha A. Kah and Mr. Rene Geoffrey Renner.

During the year, some of the main issues discussed by the Committee included the examination reports of the financial institutions including the non-bank financial institutions.

The Recruitment Committee

The Recruitment Committee has responsibility for recruitment of professional staff. During 2009, its mandate would be modified to include responsibility for devising policies for staff retention, career development, succession planning and remuneration.

The Committee is chaired by Mr. Rene Geoffrey Renner. The other members are, Mr. Benjamin J. Carr and Mr. Mustapha A. Kah.

1.3 The Monetary Policy Committee

The CBG Act 2005 provides for a Monetary Policy Committee. The purpose of the MPC is to enable the Bank to more effectively discharge its core function of delivering price stability. It also aims to support the Government's aim of achieving balanced and sustainable growth without losing sight of this core function. The MPC is responsible for:

- Setting the policy interest rate to achieve the objects of the Bank;
- Formulation and adoption of monetary policies of the Bank; and
- Providing the statistical data for the formulation of monetary policy.

The MPC meets every two months. The membership comprises of the Governor, the two Deputy Governors, three members from the Bank and two members appointed by the Minister of Finance and Economic Affairs.

MEMBERS OF THE MPC



Momodou B. Saho



Basiru A. O. Njai



Oumie S. Samba



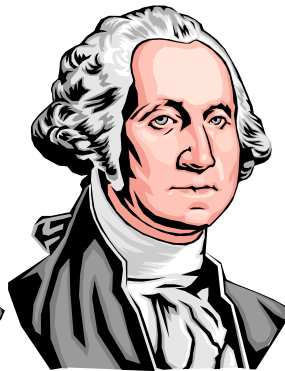
Mod A.K. Secka



Serign Cham



Ousman Sowe



Amadou Colley



Buah Saidy

2. DEVELOPMENTS IN THE DOMESTIC ECONOMY

2.1 Gross Domestic Product

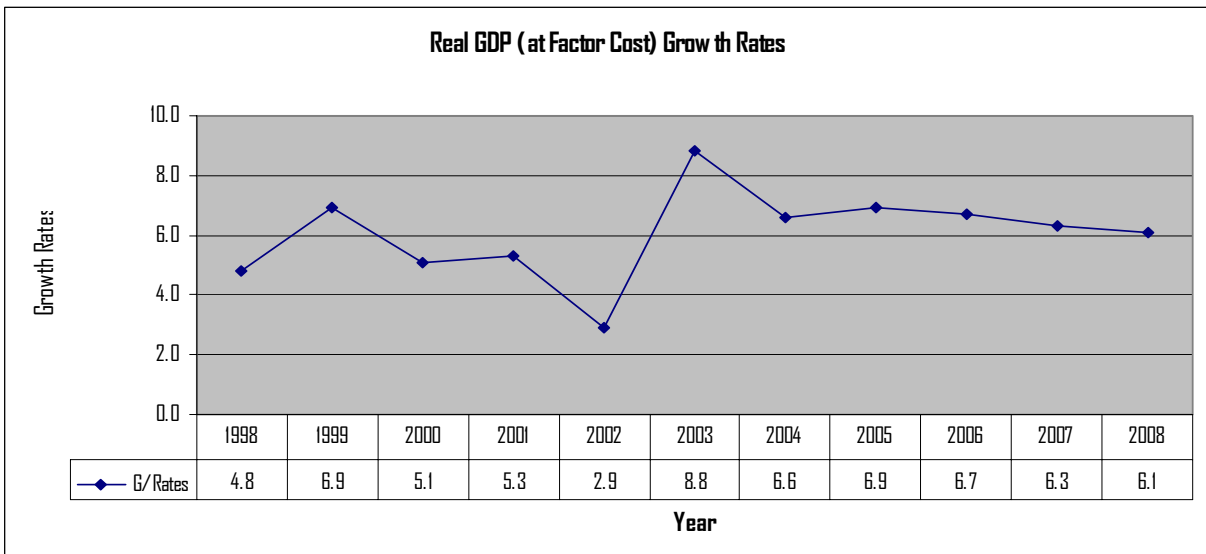
The Gambia attained progress towards macroeconomic stability with real GDP growth averaging 6.9 percent a year between 2003 and 2007, with increased value-added from all major sectors of the economy, mirroring the implementation of sound macroeconomic policies, structural reforms and the efforts by the Government to diversify the economy. For 2008, real GDP grew by 6.1 percent, compared to 6.3 percent in 2007, due largely to the contraction in the services sector which

Agricultural Production

The agricultural sector grew by 27.0 percent in 2008 compared to 2.0 percent in 2007. It is the second largest contributor to GDP, accounting for 27.2 percent of total output in 2008. It was the main provider of rural household income. The 2008/2009 agricultural season was characterized by heavy and evenly distributed rainfall. Groundnuts, the main cash crop, and cereal production increased significantly.

Groundnut Production

Groundnut production increased to 109,641 metric tonnes in 2008/2009, or 51.1 percent compared to the previous season due mainly to favorable weather conditions, improved seedlings and increase in area under cultivation. The producer prices of



reflects the unsettled conditions in the global financial markets resulting in tighter credit conditions, exacerbated by higher fuel and food prices. These unfavorable global developments led to reduced exports, tourism receipts and foreign direct investment flows.

groundnuts also rebounded in 2008 and the, Gambia Groundnut Corporation (GGC), was able to export up to 40,000 metric tonnes.

Cereal Production

The production of cereals, which includes early and late millet, maize, sorghum and paddy rice increased to 234,651 metric tonnes, or 56.5 per cent from the previous year. This was largely attributed to the

significant output of paddy rice during the review period.

Coarse Grains

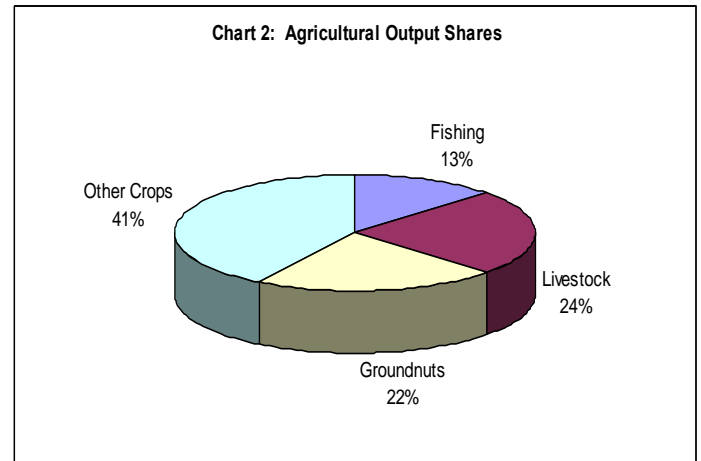
The production of coarse grains (early and late millet, sorghum and maize), increased to 196,142 metric tonnes in 2008/2009, or by 41.6 per cent relative to 2007/2008 cropping season. The output of all the crops increased with early millet recording the highest growth in output of 43.0 per cent. Production of early and late millet rose to 108,404 metric tonnes and 17,220 metric tonnes, or 43.0 percent and 28.9 per cent higher than the output in the previous year respectively.

Maize production also increased to 44,894 metric tonnes, or by 42.9 per cent relative to the previous year. Sorghum production rose to 25,624 metric tonnes in 2008/2009 cropping season, or by 42.7 per cent compared to 2007/2008.

Rice Production

In 2008, rice importation was valued at D58.2 million, or 8.2 per cent of the total import bill. In terms of metric tonnes, rice importation amounted to 123,316 metric tonnes in 2008 compared to 102,788 tonnes in 2007.

Production of Paddy rice (upland rice, swamp rice and irrigated rice) increased from 11,394 metric tonnes in 2007/2008 cropping season to 38,300 metric tonnes, or by 236.1 per cent.



Notwithstanding the improved performance, development of agriculture continued to be marred by low and declining soil productivity, the incidence of pests and diseases, labor shortage due to rapid rural-urban migration and difficulty in the marketing of the produce. Government, on its part, continued to focus on greater farm participation in policy formulation and implementation, and enhanced resource mobilization.

Fisheries

The fisheries sector is important in the Gambia's pursuit to increase food security and employment opportunities. The sectoral policy aimed at promoting and encouraging responsible fishing and fish utilization practices, and sustainable development of fisheries for food security and poverty reduction. In a bid to further enhance productivity in the fisheries sector, a number of projects have been implemented, including the project for the improvement of Fish Preservation and Distribution Facilities for Inland Fish Marketing.

In 2008, total fish production, comprising artisanal and industrial fishing, amounted to 50,610 metric tonnes compared to 47,007 metric tonnes in 2007, representing an increase of 7.7 per cent. Export of fish and fish products decreased both in quantity and value compared to the previous year.

Exports totaled 1,102 metric tonnes in 2008 compared to 1,480 metric tonnes in 2007. In value terms exports amounted to D46.9 million or a decrease of 30.5 percent from the previous year. However, export volumes are higher in the review period when compared to the previous ten-year average of 983 metric tonnes.

Production attributed to the artisanal sub-sector totaled 47,637 metric tonnes, up by 10.8 percent from the previous year. However, output of industrial sub-sector declined by 25.7 percent compared to the previous year.

Livestock and Forestry

The livestock and forestry sectors remain crucial in sustaining household incomes, food security and employment. In 2008, the livestock and forestry sectors grew by 4.0 percent and 4.0 percent compared to 4.5 percent and 4.5 percent in 2007 respectively. The Government continued to channel resources to improving access to livestock services and forestry preservation. The programs implemented geared towards enhancing indigenous livestock included the distribution of cockerels, poultry boilers and layers. The Department of Forestry, through the Forestry Policy remains committed to preserving the natural environment and preventing deforestation.

Industrial Sector

Industrial output in 2008 grew by 0.7 percent, a rate far below the 3.0 per cent growth recorded a year earlier. Industrial performance was adversely affected by the rising cost of raw materials, the unsettled conditions in the financial markets and deepening global recession. Building and construction recorded zero percent growth in 2008 compared to a growth rate of 9.8 percent in 2007. This compares less favorably with the strong growth of 40.0 percent in 2006 due largely to the

completion of some road and hotel construction projects in 2006. The value-added of electricity and water, manufacturing and mining and quarrying are estimated at 15 per cent, negative 2.5 per cent and 6.0 per cent relative to 17.0 per cent, 6.8 per cent and negative 3.2 per cent respectively in 2007. Industrial output accounted for 12.3 per cent of GDP in 2008.

Services Sector

The services sector grew by 6.9 per cent in 2008 from 11.3 per cent in 2007. Trade and hotels and restaurants output are estimated at negative 12.9 per cent and 3.0 per cent compared to 7.1 per cent and 1.7 per cent respectively in the previous year. The output of public administration was stagnant compared to 8.0 per cent growth in 2007. The value-added of transportation decreased to 6.0 per cent from 8.5 per cent.

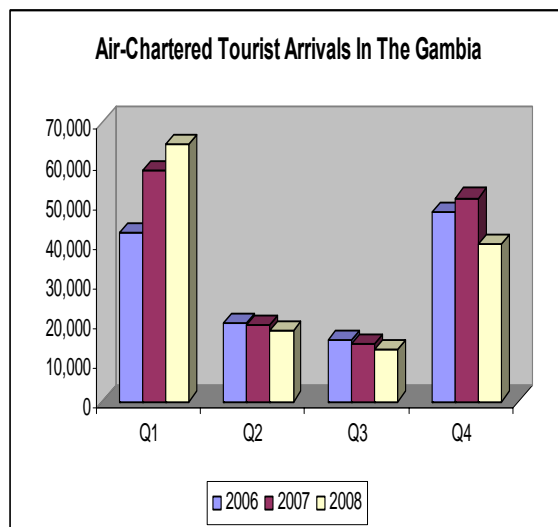
Communications, real estates and business services and other services (banking insurance, personal and household services, social and recreational and related services) grew by 10.0 per cent, 3.0 per cent and 2.4 per cent compared to 25.0 per cent, 3.1 per cent and 4.5 per cent respectively in 2007. The services sectors continue to be the main contributor to the economy accounting for 60.5 per cent of output growth in 2008.

Tourism

Tourism is central in The Gambia's quest for sustained economic growth and poverty reduction through job creation. The industry grew by 2.6 percent in 2008 and continued to provide, amongst other things, both direct and indirect employment opportunities, and foreign exchange earnings.

Number of Air-Chartered Tourists

The number of air-chartered tourist arrivals in 2008 rose slightly to 146,759, a year-on-year growth of 2.9 percent. Most of the tourists arrived in the first and fourth quarters of 2008 which is the most active period of the Gambia's tourist season. Total arrivals during these periods were 76,622 and 39,421 compared to 57,972 and 15,041 respectively in the corresponding quarters of 2007.



Great Britain, with 62,108 tourist arrivals, continued to be the dominant source market accounting for 42.3 percent of total arrivals in 2008, slightly down from the 46.3 percent recorded in the preceding year, reflecting a drop of 6.0 percent. Germany, the second largest source country, recorded 5,289 tourists, a year-on-year contraction of 17.6 percent.

The Bank estimates indicate that total income from air-chartered tourism registered

a marginal growth of 2.6 percent from the previous year at D1.9 billion in 2008. Income from hotel beds declined to D919.0 million or by 7.1 percent, year-on-year and income from arrival fees (in Dalasi) contracted by 7.1 percent, attributable to exchange rates differentials following the appreciation of the Dalasi against the Pound sterling in the later part of 2008. On the contrary, total out-of-pocket expenditure and income from departure fees amounting to D953.9 million and D24.9 million respectively in 2008 recorded the same percentage yearly growth of 2.9 per cent from 2007.

2.2 Inflation

National Consumer Price Index (NCPI)

Reflecting the rise in global food and energy prices, inflation rose sharply in 2007 from less than 1 percent in December 2006 to 6.0 percent by end-December 2007. The relatively tight monetary conditions and the appreciation of the dalasi during 2007 and early 2008, coupled with the elimination of the sales tax on basic commodities helped contain the price shocks in 2008. Year-on-year inflation fell to 1.4 per cent in April 2008, before rising to 3.7 per cent and 5.0 per cent in July and August 2008 respectively. As at end-December 2008, the rate of inflation had increased to 6.8 percent, slightly above the 6.0 percent target. The annual average inflation rate (12-month moving average) declined to 4.4 percent from 5.4 percent in 2007.

Government's response to the rising food prices was to reduce the sales tax on rice imports from 15.0 percent to 5.0 percent in July 2007 and eliminating it altogether in May 2008. In March 2008, in response to tight monetary conditions and against a backdrop of falling inflation, the CBG reduced the statutory minimum reserve requirement of banks from 16.0 percent to 14.0 percent. To check effective demand

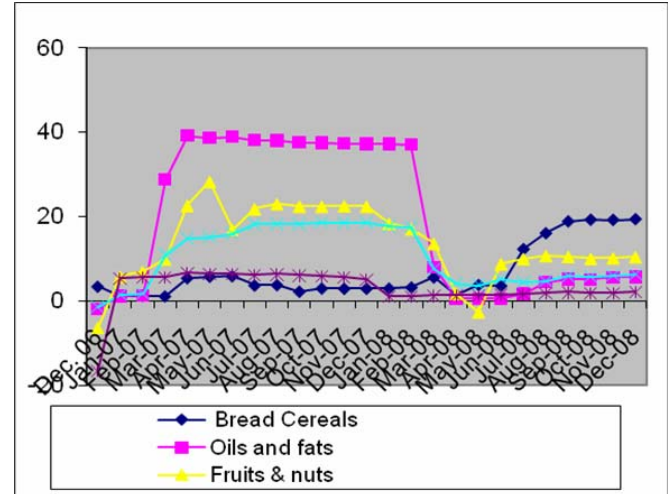
and inflationary pressures on the economy the CBG raised its rediscount rate from 15.0 percent to 16.0 percent in October, 2008. Appreciation of the dalasi also helped cushion the impact on inflation but affected exports adversely and thus lowered exports growth in 2008. To compensate for revenue loss, the government increased taxes on car parts and used vehicles. Pump prices of petroleum products were increased in May 2008 by 10–24 percent to remove an implicit budget subsidy that had emerged in the preceding months and to bring them in line with import costs.

Food Inflation

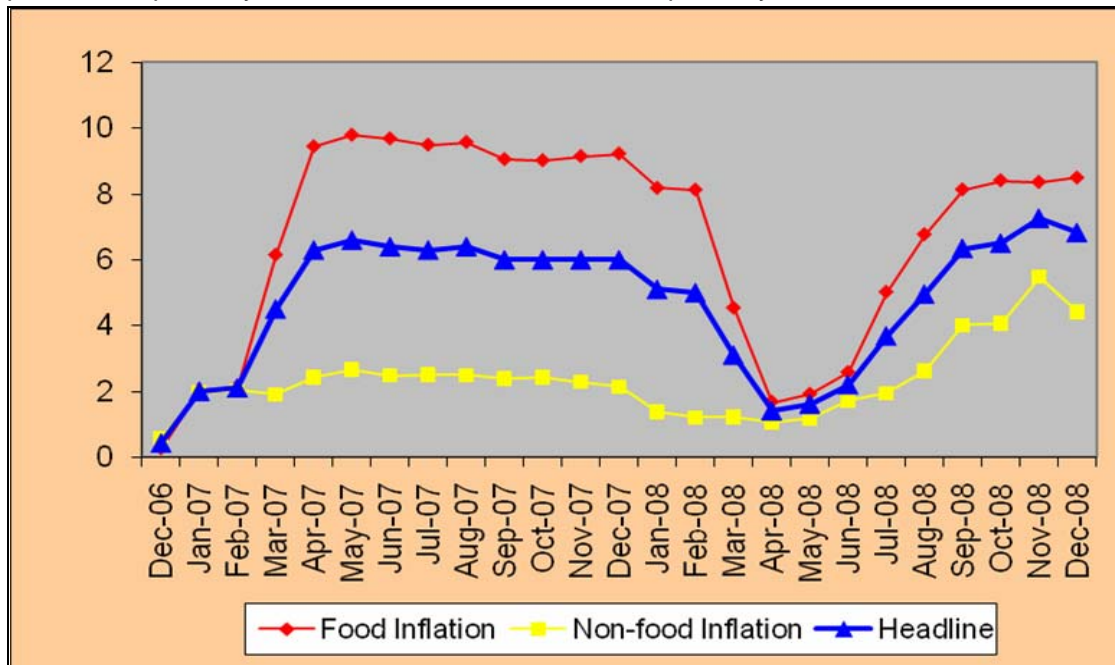
Food consumer price inflation eased from 9.5 percent in December, 2007 to 8.5 percent in December 2008. The decline in food price inflation is due, in the main, to the substantial drop in “oils and fats”, “fruits and nuts” and “vegetables, roots and tubers” to 5.7 percent, 10.4 percent, and 6.2 percent from 37.2 percent, 22.4 percent and 18.5 percent respectively in December, 2008.

Prices of “fish” and “other food products” also declined to 3.9 percent and 2.1 percent respectively.

Food Inflation: December 2006 – December 2008



On the other hand, consumer price indices of “Bread Cereals”, “Meat”, “milk, Cheese and Eggs”, “Sugar, jam, Honey and Sweets”, and “Non-alcoholic beverages” rose to 19.4 percent, 5.8 percent, 6.0 percent, 2.5 percent and 4.2 percent respectively.



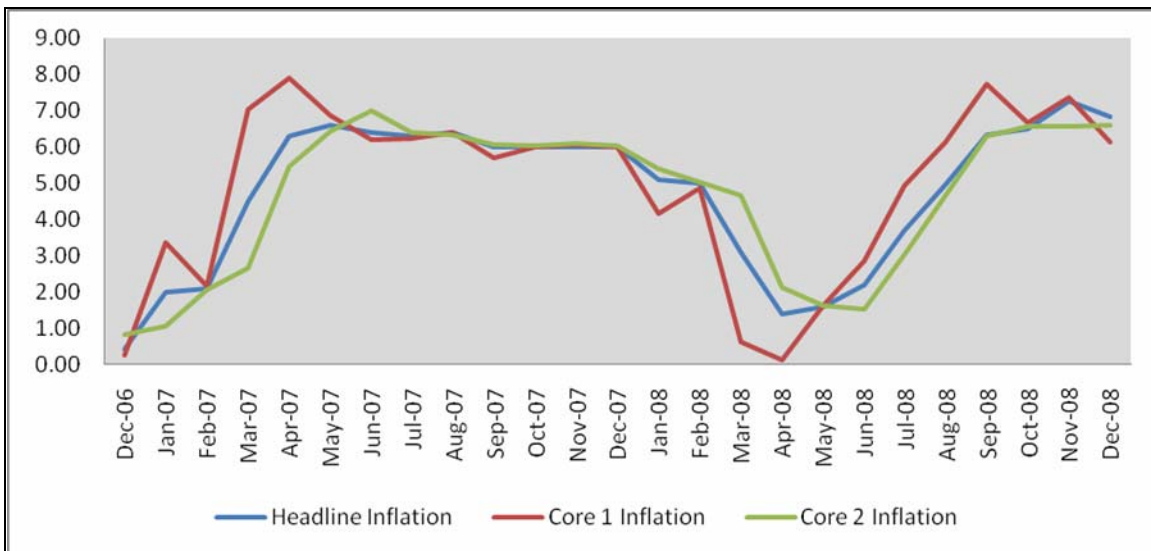
Non-Food Inflation

Annual consumer price inflation of non-food items was mainly low and stable during the review period. Non-food items recorded an annual inflation rate of 4.4 percent in December 2008, up from 2.1 percent a year earlier. Price indices of clothing, textiles and footwear”, “housing, water, electricity, gas and other fuels”, “furnishings and household equipment” and “hotels, cafes and restaurants” rose to 5.1 percent, 3.8 percent, 3.3 percent and 7.7 percent respectively.

Core Measures of Inflation

Core 1 Inflation, which excludes the effects of energy and utility prices rose marginally to 6.1 percent at end-December 2008 from 6.0 percent during the same period last year.

Core 2 Inflation, which further excludes volatile food items was 6.6 percent at end-December 2008 compared to 6.0 percent in the same period last year.



2.3 Monetary Policy Implementation

Monetary Policy

According to the CBG Act, one of the primary objects of the Bank is to achieve and maintaining price stability. The Bank shall also, without prejudice to its primary objectives, support the general economic policy of the Government and promote economic growth and effective and efficient operation of the financial system.

The Bank uses a monetary targeting framework to pursue its price stability

objective with an intermediate target for money supply and an operating target for reserve money. In addition, the Bank also uses the rediscount rate decisions of the MPC to signal changes in its policy stance.

In implementing this framework, the Bank continuously monitors the factors that influence reserve money, namely, the Net Domestic Assets (NDA) of the Bank and the Net Foreign Assets (NFA) and attempts to guide actual reserve money close to its predetermined targets.

Treasury bills are the primary instruments used by the Bank in its conduct of monetary policy. Bills are issued in weekly multiple price auctions for maturities of 91, 182 and

364 days. The Bank also intervenes in the foreign exchange market to sterilize large and volatile inflows, smoothen exchange rate movements and to build-up reserves to meet external payments obligations and cushion against external shocks given the openness of the Gambian economy.

The stock of outstanding Treasury Bills (discounted value) in 2008 amounted to D4.3 billion, a marginal increment of 0.6 percent from 2007.

The banking system's holdings of Treasury bills registered a year-on-year growth of 15.2 percent at D3.0 billion. Central Bank holdings declined slightly by 2.0 percent whilst that of commercial banks rose by 16.0 percent.

Non-bank holdings of Treasury bills fell markedly by 21.8 percent from last year to D1.3 billion. A breakdown of the non-bank holdings showed that public entities and private sector holdings contracted sharply by 22.3 percent and 21.4 percent year-on-year, at D663.7 million and D658.1 million respectively.

The year 2008 was a challenging one for the Bank. Soaring food and energy prices in the first half of the year were already exerting destabilizing influences. The global financial crisis which originated in the United States where problems in the sub-prime mortgage market and the resulting fall in housing prices spread broadly, impacting consumption and investment, intensified. This affected credit conditions, assets values and business and consumer confidence leading to recessions in many advanced and emerging countries.

Even though the domestic financial system was not negatively affected by the first round effects of the crisis, it became evident towards the middle of the year that the ongoing crisis had started manifesting in the key indicators of the economy. Travel

income, exports and foreign direct investment started declining. The current account deficit widened resulting in deterioration in the overall balance of payments. All these reflected in a projected decline in the growth of the economy.

In response to rising inflationary pressures arising from the global food and fuel crisis and signs of stress in the markets for government securities, the MPC moved to tighten policy in October 2008 by raising the rediscount rate from 15 percent to 16 percent. During October to December 2008, the Bank provided significant amounts of foreign exchange to the banking system to inject foreign exchange liquidity and contain exchange rate volatility. As a result, external reserves came under pressure. Gross official reserves dropped from 5.5 months of import cover at end-December 2007 to less 4 months of import cover at end-December 2008.

Interest Rates

Other key short term interest rates, the Treasury bills rate and the Bank rate increased to 14.2 percent and 11.0 percent compared to their levels of 13.7 percent and 10.0 percent respectively a year ago.

Commercial banks' lending rates ranged from 18.0 to 27.0 percent as at the end of 2008 and remained virtually unchanged from the previous year.

One year deposit rates also remained unchanged at the range of 7.0-15.0, whereas interest on savings and short-term deposit accounts ranged from 4.0-7.0 and 0.5-5.5 relative to 5.0-7.0 and 1.25-4.0 in the preceding year respectively.

Rediscount and Discount Windows

The Central Bank rediscounts Treasury Bills in the rediscount window at a penalty equivalent to the policy rate. Any bank in need of short-term liquidity may also borrow from the Central Bank discount window at the market rate but this facility has not been utilized frequently in recent periods.

2.4 Money Supply

Growth in money supply accelerated to 18.4 percent, higher than the 6.7 percent in 2007 and the programmed target of 5.7 percent. Both narrow money and quasi money increased with the former increasing at a faster pace.

Components of Money Supply

Narrow money, comprising currency outside banks and demand deposits, increased to D5.1 billion, or by 21.6 percent from the previous year. While currency outside banks grew by 8.5 percent, demand deposits, on the other hand, increased significantly by 30.5 percent to D3.3 billion. Consequently, the ratio of narrow money to broad money supply rose from 50.9 percent in 2007 to 52.3 percent in 2008.

Quasi money (time and savings deposits) rose to D4.7 billion, or 8.5 percent higher than its 2007 level. Savings and time deposits increased by 4.8 percent and 33.4 percent respectively. Correspondingly, the ratio of quasi money to broad money declined from 49.1 percent at end-December 2007 to 47.7 percent in 2008.

Determinants of Changes in Money Supply

The growth in money supply emanated solely from the expansion in the net domestic assets (NDA) of the banking system. The net foreign assets (NFA), on the other hand, contracted from its 2007 level.

Net Foreign Assets

The NFA of the banking system declined to D3.5 billion, or by 12.3 percent reflecting the combined effects of the decline in both the NFA of the Central Bank and the commercial banks. The NFA of the Central Bank declined to D2.8 billion, or by 9.3 percent. Gross official reserves declined to D3.0 billion or by 11.6 percent while foreign liabilities of the Bank increased to D259.8 million, or by 55.2 percent.

The net external position of commercial banks declined to D761.81 million, or 21.7 percent lower than its 2007 level.

Net Domestic Assets

The NDA of the banking system at D6.3 billion in December 2008 rose by 47.9 percent from 2007 attributed to the surge in domestic credit by 53.2 percent. Claims on Government, net, increased by 123.9 percent to level off at D2.7 billion at end-December 2008 reflecting increased Government recourse to borrowing from the banking sector while lending to public entities increased by 87.4 percent to D428.34 million. Credit to the private sector increased by 20.3 percent to D3.3 billion.

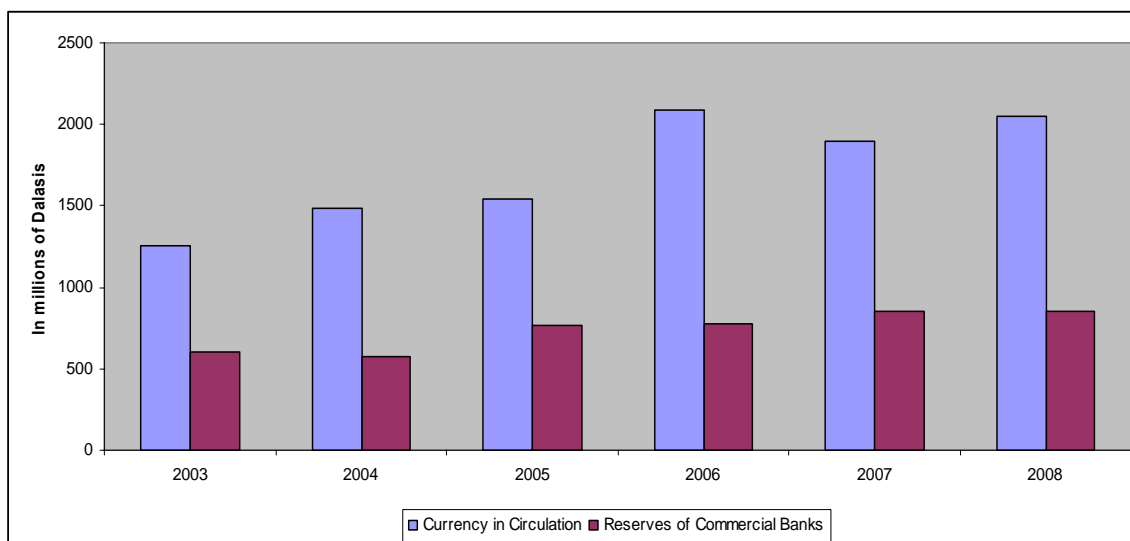


Table 2: Components of Money Supply (D'millions)

	2004	2005	2006	2007	2008
Narrow Money	3,107	3,320	4,185	4,208	5,120
Currency	1,416	1,424	1,937	1,689	1,833
Demand deposits	1,691	1,896	2,248	2,519	3,287
Quasi Money	2,324	2,825	3,572	4,065	4,677
Savings Deposits	1,786	1,956	2,479	2,612	2,738
Time Deposits	538	869	1,093	1,453	1,939

Source: Central Bank of The Gambia

Reserve Money

Reserve money grew by 5.7 percent in 2008 compared to the contraction of 4.3 percent in 2007. Regarding the factors affecting reserve money, the NFA of the Bank declined by 9.3 percent whilst its NDA increased substantially to level off at D132.72 million at end-December 2008. The decline in the NFA of the Bank largely reflects the contraction in gross official reserves reflecting the impact of the global

economic crisis on the external sector of the economy.

Commercial Banks' Credit to Major Economic Sectors

Commercial banks' credit to the private sector increased by 34.4 percent from D2.6 billion in December 2007 to D3.6 billion in December 2008.

Table 3: Determinants of Money Supply and Key Components (D'millions)

	2004	2005	2006	2007	2008
NET FOREIGN ASSETS	3,196	3,174	4,330	4,027	3,531
Monetary Authorities	1,769	2,106	2,866	3,054	2,769
Foreign Assets	2,497	2,745	3,369	3,221	3,029
Foreign Liabilities	728	639	503	167	260
Commercial Banks	1,427	1,068	1,464	973	762
NET DOMESTIC ASSETS					
Domestic Credit	2,869	3,510	4,260	4,199	6,436
Claims on Govt (net)	1,009	1,348	1,579	1,187	2,661
Claims on Public Entities	223	260	268	229	428
Claims on Private Sector	1,637	1,902	2,413	2,783	3,347
Other Items (net)	- 633	- 539	- 832	- 47	- 171
o/w Revaluation Acc.	- 442	324	117	458	378
SDR Allocation	- 182	- 225	- 218	- 214	- 163
MONEY SUPPLY	5,431	6,145	7,757	8,273	9,797
Narrow Money (M1)	3,107	3,320	4,185	4,208	5,120
Quasi Money	2,324	2,825	3,572	4,065	4,677

Source: Central Bank of The Gambia

Lending to agriculture increased slightly by 3.2 percent to D195.5 million and accounted for 5.5 percent of total credit while credit extended to the fishing sector decreased by

2.3 percent to D15.9 million. As a proportion of total credit to the private sector, fishing accounted for a minuscule 0.4 percent.

Table 4: Commercial Banks' Loan and Advances (D'millions)

Sectors	2006	2007	2008	% Δ (07-08)
Agriculture	462.18	189.39	195.48	3.22%
Fishing	19.06	16.24	15.87	-2.28%
Mining & Quarrying	0	0	0	0.00%
Building & Construction	164.96	302.17	435.73	44.20%
Transportation	180.72	325.6	267.82	-17.75%
Distributive Trade	517.95	719.77	960.76	33.48%
Tourism	205.33	202.27	201.01	-0.62%
Personal Loans	408.62	449.46	609.09	35.52%
Other	421.1	426.73	850.51	99.31%
Total	2,379.92	2,631.63	3,536.27	34.38%

Source: Central Bank of The Gambia

Credit extended to building and construction increased to D435.7 million or 44.2 percent and accounted for 12.3 percent of total credit. Lending to distributive trade

increased to D960.8 million or 33.5 percent and maintains its dominant position in the credit market by accounting for 27.2 percent of total credit extended to the private sector.

“Other unclassified Activities” and personal loans increased significantly by 99.3 percent (24.1 percent of total credit) to D850.5 million and 35.5 percent (17.2 percent of total credit) to D609.1 million respectively .

Loans to transportation and tourism decreased by 17.6 percent and 0.6 percent to D267.8 million and D201.0 million respectively. As a proportion of total credit to the private sector, these sectors accounted for 7.6 percent and 5.7 percent respectively.

2.5 Government Finance

Fiscal Policy

Government fiscal performance deteriorated in 2008 compared to 2007 reflecting the less-than-projected revenue outturn. Total expenditure and net lending increased markedly compared to the outturn in 2007. This resulted in a wider budget deficit compared to 2007.

The budget deficit (excluding grants) on commitment basis widened from 1.1 percent of GDP in 2007 to 3.7 percent of GDP in 2008. The fiscal balance (including grants) on commitment basis registered a deficit of 2.7 percent of GDP from a surplus of 0.2 percent of GDP in 2007.

Table 5: Government Receipts (D'millions)

	2007	2008	2008	Above (+) Below (-) Budget	Percent of Budget	Annual Growth
	Outturn	Outturn	Budget			
Tax Revenue	3,052.30	3,161.30	3,362.60	- 201.30	94.0%	3.6%
Direct Tax	884.10	1,140.20	1,017.50	- 122.70	112.1%	29.0%
Personal	349.90	434.60	411.70	22.90	105.6%	24.2%
Corporate	466.40	537.50	554.90	- 17.40	96.9%	15.2%
Capital Gains	29.30	113.70	27.70	86.00	410.5%	288.1%
Payroll	18.90	22.60	23.20	- 0.60	97.4%	19.6%
Other	19.60	16.40	-	16.40	0.0%	-16.3%
Indirect Tax	2,168.20	2,021.00	2,345.10	- 324.10	86.2%	-6.8%
Domestic Tax on goods and services	548.40	641.30	644.60	- 3.30	99.5%	16.9%
Tax on International Trade Duty	1,619.80	1,379.70	1,700.50	- 320.80	81.1%	-14.8%
Sales tax on imports	823.30	707.80	877.10	- 169.30	80.7%	-14.0%
Duty	796.50	671.90	823.40	- 151.50	81.6%	-15.6%
Nontax Revenue	415.80	317.70	408.30	- 90.60	77.8%	-23.6%
Grants	194.40	165.60	704.70	- 539.10	23.5%	-14.8%
Program	-	-	-	-	-	-
Projects	174.50	1.10	167.40	- 166.30	0.7%	-99.4%
HIPC	-	-	8.80	- 8.80	0.0%	-
Domestic Revenue	3,468.10	3,479.00	3,770.90	- 291.90	92.3%	0.3%
Total Revenue and Grants	3,662.50	3,644.60	4,475.60	- 831.00	81.4%	-0.5%
Percent of GDP	23.3	20.4	25	-4.6	-	-

Source: Central Bank of The Gambia

Total Revenue and Grants

Total revenue and grants in 2008 amounted to D3.6 billion or 20.4 percent of GDP

compared to D3.7 billion or 23.3 percent of GDP in 2007. The drop in overall revenue and grants is on account of the decrease in indirect tax and non-tax revenue, and the less-than-expected receipts in grants. Total revenue and grants fell short of end-of-year

projection by D830.9 million or by 18.6 percent.

However, up to 92.3 per cent of domestic revenue budgeted for the year, equivalent to

D3.5 billion or 19.4 percent of GDP, was generated in 2008. Compared to the outturn in 2007, domestic revenue increased by 0.3 per cent.

Table 6: Government Payments (D'millions)

	2007	2008	2008	Above (+) Below (-) Budget	Percent of Budget	Annual Growth
	Outturn	Outturn	Budget			
Current Expenditure	2,586.30	3,011.40	2,812.30	199.10	107.1%	16.4%
Personnel Emoluments	680.40	905.50	917.50	- 12.00	98.7%	33.1%
o/w: wages & Salaries	689.20	979.20	917.50	61.70	106.7%	42.1%
Other Charges	1,090.90	1,397.50	1,143.40	254.10	122.2%	28.1%
Interest	815.00	708.40	622.30	86.10	113.8%	-13.1%
External	231.00	153.50	72.30	81.20	212.3%	-33.5%
Domestic	584.10	554.90	550.00	4.90	100.9%	-5.0%
Capital Exp. & Net Lending	1,048.50	1,123.40	2,332.80	- 1,209.40	48.2%	7.1%
Capital Expenditure	972.80	1,016.60	2,223.20	- 1,206.60	45.7%	4.5%
Externally Financed	780.30	505.20	1,693.50	- 1,188.30	29.8%	-35.3%
Loans	585.90	339.60	1,024.10	- 684.50	33.2%	-42.0%
Grants	194.40	165.60	669.40	- 503.80	24.7%	-14.8%
GLF Capital	192.50	511.40	336.10	175.30	152.2%	165.7%
Net Lending	75.70	106.80	109.60	- 2.80	97.4%	41.1%
Expenditure and Net Lending	3,634.80	4,134.80	5,205.10	- 1,070.30	79.4%	13.8%
Percent of GDP	23.1	23.1	29.1	- 6.00		

Source: Government/ CBG estimates

Tax revenue collected in 2008 rose to D3.2 billion or by 3.6 percent from last year, thanks to the marked increase in revenue from direct taxes. Nonetheless, tax revenue fell below target by D201.3 million, or by 6.0 percent.

Revenue mobilized from direct taxes increased markedly to D1.1 billion or by 29.0 percent year-on-year due largely to the substantial gains in personnel and corporate taxes. Direct tax revenue surpassed the 2008 projection by 12.1 percent. Revenue generated from personnel and corporate

taxes increased by 24.2 percent and 15.3 percent, respectively.

In contrast, only 86.2 percent of indirect tax revenue budgeted for 2008, was collected during the period. This is equivalent to D2.0 billion, and represents a decline of 6.8 percent compared to the outturn in 2007. The less-than-expected performance in indirect tax revenue is attributed to the decline in revenue collected from international trade taxes which reflects the contraction in global trade in 2008. Tax on international trade registered a decline of 14.8 percent to D1.4 billion. During the review period, customs duty collected from oil and non-oil products declined by 14.0

percent whilst sales tax on imports of oil and non-oil products fell by 15.6 percent.

Non-tax revenue decreased to D317.7 million or by 23.6 percent compared to the outturn in 2007. The decline in non-tax revenue is explained largely by the drop in receipts from government services and charges (19.3 per cent), and proceeds from telecommunication licenses (37.7 per cent).

Grants received during the review period decreased to D165.6 million or by 14.6 percent from a year ago. Up to 76.5 percent of the expected grant receipts for the year were unrealized.

Total Expenditure and Net Lending

Overall expenditure and net lending in 2008 amounted to D4.1 billion, an annual growth of 13.8 per cent. However, up to 20.6 percent (D1.1 billion) of total expenditure and net lending planned for the year was not executed.

During the period under review, current expenditures rose to D3.0 billion compared to D2.6 billion in 2007 and exceeded end-of-year projection by D199.1 million or 7.1 percent. With the exception of interest payments, all sub-components of current expenditure increased significantly compared to 2007.

Interest payments fell to D708.4 million or by 13.1 percent reflecting HIPC and MDRI debt relief. The proportion of interest payments to current expenditure declined to 23.8 percent in 2008 from 31.5 percent a year ago. External interest payments declined by 33.5 percent while domestic interest payments fell by 5.0 percent. Domestic interest payments accounted for 18.4 percent of recurrent spending compared to 22.6 percent in 2007. The ratio of domestic interest payments to domestic revenue

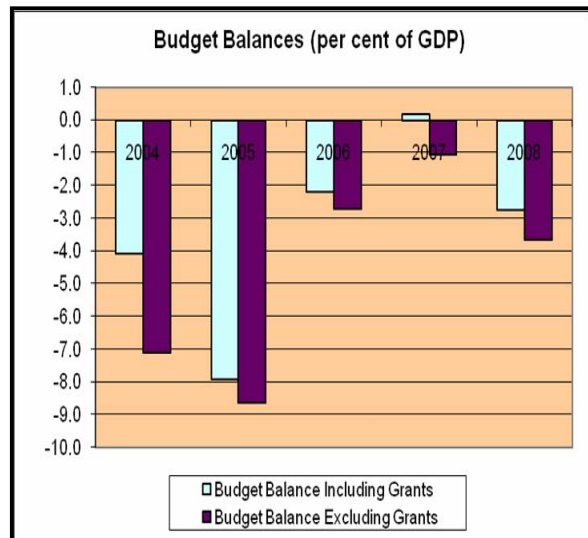
contracted slightly to 16.0 percent relative to 16.8 per cent.

On the other hand, personnel emoluments rose by 33.1 percent, of which, wages and salaries increased by 42.0 percent. Other charges rose to D1.4 billion, or by 28.1 percent during the period under review.

In 2008, capital expenditure totaled D1.0 billion or 4.5 percent above the amount incurred in 2007. However, about 54.3 percent of the capital expenditure budget was not executed due mainly to the decline in project grants. Externally financed development expenditure totaled D505.2 million, down from D780.3 million in 2007 whilst financing from Government local fund grew from D192.5 million to D511.4 million.

Net lending increased to D106.8 million or by 41.1 percent during the period.

Budget Balance



Government fiscal operations in 2008 resulted in a wider fiscal deficit compared to the previous year. The overall budget balance (including grants) on commitment basis moved from a surplus of D27.7 million (0.2 percent of GDP) in 2007 to a deficit of D490.2 million (2.7 percent of GDP) in 2008.

The budget balance (excluding grants) on commitment basis also registered a deficit of D655.8 million, or 3.7 percent of GDP compared to a lesser deficit of D166.7 million, or 1.1 percent of GDP in 2007. The basic balance was a deficit of D150.6 million (0.8 percent of GDP) whilst basic primary balance record a surplus of D557.8 million (3.1 percent of GDP).

Financing

The overall budget balance on cash basis was fully financed from external and domestic sources. External financing amounted to D11.3 million or 0.1 per cent of GDP. Domestic financing stood at D100.8 million or 0.6 percent of GDP mainly on account of domestic debt repayments.

Domestic Debt

Total domestic debt at D5.44 billion in 2008 increased by 9.7 percent compared to a year earlier. The domestic debt comprises, Government Bonds, None-Interest Bearing notes (NIB) and Treasury bills. Treasury bills, amounting to D4.3 billion, accounted for 79.3 percent of total domestic debt while Government Bonds and NIB notes accounted for 5.0 percent and 16.0 percent respectively. In the review year, NIB notes increased significantly to D873.1 million or by 110.2 percent while stock of Government Bonds remained unchanged at D250 million relative to 2007.

Table 7: Domestic Debt (D'millions)

	2007	2008	% increase
Treasury Bills	4,295.73	4,321.47	0.6%
NIB Notes	415.38	873.07	110.2%
Gov't Bonds	250.00	250.00	0.0%
Foreign Currency Loan to Gov't	74.74	-	-100.0%
Total	4,961.11	5,444.53	9.7%

Source: Central Bank of The Gambia

The Treasury bills market continued to be dominated by the banking sector. This sector held D3.0 billion or 69.4 percent of the total, whilst the non-bank sector accounted for the remaining D1.3 billion or 30.6 percent. A year ago, the percentage distribution of outstanding Treasury bills was 60.6 percent for banks and 39.4 percent for non-banks. During the year under review, deposit money banks held D2.9 billion or 96.0 percent with the Central Bank accounting for the rest (D0.1 billion or 4.0 percent). Of the total outstanding treasury

bills held by non-banks, the public sector holdings amounted to D663.7 million or 50.2 percent whilst the private sector accounted for the remaining 49.8 percent.

The yield on the debt profiles stood at 10.43 percent, 11.63 percent and 13.57 percent in December 2007 for the 91-day, 182-day and 364-day bills respectively. The bulk of the Treasury bills continue to be in one year maturities (66.1 percent), 6 months (22.9 percent) and 3 months (11.0 percent).

Table 8: Treasury bills Holdings in (D'millions)

	2007	% of Total	2008	% of Total
Central Bank	121.83	3%	119.41	2.8%
Deposit Money Banks	2,482.66	58%	2,880.25	66.6%
Non-Bank	1,691.24	39%	1,321.80	30.6%
Total	4,295.73	100%	4,321.46	100.0%

Source: Central Bank of The Gambia

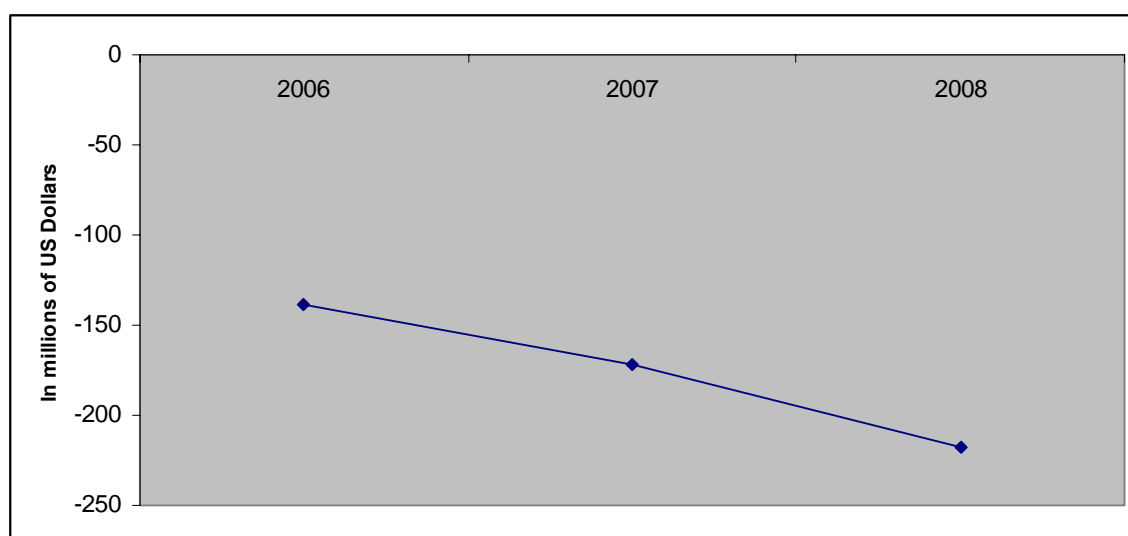
2.6 External Sector Developments

The Gambia's openness and heavy reliance on groundnut production, re-exports and tourism makes it inherently vulnerable to the

recession as manifested in reduced exports, tourism receipts and foreign direct investment flows.

Current Account

The current account deficit (including official transfers) is estimated to have widened to



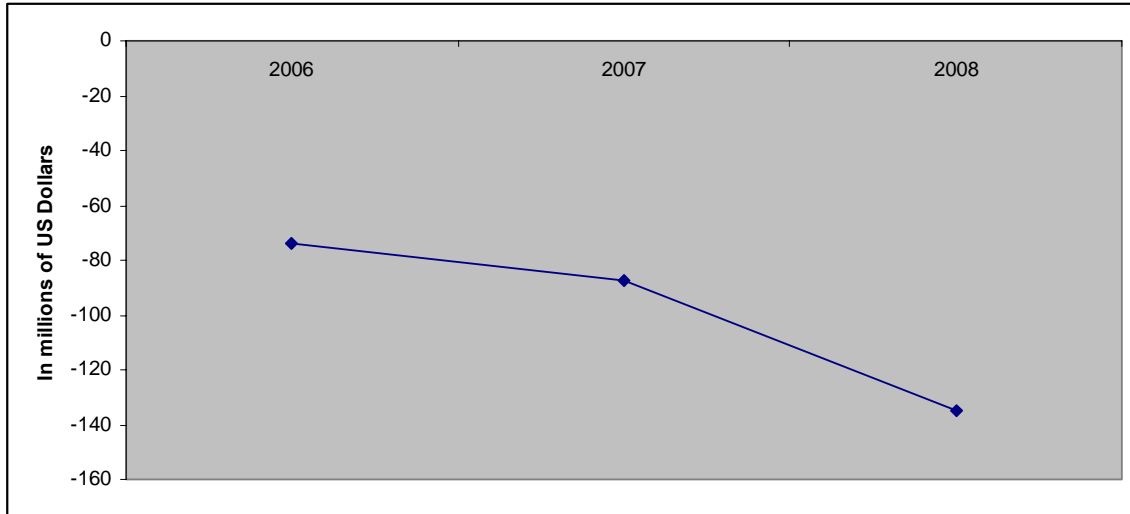
vagaries of the weather and adverse external shocks. As a result, external sector policies continued to aim at reducing the current account deficit to sustainable levels and build up reserves to cushion the economy against shocks.

Chart 8: Trade Balance

The overall balance of payments recorded a deficit of \$35.3 million relative a surplus of \$34.0 million in 2007. These developments reflect the unsettled conditions in the financial markets and the deepening global

16.7 percent of GDP in 2008 from 13.4 percent of GDP in 2007, partly reflecting, the growth in the trade deficit to 26.9 percent of GDP from 26.3 percent of GDP in 2007. Similarly, the services balance and current transfers surpluses narrowed from 10.2 percent of GDP and 10.0 percent of GDP in 2007 to 7.8 percent and 8.1 percent of GDP in 2008 respectively.

The merchandise trade deficit is estimated at \$218.0 million compared to \$171.5 million in 2007 as imports grew while exports contracted. The total import bill amounted to



\$304.4 million or an increase of 15.8 percent from 2007. In contrast, exports contracted by 5.3 percent to level off at \$86.5 million.

While receipts from official transfers increased to \$3.5 million, private transfers amounted to \$8.5 million reflecting partly the slowdown in global economic activity. Remittances, on the other hand, were estimated at \$53.8 million in 2008 compared to \$50.8 million in the preceding year.

Capital and Financial Account

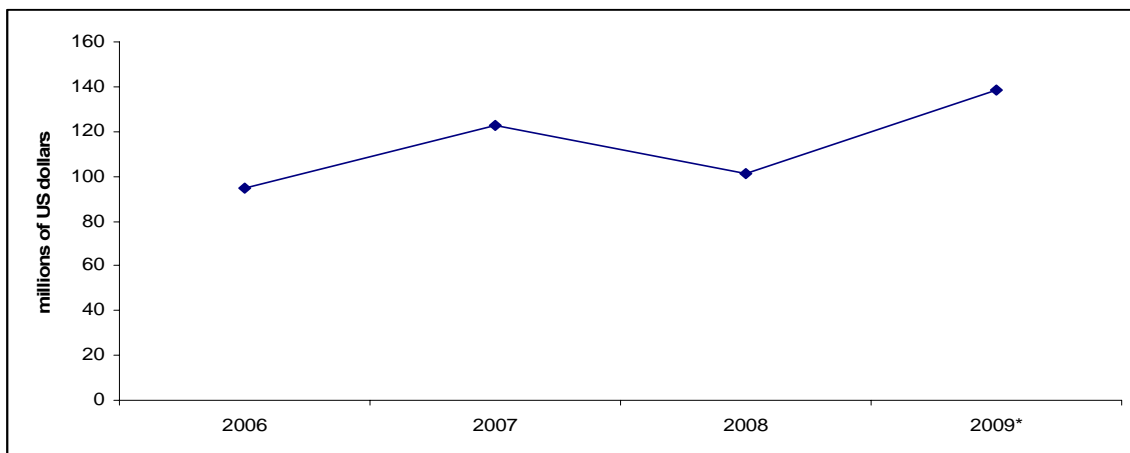
The balance in the capital and financial account, including short-term capital, and errors and omissions, which recorded a surplus of \$94.8 million and \$122.9 million in 2006 and 2007 respectively, is estimated to have contracted significantly to \$101.1

million in 2008 mainly attributed to the global recession. Foreign direct investment, net, contracted from \$80.6 million in 2007 to \$70.0 million in the period under review. Tourism continues to attract most of the FDI inflows, followed by the banking sector.

Overall Balance

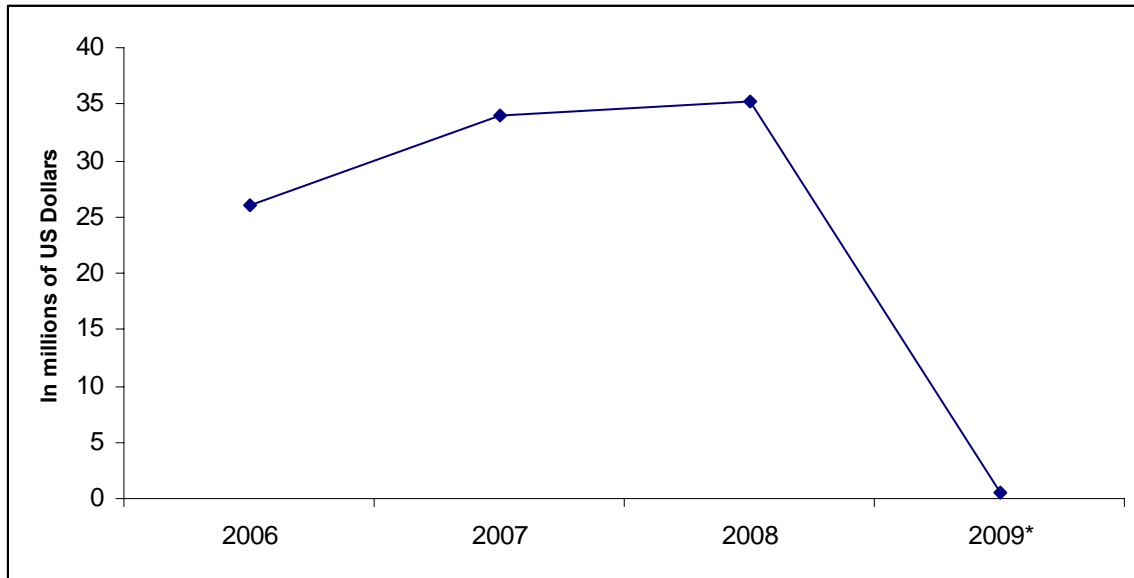
Reflecting these developments, the overall balance of payments is estimated at a deficit of \$35.3 million relative to a surplus of \$34.0 million in 2007. As a result, gross official reserves are estimated to have declined by \$29.0 million in 2008 to US\$ 112.6 million.

There were no repayments to the IMF. There was a disbursement of \$6.0 million in 2008 from the PRGF arrangement. Gross official reserves amounted to 3.7 months of import cover compared to 5.5 months of



import cover in 2007.

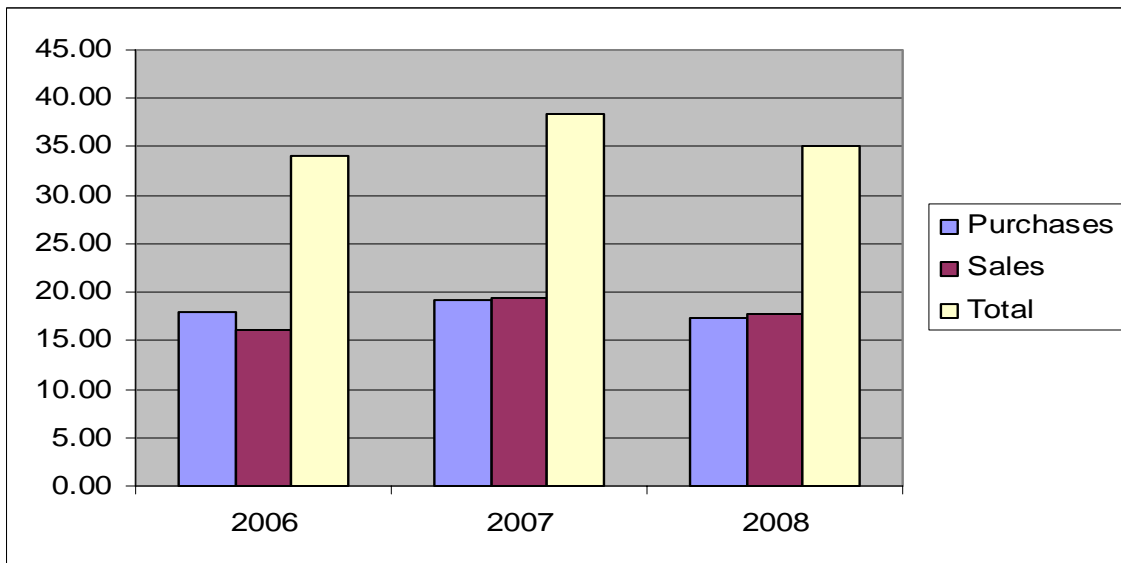
Chart 11: Overall Balance of Payments (2006-2009)



FOREIGN EXCHANGE DEVELOPMENTS

Chart 1: Volume of Transactions in the Inter-bank market (in millions of Dalasi)

USD1.59 billion, a decline of 9.0 percent from the USD1.73 billion a year ago.



Volume of Transactions

The inter-bank foreign exchange market for 2008 continued to function smoothly. Aggregate purchases and sales in the inter-bank market for foreign exchange for the year ending December 2008 amounted to

The domestic foreign exchange market continued to be dominated by banks, followed by the foreign exchange bureaux.

Market Share of Major Currencies

The U.S dollar remained the dominant currency, accounting for 62.1 percent of the volume of transactions, almost at the same level as in the previous year. The Euro market share increased slightly by 0.3 percent from 21.2 percent in 2007 to 21.5 per cent in 2007. Transactions in Pound Sterling declined to 13.0 percent in the year to end December 2008 compared to 14.6 percent in December 2007, whilst the CFA franc, registered market shares of 1.4 percent, relative to 0.5 percent in December 2007.

Exchange Rate Movements

For the year ending December 2008, the Dalasi depreciated against all the major foreign currencies traded in the inter-bank market with the exception of the Pound Sterling to which it appreciated by 9.7 percent. The Dalasi depreciated against the USD by 17.8 percent, against the CFA by 1.7 percent and against the Euro by 8.5 percent.

3. DEVELOPMENTS IN THE FINANCIAL SECTOR

3.1 Background

The Bank has responsibility for supervising and regulating a variety of financial institutions. It supervises banks, insurance companies, Savings and Credit Companies (SCCs)¹, foreign exchange bureaus and Microfinance Institutions (MFIs). The Bank seeks to promote the safe and sound operation of these financial institutions and ensuring that they comply with relevant laws and regulations. This is done through the Bank's administration of the Central Bank of

The Gambia Act 2005, the Financial Institutions Act 2003 and the Money Laundering Act 2003.

The Bank carries out its supervisory role by conducting onsite examinations and offsite monitoring of banks' financial conditions. Under its Bank Examination Calendar, the Bank aims to examine every bank at least once a year. The Bank's examinations focus on all areas of the banks' operations including credit, internal controls, earnings, profitability and overall management.

The Bank also monitors the condition of financial institutions by conducting offsite surveillance and monitoring in between onsite examinations. This is done by analyzing the quarterly and other more frequent returns submitted by the banks to the financial supervision department of the bank.

The domestic financial system is liberalized. There are no exchange controls or interest rate restrictions. The majority of the financial institutions are in private hands.

The financial system was not directly exposed to the first round effects of the global financial crisis. This is as a result of the fact that the Gambian financial system is not fully integrated into the global financial system. Domestic banks did not hold US sub-prime assets backed securities on their balance sheets and were not exposed to failed banks in the industrialized countries.. Banks relied mainly on domestic deposit mobilization to fund their activities. External borrowings were minuscule and mainly from parent banks within the sub-region.

The banking industry was well capitalized, highly liquid and profitable. There was strong interest from banks in the sub-region to open subsidiaries in The Gambia.

¹ These entities are also known as finance companies.

The Bank announced new minimum capital requirements for banks, Savings and Credit Companies (SCCs) and Village Savings and Credit Associations (VISACAs). This with a view to strengthening their capital base and enabling them to contribute more effectively in financial intermediation.

3.2 Industry Structure

The financial sector is dominated by the banking industry which accounted for some 95 percent of the assets of the sector. There were eleven banks, five SCCs, 62 VISACAs, eleven insurance companies and 42 foreign exchange bureaus.

During the year, two new banks were issued licences, increasing the number of banks to eleven. The number of bank branches rose from 41 in December 2007 to 51 in December 2008. One new SCC was licensed in 2008 and two new insurance companies started business during the year. The branch network of the insurance companies expanded to 25.

3.3 Banking Industry Performance

Capital and reserves

All banks reported capital adequacy ratio well above the statutory requirement of 8 percent. Capital and Reserves stood at D1.43 billion in December 2008 compared to D1.21 billion in the same period a year ago. The increase was mainly due to the injection of additional capital by the new banks and accumulated reserves.

The risk weighted CAR increased by 12.18 percent, from its level of 23.69 percent in December 2007 to 35.87 percent in December 2008. The increase was partly due to the new banks, which were yet to hold risky assets.

During the year, the Bank announced a new policy to increase the minimum capital of banks from D60 million to D200 million. All existing banks were required to reach the minimum capital of D150 million by end-December 2010 and D200 million by end-December 2012. All new banks were required to meet the D200 million capital immediately.

Assets and Liabilities

Assets

Total assets of commercial banks increased to D12.5 billion in 2008, representing a growth rate of 19.6 percent from the previous year. All asset components increased except balances held with banks abroad and locally which fell from D1.2 billion to D0.8 billion, and from D1.0 billion to D0.9 billion respectively.

Banks' cash holdings increased by 6.3 percent to D217.3 million during the review period. Similarly total foreign currency holdings of deposit money banks significantly increased by 240.0 percent.

Investments which accounted for 26.0 percent of total assets increased by 9.2 percent to D3.2 billion, and loans and advances also increased by 33.4 percent to D3.3 billion during the review period. The non-performing loan ratio rose from 7.3 percent of gross loans in 2007 to 9.45 percent in 2008.

Net fixed assets and other assets significantly increased to D0.8 billion and D1.4 billion or by 53.1 percent and 70.6 percent respectively and accounted for 6.7 percent and 11.4 percent of total assets respectively.

Bills purchased and discounted significantly rose by 338.0 percent to D41.0 million from the preceding year.

Liabilities

Total deposit liabilities rose by 21.0 percent to D8.0 billion in 2008. Demand and Savings deposits grew by 30.5 percent and 4.8 percent respectively from the previous year. Time deposits amounted to D2.0 billion, an increase of 33.4 percent from 2007. Deposit liabilities accounted for 63.9 percent of total liabilities compared to 63.1 percent in 2007.

Whilst acceptances, endorsements and guarantees, other liabilities and borrowings from other banks increased by 19.5 percent, 14.2 percent and 27.6 percent respectively during the review period, balances due to other banks declined by 15 percent to D137 million in 2008.

Earnings and Profitability

Positive Return on Assets (ROA) was maintained by the industry throughout 2008. Despite the fall in the net profit after tax by 16.81 percent, from D182.39 million in December 2007 to D151.73 million in December 2008, ROA declined by 0.53 percent, from 1.75 percent in December 2007 to 1.22 percent in December 2008. The increased competition contributed to the decline in profitability.

Banks' aggregate profit before tax in 2008 rose to D365.0 million or 38.4 percent compared to 2007. Both interest and non-interest incomes rose substantially.

Total interest income of commercial banks in 2008 rose markedly to D1.0 billion or 21.7 percent from a year earlier. Net interest income, which is the difference between interest earned and interest paid, increased to D555.43 million or 7.2 percent. Similarly, non-interest income rose to D716.3 million or 52.6 percent.

Banks' interest payments rose to D420.8 million or 44.2 percent. Non-interest expenses also increased to D906.7 million

or 25.2 percent due to the increase in salaries and other compensation benefits, and other operating expenses 33.9 percent and 20.1 percent respectively.

Liquidity

The liquidity ratio declined from 85.06 percent in December 2007 to 77.34 percent in December 2008. However, it was well above the statutory minimum of 30 percent. Also banks maintained required reserves ratio of 14 percent of deposit liabilities during the period.

The Bank continued to monitor compliance with the foreign currency open position limits of commercial banks. Most banks were within the overall limit of 25 percent of capital and reserves throughout 2008.

3.4 Microfinance

To ensure a more diversified financial sector, the Bank continued to promote the development of varied, sound and competitive MFIs in the country. The Bank carried out a review of the microfinance policy guidelines aimed at further deepening and building more resilient and sustainable MFIs to complement the formal banking sector.

The revised guidelines raised the minimum paid-up capital for SCCs, and VISACAs from D0.5 million and D3,000 to D10 million (D5.0 million by June 2008 and D10.0 million by December 2009) and D0.3 million respectively. Additionally, they are required to observe a capital adequacy ratio of 16 percent and a gearing ratio of 10.0 percent. Under the new guidelines, SCCs can now conduct foreign exchange transactions if they meet the foreign exchange bureau licensing requirements of the Bank.

It is envisaged that the increased capitalization would spur the development of more viable MFIs which, in turn, would

enhance stronger linkages between MFIs and the banking sector. In December 2008, there were 62 VISACAs with a total membership of 36,543 regulated by the Bank. Total savings stood at D13.7 million while total loans were D27.1 million.

During 2008, the clientele of SCCs increased to 65,347 or by 20 percent from 2007. Reflecting this growth in customers, deposits increased significantly from D35.6 million in 2007 to D120.7 million in 2008. Similarly loans rose from D30.9 million in 2007 to D94.9 million by the end of 2008.

The National Association of Cooperative Credit Unions (NACCUG). The umbrella organization of credit unions increased its total membership from 25,936 in 2007 to 27,054 in 2008. Mirroring the increase in membership, deposits and loans rose to D121.1 million and D111.1 million up 21 percent and 41 percent from the 2007 level respectively.

Despite the improved performance, VISACAs continue to be stymied by weak managerial capabilities, the inability to attract and retain qualified personnel and weak linkages with the formal financial sector. With the revised microfinance policy guidelines, and technical support from partner banks, it is envisaged linkages between the VISACAs and banks would not only be stronger but would enhance access to sustainable financial services in all parts of the country.

3.5 Insurance

Following a recapitalization exercise in 2007, the insurance industry continued to record strong growth Total assets rose from D378 million in 2007 to D397 million in 2008. Premium income also increased from D161 million in 2007 to D169 million in 2008.

Takaful Gambia Limited became the first Islamic insurer in the Gambia when in February 2008 it was issued an operating license by the Bank. This followed the enactment of the Insurance (Amendment) Act 2006 which allowed the entry of Islamic insurers into the Gambian market.

In July 2008, the Bank issued a license to Capital Express (Gambia) Limited, the only life insurance company in The Gambia.

3.6 Payments Systems

The Bank has responsibility for oversight of payment systems in the country. In discharging its responsibilities in this area, the Bank's objective is to minimize risks and ensure that payment systems are secure, reliable, and rapid and meet the needs of the country's economy.

The Bank also operates the main clearing and settlement used by commercial banks. The service is provided free of charge. The current system is largely manual. However, the Bank, in collaboration with the central banks of Guinea and Sierra Leone and the West African Monetary Institute (WAMI) has embarked on a process of modernizing the payments systems infrastructure in the three countries. The main components of the project include:

- Real Time Gross Settlement System.
- Automated Clearing House.
- Automated Cheque Processing.
- Scriptless Securities Settlement System.
- Banking Application.
- Infrastructure update.

In August 2008, the African Development Bank (AfDB) Group and WAMI signed a grant agreement of USD23 million to finance the project. In September 2008, the project was officially launched in The Gambia. The

project is on track and is scheduled for completion by 2011.

3.7 Establishment of a Financial Intelligence Unit

The Bank completed the establishment of a Financial Intelligence Unit (FIU) during 2008. The FIU is responsible for receiving, analyzing and reporting on suspicious financial transactions. The Bank also assisted in dissemination of UN Resolutions related to terrorism finance.

3.8 Credit Reference Bureau

The Bank made progress towards establishing a Credit Reference Bureau (CRB). This CRB is expected to enable banks share information on borrowers enabling them to make informed and responsible lending decisions thereby reducing the risk of default. The hardware and software were all implemented successfully and staff trained. The Bank expects to successfully conclude implementation in 2009 when changes would be made in the current legal framework to allow for sharing of confidential customer data amongst banks for the purposes of credit reporting.



PICTURE OF STAFF USING CREDIT REFERENCE SYSTEM

4. INTERNAL OPERATIONS

4.1 Currency Issue

The Bank has sole authority for issuing banknotes and coin. The Bank also withdraws from circulation banknotes and coin that are no longer fit for circulation. The Bank aims to promote confidence in the currency by keeping abreast of security and design developments to minimize the risks of counterfeiting.

During 2008, the Bank issued _____ million new banknotes. At year-end, banknotes and coin in circulation increased to D2,050 million, an increase of 8.24 percent from the end 2007 level of D1,894 million. As at end-December 2008, the D100, D50, D25, D10 and D5 banknotes accounted for 67.55 percent, 26.69 percent, 0.98 percent, 0.82 percent and 0.89 percent of the value of banknotes in circulation.

As at end-December 2008, the one Dalasi coin accounted for 43 percent whilst the fifty Bututs coin accounted for 38 percent of the value of coins in circulation.

The Bank did not issue any new commemorative coins during the year but continued to sell gold and silver commemorative coins issued on the occasion of the African Union Summit in 2006 and other events. The Bank derives income from royalties on the sale of commemorative coins. The commemorative coins on sale during the year included Millennium Coin, Save the Children, The Gambia Silver Jubilee, papal Visit, UN 50th Anniversary and African Union Summit.

4.2 Banking Operations

The Bank provides banking services to Government and the commercial banks. The Bank does not charge for these services. At end December 2008, total Government deposits, comprising Treasury Main Account, Treasury Bills Special Deposit Account and project accounts totaled D939.0 million compared to D1662.0 million in 2007. Commercial banks' deposits increased to D852.0 million from D851.0 million in 2007.

4.3 Management of the Public Debt

In discharging its role as fiscal agent of Government, the Bank, in addition to providing banking services, also provides debt management services.

The Bank manages the government's domestic debt by issuing, recording in computerized systems and redeeming government securities. Treasury bills accounted for 73.98 percent of the domestic debt at end December 2008. In 2004, the Bank implemented a Primary dealer System for the management of retail investors in Treasury bills. During 2008, the Bank paid D3.59 million to primary dealers as commission.

At end December 2008, the total domestic debt stood at D6,349.0 million. Treasury bills stood at D4,773.30 million. The bank issued D6,877.0 million and redeemed D6,909.0 million Treasury bills in 2008.

4.4 International Financial Reporting Standards (IFRS)

The Bank made progress in adopting International Financial Reporting Standards (IFRS) as its financial reporting framework. In addition to the financial statements prepared using Gambian GAAP, the Bank also prepared audited pro-forma financial statements based on IFRS. It is expected that the process of migration to IFRS would be completed in 2009.

4.5 Offsite Business Continuity Centre

The Bank completed the building of an offsite business continuity centre. This centre houses servers that contain backups of Bank data that would be used for disaster recovery.

4.6 Renovation of the Bank Building

The second phase of the renovation of the Bank building, which started on April 18, 2006 continued.

4.7 Human Resource Management

At the end of December 2008, the Bank employed 253 staff. 82 were professional staff and the rest support personnel. The female staff numbered 88 (35 percent) and 165 (65 percent) were male. During 2008, 13 individuals joined the Bank and 5 left the service. One member of staff retired and one died in service. Of the staff recruited, 6 were professional staff and 7 support staff. Of the staff that left, one was professional staff and two support staff.

During 2008, the Bank continued to implement its Training Policy aimed at addressing performance gaps and to assist

the staff improve their performance and career development choices. For the academic year starting in 2008, four members of staff were granted scholarships to pursue courses abroad in MBA in Banking and Finance, and postgraduate degrees in economics. Three Individuals completed their postgraduate courses abroad resumed duties at the Bank. 31 staff attended short term training courses abroad on various policy and operations relevant subjects. 4 clerical staff also attended local courses in accounting, banking and finance and business studies.

In recognition of the valuable contributions of staff, the Bank extended its Housing Loan Scheme to include Grade 1 staff. Now all permanent staff of the Bank are covered by the Scheme. The Bank also extended the Transport Loan coverage to include Grade 6 staff.

5. INTERNATIONAL COOPERATION

5.1 Background

The Bank's collaboration with its international partners plays an important role in its conduct of economic policy and in the management of its internal affairs. The Bank plays an important role in the regional integration process. To successfully establish a monetary union and introduce a single currency in ECOWAS, member countries' economies have to achieve a high degree of structural and macroeconomic convergence. The Bank works with other central banks in ECOWAS to monitor convergence. The Bank also cooperates with other development partners of The Gambia such as the IMF, World Bank and the AfDB.

5.2 West African Monetary Zone

The date for the establishment of monetary union among the countries of the West African Monetary Zone (WAMZ)² is set at 01 December 2009. The Bank continued to contribute to The Gambia achieving the primary and secondary convergence criteria. As at end-December 2008, The Gambia maintained its performance on the macroeconomic convergence scale by meeting all the four primary convergence criteria. The Gambia met four of the six secondary convergence criteria.

The Bank participated in the meetings of the Technical Committees, Committee of

Governors and the Convergence Council of the West African Monetary Zone (WAMZ) in June and November. The Gambia hosted the November meetings.

At its meeting on 19 June 2008, in Freetown, Sierra Leone, the Convergence Council recommended that member countries should undertake medium to long term strategies to tackle the energy and food crisis. It also approved the proposed ADF grant of UA14 million (USD23 million) for the development of the payment systems in The Gambia, Guinea and Sierra Leone. The Council also approved the statutes on Payment Systems, West African Financial Supervisory Authority (WAFSA), Non-Bank Financial Institutions and Single Economic Space and Prosperity Agreement (SESPA). It also directed the establishment of a joint task force comprising WAMI and ECOWAS Commission to address the trade related issues of the monetary integration program of the Zone.

At its meeting on 07 November 2008 in Banjul, The Gambia, the Convergence Council urged member states to intensify efforts to protect the financial sector from the global financial crisis and reiterated the need for WAMI to prepare a comprehensive report on the state of preparedness for the commencement of monetary union. It approved and adopted the banking statute for WAMZ.

The Bank also participated in the meetings of the experts groups on payment systems, legal and institutional issues, trade and financial implications of operationalising the WAMZ institutions.

Mr. Temitope W. Osikoye was appointed the new Director General of WAMI during 2008.

² The countries of the WAMZ are Gambia, Ghana, Guinea, Nigeria and Sierra Leone

5.3 West African Monetary Agency

The Sierra Leone-based West African Monetary Agency (WAMA) is responsible for monitoring the ECOWAS Monetary Cooperation Program (EMCP). During the year, the Bank worked with WAMA and other ECOWAS central banks to monitor implementation of the ECOWAS-wide convergence criteria.

The Committee of Governors met in Abuja, Nigeria. The Committee noted the efforts made by member countries in making progress towards macroeconomic convergence despite the hostile international environment.

The Committee recommended that WAMA, in collaboration with the ECOWAS Commission, conduct a study on statistical practices within ECOWAS with a view to making proposals for harmonization. It also approved the setting up of an expert working group to review the best method for the interconnection of the payment systems in the WAMZ and UEMOA zones. The Committee also decided to set up a working group to be presided over by the ECOWAS Commission comprising WAMA, WAMI, UEMOA Commission and Central Banks to map out a single concrete and realistic strategy to establish a single ECOWAS currency.

5.4 West African Institute for Financial and Economic Management

The Bank hosted the Annual meetings of the Board of Governors of the West African Institute for Financial and Economic Management (WAIFEM) on 7 November 2008 in Banjul. The Board approved WAIFEM's 2009 training program and

started the process of finding a new Director General to replace the outgoing one.

5.5 Association of African Central Banks

The Association of African central Banks (AACB) is responsible for monitoring the implementation of the African Monetary Cooperation Program (AMCP) with a view to establishing a continental monetary union. The Bank, in collaboration with other African central banks, worked to ensure that the convergence process at the level of the Regional Economic Communities (RECs) such as ECOWAS is in harmony with the AMCP.

The Assembly of Governors of the AACB held its 2008 meeting in Kigali, Rwanda in August. The Assembly acknowledged the efforts being made by member countries to improve their economies despite the global economic crisis. The Assembly also noted the joint AU/AACB Committee's work in defining a strategy for the establishment of the African Central Bank.

5.6 African Rural and Agricultural Credit Association

The Kenya based African Rural and Agricultural Credit Association (AFRACA) is an association of central banks, commercial banks, agricultural banks and national programmes. The Association seeks to promote access to sustainable financial services for the rural population of Africa.

The 16th AFRACA General Assembly was held in Dar Es Salaam, Tanzania in November 2008. The Assembly agreed to establish an endowment fund to enhance the resource base of AFRACA. A well resourced AFRACA would reduce its

dependence on donor support as well as better fund its projects and programmes.

The Assembly also decided to establish a rural finance training centre within the Secretariat as a vehicle to build the capacity of member institutions in rural finance. It also elected a new Executive Committee. The First Deputy Governor of the Bank was elected to represent West Africa Sub Region II (English Speaking).

5.7 African Export-Import Bank

The Bank is a shareholder in the African Import-Export Bank (Afreximbank), which aims to finance, promote and expand intra African and extra African trade. Its fifteenth Annual General Meeting was held in Kampala, Uganda in November 2008. The Meeting approved the financial statements for 2007 and the proposed dividend. It also agreed to hold an Extraordinary General Meeting in the first quarter of 2009 to discuss the charter amendments and relocation of the headquarters.

5.8 International Monetary Fund

The Gambia's three-year Poverty Reduction and Growth Facility (PRGF) arrangement was approved by the IMF's Executive Board in February 2007. The second and third reviews were completed during 2008. Performance under the program has been quite strong. All but one of the quantitative performance criteria for end-September 2008 were met. The fiscal basic balance target was missed on account of lower-than-expected government revenue.

The Article IV consultations between the Gambian Authorities and the IMF were also concluded during the year. The IMF Executive Board was supportive of The Gambia's efforts and commitment to prudent macroeconomic policies and progress made in strengthening macroeconomic stability. They welcomed the steps The Gambia was taking to address the impact of high international prices for food and oil. The Board recommended that moving forward, a more targeted approach, with limited fiscal impact, be adopted. The Board expressed concern that The Gambia remained at high risk of debt distress. They urged the continuance of the policy of limiting the financing of future development projects to grants and highly concessional loans.

The Bank participated in the 2008 Spring and Annual meetings of the IMF and the World Bank.

One of the highlights of the Spring Meetings was the recognition that the challenges facing the world economy are of a global nature, requiring strong action and close co-operation among the membership. During the Annual Meetings, members agreed to take decisive action and use all available tools to support systematically important financial institutions and prevent their failure.

During the year, the IMF's Statistics Department (STA) provided technical assistance with a view to improving the compilation of monetary and financial statistics and in preparing the standardized report forms for comprehensive reporting of monetary and financial data to the IMF. The Bank also continued its monthly transmission of data to the STA as well as the quarterly balance of payments statistics which are now regularly published in the *Balance of Payments Statistics Yearbook* (BOPSY).

5.9 Commonwealth

The Bank participated in the Commonwealth Finance Ministers' Meeting held in St. Lucia in September 2008. Ministers reviewed the, national and global responses to the difficult circumstances most countries were facing as a result of the surge in food and energy prices, as well as deepening financial turmoil in advanced economies. They also discussed ways to advance the needed reform of the IMF and the World Bank. They considered policy issues relating to the economic challenges of climate change, aid and aid effectiveness, debt sustainability and debt relief, supporting development in small states, and promoting investment in Commonwealth developing countries. They agreed to take forward their conclusions to the IMF/World Bank meetings

The Bank also participated in the meetings of the Commonwealth Central Bank Governors which took place on the fringes of the Ministers' meeting. The meeting urged member states to draw on their diverse experiences to address the global economic problems. They also expressed broad support for the commitment to pursue reform of the IMF and the World Bank.

APPENDIX: TABLES



Central Bank of The Gambia

*Annual report and financial statements
for the year ended 31 December 2008*

Central Bank of The Gambia
 Annual report and financial statements
 for the year ended 31 December 2008



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Central Bank of The Gambia
 Directors report and financial statements
 for the year ended 31 December 2008



Financial highlights

Net surplus (deficit) for the year

2006 D'000	2007 D'000	2008 D'000	Change vs. 2007
16,600	(16,118)	(43,616)	-171%

Total Assets

2006 D'000	2007 D'000	2008 D'000	Change vs. 2007
4,709,966	4,965,836	4,820,373	-3%

Structure of total assets

	2006 D'000	2007 D'000	2008 D'000	Change against 2007
Cash and bank balances (Foreign Assets)	2,531,008	2,180,215	1,639,026	-33%
Government securities	764,456	1,255,303	923,104	-36%
Foreign securities	557,560	450,395	-	0%
Other investments	348,730	348,730	348,730	0%
Loans and advances	222,632	137,627	463,654	70%
Other assets	207,462	176,821	195,794	10%
Long term investments	-	331,900	1,154,710	71%
Tangible fixed assets	78,118	84,845	95,355	11%
	4,709,966	4,965,836	4,820,373	-3%

Structure of total liabilities

	2006 D'000	2007 D'000	2008 D'000	Change against 2007
Deposit liability	1,798,642	2,579,889	1,855,446	-39%
Other liabilities	67095	73,049	423,276	83%
Long-term liabilities	723202	381,623	426,170	10%
Currency in circulation	2087169	1,893,502	2,050,167	8%
Equity	33858	37,773	65,314	42%
	4,709,966	4,965,836	4,820,373	-3%

Central Bank of The Gambia
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General information

Executive director	Mr. Momodou Bamba Saho	Governor & Chairman
Non executive directors	Mr. Mustapha A.B. Kah Permanent Secretary DOSFEA Mr. Benjamin J. Carr Mr. Rene Geoffrey Renner	Director Director Director Director
Audit Committee	Mr. Mustapha A.B Kah Mr. Benjamin J. Carr Mr. Rene Geoffrey Renner Mr. Momodou B. Mboge	Chairman Member Member Secretary
First deputy Governor	Mr. Basiru A.O Njai	
Second deputy Governor	Mrs. Oumie Savage Samba	
Director of finance	Mr. Ousainou Corr	
Board secretary	Mr. Momodou B. Mboge	
Auditors	Deloitte & Touche 1 Paradise Beach Place Bertil Harding Highway P O Box 268 Banjul, The Gambia	
Registered office	1-2 ECOWAS Avenue Banjul The Gambia	
Bankers	Bank of England International Monetary Fund Federal Reserve Bank of New York Banque De France Bank of International Settlements HSBC Standard Chartered Bank Plc Union Des Banque Arabes Et Francaise Credit Suisse Morgan Keegan Bank Crown Agent Bank	

Central Bank of The Gambia
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for the year ended 31 December 2008



Directors report

The directors present their report and the audited financial statements of The Central Bank of The Gambia for the year ended 31st December 2008.

Statement of directors responsibility

The Central Bank of The Gambia Act 2005 requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the bank and of its net income or deficit for that period. In preparing the financial statements, the directors are required to:

- ▣ select suitable accounting policies and then apply them consistently;
- ▣ make judgments and estimates that are reasonable and prudent;
- ▣ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the bank and to enable them to ensure that the financial statements comply with the Central Bank of The Gambia Act 2005. They are responsible for safeguarding the assets of the bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities of the bank

The principal activities of the bank are as follows:

- ▣ Regulate the issue, supply, availability and international exchange of money, promote monetary stability and sound financial structure, credit and exchange conditions conducive to the orderly and balanced economic development of the country;
- ▣ Act as the banker for the Commercial banks, Government departments and projects;
- ▣ Issuing of currency notes and coins;
- ▣ Managing the overall monetary and financial affairs of the country by being the banker, financial advisor and fiscal agent of the Government;

Results

The results of the bank are as detailed in the accompanying financial statements.

Employees

The number of employees and the costs associated with these employees is as detailed in note 5.

Donations

During the year the bank made charitable donations amounting to D325,500 (2007: D191,600).

Central Bank of The Gambia
Annual report and financial statements
for the year ended 31 December 2008



Directors and directors interest

The directors who held office during the year are as shown on page 4. The Central Bank Act requires non executive directors to serve a maximum term of 2 years so far as possible, and that not more than one director's term of office shall expire in any one year. An appointive director shall be eligible for reappointment.

Auditors

Following approval by the National Audit Office, the mandate of Deloitte & Touche as external auditors was extended to the end of 31 December 2009.

By order of the Board of Directors

Secretary 
Date: 22 June 2009



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The Gambia

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www.deloitte.com

Report of the independent auditors

To the Board of The Central Bank of The Gambia

We have audited the accompanying financial statements of The Central Bank of The Gambia as at 31 December 2008, set out on pages 8 to 23 which have been prepared on the basis of significant accounting policies on pages 12 to 14.

Directors responsibility for the financial statements

The directors of the bank are responsible for the preparation and fair presentation of these financial statements in accordance with the Central Bank of The Gambia Act 2005. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the bank has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Central Bank of The Gambia Act 2005. In our opinion, the financial statements give a true and fair view of the financial position of The Central Bank of The Gambia for the year ended 31 December 2008, and of its financial performance and its cash flows for the year then ended and in accordance with the Central Bank of The Gambia Act 2005.

Deloitte & Touche
Chartered Accountants
Registered Auditors

Date: 22 June 2009
Audit, Tax, Consulting, Financial Advisory.

A member firm of
Deloitte Touche Tohmatsu

Resident Partners: Alpha Amadou Barry, Cherno Allieu Jallow

Central Bank of The Gambia
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Income statement
for the year ended 31 December 2008

	Notes	31-Dec-08 D'000	31-Dec-07 D'000
Interest income	1.8, 2.	103,051	143,759
Interest expense	3.	(6,459)	(11,560)
Net interest income		96,592	132,199
Other income	4.	5,741	3,458
Total operating revenue less interest expense		102,333	135,657
Personnel costs	5a	(32,624)	(39,777)
General and administration cost	5b	(104,137)	(104,910)
Depreciation and amortisation	1.3, 14.	(9,188)	(7,088)
		(145,949)	(151,775)
Net deficit on ordinary activities	6.	(43,616)	(16,118)
Net deficit for the financial year		(43,616)	(16,118)

The notes on pages 12 to 23 form an integral part of these financial statements.

Central Bank of The Gambia

Annual report and financial statements
for the year ended 31 December 2008

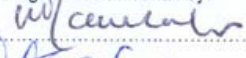




Balance sheet

as at 31 December 2008

	Notes	31-Dec-08 D'000	31-Dec-07 D'000
Assets			
Non-current assets			
Property, plant and equipment	1.3, 14.	95,355	84,845
Long term investment	1.2, 13.	1,154,710	331,900
Other assets	12	195,794	176,821
Total non-current assets		1,445,859	593,566
Current assets			
Cash and bank balances	7	1,639,026	2,180,215
Government securities	1.2, 8	923,104	1,255,303
Foreign securities	1.2, 9	-	450,395
Other investments	10	348,730	348,730
Loans and advances	11a	463,654	137,627
Total current assets		3,374,514	4,372,270
Total assets		4,820,373	4,965,836
Equity and liabilities			
Capital and reserves			
Share capital	19.	61,000	41,000
Other reserves	19.	4,314	4,314
Accumulated loss	19.	-	(7,541)
		65,314	37,773
Liabilities			
Non current			
Long-term liabilities	17.	426,170	381,623
Current liabilities			
Deposits	15.	1,855,446	2,579,889
Other liabilities	16.	423,276	73,049
Currency in circulation	18.	2,050,167	1,893,502
		4,328,889	4,546,440
Total liabilities		4,755,059	4,928,063
Total equity and liabilities		4,820,373	4,965,836

These financial statements were approved by the Board of Directors on 31 March 2009, and signed on its behalf by:


 Governor

 Second Deputy Governor

 Director

The notes on pages 12 to 23 form an integral part of these financial statements.

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Statement of changes in equity
for the year ended 31 December 2008

	Share capital D000.	General reserve fund D000.	Revaluation reserves D000.	Other reserves D000.	Accumulated profit/(loss) D000.	Total D000.
At 1 January 2007	21,000	8,544	-	4,314	-	33,858
Loss for the year	-	-	(457,692)	-	(16,118)	(473,810)
Additional capital	20,000	-	-	-	33	20,033
Transfers in accordance with Sec 9 (4)	-	-	457,692	-	-	457,692
Transfers in accordance with Sec 9 (5)	-	-	-	-	-	-
	-	(8,544)	-	-	8,544	-
At 1 January 2008	41,000	-	-	4,314	(7,541)	37,773
loss for the year	-	-	-	-	(43,616)	(43,616)
Revaluation gain	-	-	377,748	-	-	377,748
Additional capital	20,000	-	-	-	-	20,000
Transfers in accordance with Sec 9 (4)	-	-	(51,157)	-	51,157	-
Transfers in accordance with Sec 9 (5)	-	-	(326,591)	-	-	(326,591)
At 31 December 2008	61,000	-	-	4,314	-	65,314

In accordance with section 9(4), where the profits referred to in subsection(1) are insufficient to cover the losses of the bank in a financial year, the Government shall cause to be issued to the bank redeemable negotiable interest bearing securities to the extent of the deficiency.

Section 9(1): The profits or losses arising from a revaluation of the bank's assets or liabilities in gold, special drawing rights or foreign securities as a result of a change in the par value of the dalasi or of any change in the par value of the currency unit of any other country shall be excluded from the computation of the annual profits or losses of the bank.

In accordance with section 9(5), a credit balance in the revaluation account at the end of the financial year of the bank shall be applied to redeem the outstanding securities issued under subsection (4).

The notes on pages 12 to 23 form an integral part of these financial statements.

Central Bank of The Gambia
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Statement of cash flows

for the year ended 31 December 2008

	Notes	31-Dec-08 D'000	31-Dec-07 D'000
Cash flows from operating activities			
Cash (used in)/provided by operating activities	20.	(702,889)	893,818
Cash flows from investing activities			
Acquisition of property and equipment		(19,698)	(13,816)
Proceeds from the disposal of fixed assets		402	-
Net decrease/(increase) in Government securities		332,199	(490,847)
Net decrease in foreign securities		450,395	107,165
Net increase in long term investments		(822,810)	(331,900)
Cash (used in) /provided by investing activities		(59,512)	164,420
Cash flows from financing activities			
Increase in share capital		20,000	20,033
Net inflow/outflow in long term liabilities		44,547	(341,579)
Net inflow/outflow in currency in circulation		156,665	(193,667)
Cash provided by/(used in) investing activities		221,212	(515,213)
Decrease in cash and cash equivalents		(541,189)	(350,793)
Cash and cash equivalents at the beginning of the year		2,180,215	2,531,008
Cash and cash equivalent as at 31 December 2008	7	1,639,026	2,180,215

The notes on pages 12 to 23 form an integral part of these financial statements.

Central Bank of The Gambia
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Notes to the financial statements

The Bank

The Central Bank of the Gambia was established in 1971 by the Government of the Gambia under the Central Bank of the Gambia Act 1971. (Which was superseded by the Central Bank of the Gambia Act 1992 and then the Central Bank of the Gambia Act 2005). The Principal objectives of the bank are to regulate the issue, supply availability and international exchange of money, promote monetary stability, promote sound financial structure and credit exchange conditions conducive to the orderly and balanced economic development of the country.

In addition, their responsibilities include acting as the bankers for the commercial banks, government departments and projects, issuing of currency notes and coins.

1. Summary of significant Accounting policies

The bank adopted the following significant accounting policies which have been consistently applied during the year, and which are consistent in all material respects to those applied in the previous year, in accounting for items that are considered material in relation to the financial statements.

1.1) Basis of presentation

The financial statements have been prepared in accordance with generally accepted accounting principles using an accruals basis of accounting based on historical cost in compliance with accounting provisions outlined in the Central Bank Act 2005. Except where stated, the financial statements do not take into account changing money values or current valuations of non current assets. Cost is based on the fair value of the consideration given in exchange for assets plus the cost of bringing assets to their present condition and location.

The directors have decided to prepare the financial statements in accordance with International Financial Reporting Standards with effect from the year ended 31 December 2009.

1.2) Financial Instruments

Financial assets and liabilities are recognised at cost on the Bank's balance sheet when the Bank has become a party to contractual provisions of the instrument.

a) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

b) Investments

Fixed asset investments are accounted for at cost less provision for impairment in value, where it is considered to be permanent in nature.

Current asset investments in foreign currencies are converted to Dalasi at the year end.

US Treasury Bills are accounted for at cost. The difference between the cost price and the anticipated face value of the bills is recognised as income over the life of the instrument.

Redeemable interest bearing notes are accounted for at the originated cost of issue by the government of The Gambia to absorb the Bank's trading and foreign exchange losses in accordance with section 9(2) of the CBG Act 2005.

Central Bank of The Gambia
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Notes to the financial statements cont'd

c) Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The interest expense on the liability component is calculated by applying the interest rate as agreed upon.

Deposits are shown in the books of the bank at cost being the proceeds received.

d) Trade payables

Trade and other payables are stated at their nominal value.

e) Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

1.3) Property, plant and equipment

Property, plant and equipment are stated at cost less any depreciation accumulated to the balance sheet date.

Depreciation of property, plant and equipment is calculated and charged to the profit and loss account on a straight line basis by reference to the expected useful lives of the assets at the following rates:

	<u>Rate</u>
Land and Buildings	1%
Furniture and equipment	10%
Office machines	20%
Computer equipment	20%
Vehicles	20%

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised and depreciated when the asset becomes operational. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of the assets.

All other expenditure of a revenue nature are charged to the profit and loss account as incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Central Bank of The Gambia
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Notes to the financial statements cont'd

1.4) Foreign currency activities

Monetary assets and liabilities in foreign currencies are recorded in Dalasi at the rates ruling at the close of the financial year. Foreign exchange profits and losses of the Bank are transferred to the revaluation account in accordance with section 9(1) of the Central Bank of The Gambia Act 2005. Losses that cannot be covered by gains are converted to redeemable negotiable interest bearing securities under section 9(4) of the Act after the issue of the statutory accounts for the year.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Dalasi at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, are translated to Dalasi at the foreign exchange rate ruling at the date of the transaction.

1.5) Taxation

In terms of section 70 of the Central Bank of The Gambia Act 2005, the Bank is exempt from all forms of taxation. Accordingly, there is no provision for taxation in these financial statements.

1.6) Pension and retirement funds

The expected costs of post-retirement benefits under the defined benefit schemes are charged to income over the expected service lives of the employees entitled to these benefits according to the projected unit benefit method.

1.7) Provisions

Provisions are recognised when the bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.8) Revenue recognition

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Interest on the 5% government bonds is accrued half yearly and is charged to the Government's treasury main account.

Discount on treasury bills is recognised on the maturity of the bills. If the bills are resold before maturity, the difference between the purchase and the selling price is recognised as income on the date of sale.

1.9) Impairment of assets

The carrying amount of the bank's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment, in which case their recoverable amounts are estimated.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. A previously expensed impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

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Notes to the financial statements cont'd

1.4) Foreign currency activities

Monetary assets and liabilities in foreign currencies are recorded in Dalasi at the rates ruling at the close of the financial year. Foreign exchange profits and losses of the Bank are transferred to the revaluation account in accordance with section 9(1) of the Central Bank of The Gambia Act 2005. Losses that cannot be covered by gains are converted to redeemable negotiable interest bearing securities under section 9(4) of the Act after the issue of the statutory accounts for the year.

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Notes to the financial statements cont'd

2. Interest income

	31-Dec-08	31-Dec-07
	D'000	D'000
Interest on securities USD	-	1,189
Interest on deposits GBP	9,389	16,659
Interest on deposits USD	35,093	40,117
Discount on treasury bills USD	6,224	28,889
Interest on deposits EURO	28,325	27,998
Interest on deposits SDR	108	553
Interest on deposits CHF	458	660
Interest on securities GMD	12,500	12,500
Interest on loans and Advances	476	2,550
Discount on treasury bills GMD	8,951	12,644
Interest on securities GBP	1,527	-
	<u>103,051</u>	<u>143,759</u>

3. Interest expense

	31-Dec-08	31-Dec-07
	D'000	D'000
Interest payments to IMF	6,459	11,553
Interest payments on CBG bills	-	7
	<u>6,459</u>	<u>11,560</u>

4. Other income

	31-Dec-08	31-Dec-07
	D'000	D'000
Profit on sale of investments	393	807
Miscellaneous income	4,909	2,598
Sale of commemorative coins	37	53
Sale of fixed assets	402	-
	<u>5,741</u>	<u>3,458</u>

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for the year ended 31 December 2008**Notes to the financial statements cont'd****5a. Personnel costs**

The average number of staff employed during the year were 238 (2007: 228)

	31-Dec-08	31-Dec-07
	D'000	D'000
Salaries	19,895	20,069
Transport allowance	4,858	4,839
Leave allowance	319	209
Cashier's allowance	31	31
Directors' fees and allowances	195	166
Contribution to SSHFC provident fund	1,654	1,675
Medical expenses	3,187	10,271
Other pension cost	2,485	2,517
	<u>32,624</u>	<u>39,777</u>

5b. General and administrative expenses

	31-Dec-08	31-Dec-07
	D'000	D'000
Bank transport operating cost	1,698	1,594
Contribution to regional organisations	13,537	16,696
Replacement of currency	28,606	28,365
Electricity and water	3,722	4,439
Training expenses	14,051	20,216
Travel expenses	8,858	11,065
Telephone, telex and fax	2,030	2,024
Miscellaneous	5,496	3,454
Software license fees	2,616	2,776
Commission to primary dealers	3,592	3,437
Audit fees	900	1,250
Increase in provision	2,244	-
Consultancy fees	2,781	-
Other operating cost	14,006	9,594
	<u>104,137</u>	<u>104,910</u>

5c. Directors fees

	No	No
Executive		
D5,000-D10,000	1	1
Non - executive		
D5,000-D60,000	4	4

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Notes to the financial statements cont'd

6. Net deficit

	31-Dec-08 D'000	31-Dec-07 D'000
The net deficit is stated after charging/(crediting):		
Auditor's remuneration: Annual audit	900	750
Half yearly	-	500
Directors fees and sitting allowances	195	166
Gains on disposal of investments assets	(393)	(807)
Depreciation	9,188	7,088
	<u>9,188</u>	<u>7,088</u>

7. Cash and bank balances

	31-Dec-08 D'000	31-Dec-07 D'000
Balances with foreign banks (nostros)	1,623,009	2,157,864
Foreign currency cash holdings	16,017	22,351
	<u>1,639,026</u>	<u>2,180,215</u>

8. Government securities

	31-Dec-08 D'000	31-Dec-07 D'000
5% Bonds	250,000	250,000
Gambia Government treasury bills	126,627	132,236
Redeemable interest bearing notes (RIB notes)	546,477	873,067
	<u>923,104</u>	<u>1,255,303</u>

5% Government bonds

In 1993, The Central Bank of The Gambia converted D250,000,000 worth of Non Interest Bearing Notes into 5% Interest bearing Government Bonds. The Bonds were solely issued for the purpose of the Central Bank and not traded publicly.

The conversion was done in order to relieve the liquidity stricken position of the Bank at that stage. Interest on the bonds accrue at 5% on a half yearly basis, and is charged to the Government's Treasury Main Account.

Central Bank of The GambiaAnnual report and financial statements
for the year ended 31 December 2008**Notes to the financial statements cont'd**

GG Treasury bills

The money market in The Gambia is undeveloped. The secondary market for Government securities is inactive and the Central Bank of The Gambia participates in its capacity as lender of last resort to provide liquidity in the form of purchase of bills. The resulting effect is that CBG is a holder of Government Treasury Bills until they are resold, or held until maturity. The Central Bank has given approval to commercial banks to act as primary dealers for Gambia Government Treasury Bills market.

Redeemable Interest Bearing Notes (RIB)

Redeemable Interest Bearing Notes have been issued in terms of The Central Bank of Gambia Act 2005 Section 9(4). The Redeemable Interest Bearing Notes represents interest bearing bonds that the Government of The Gambia issue to cover any operating or foreign exchange losses that the Bank incurs.

9. Foreign securities

	31-Dec-08 D'000	31-Dec-07 D'000
US Treasury bills	-	450,395
	<u>-</u>	<u>450,395</u>

10. Other investments

	31-Dec-08 D'000	31-Dec-07 D'000
Fixed		
Africa export import bank	12,388	12,388
Africa re-insurance	13,627	13,627
Africa bank for development commerce	36,030	36,030
West African central bank	175,203	175,203
	<u>237,248</u>	<u>237,248</u>
Current		
WAMI Stabilization Co-op fund	101,232	101,232
ECOWAS credit guarantee scheme	10,250	10,250
	<u>111,482</u>	<u>111,482</u>
Total other investments	<u>348,730</u>	<u>348,730</u>

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Notes to the financial statements cont'd

Fixed assets investments

Central Bank of The Gambia Subscription to the shares of Africa Export Import Bank

This represents settlement of 40 per cent of 100 shares of US\$10,000 each allocated to the Bank. This investment is denominated in foreign currency and is retranslated at historical cost in accordance with the accounting policy set out in note 1.2b.

Africa Re insurance

The investment of shares in Africa Re- Insurance is the holding that the Central Bank of The Gambia has in the Africa -Re, a reinsurance Company incorporated in Nigeria. This amount represents 4,400 shares of US\$100 each. The investment is retranslated and carried at historical cost in accordance with the accounting policy set out in note 1.2b.

Banque Sahelo - Saharienne pour L'investissement et le Commerce - Libya (BSIC)

The African Bank for Development and Commerce was formed in order to promote Economic and Commercial Development in the surrounding Sahel countries. The Republic of The Gambia was asked to join the Bank with a 5% shareholding in 2001. The total value of the 5% stake holding amounts to €5,000,000. During 2001, the Central Bank paid an amount of €1,000,000 to the organisation which is retranslated and carried at historical cost.

West African Central Bank Building

This represents 4 installments of \$2,336,000 as part contribution from Central Bank of The Gambia to the construction of The West African Central Bank Building. This amount has been retranslated using the rate of exchange ruling when the payments were effected and subsequently carried at cost.

Current asset investments

Ecowas Community of West African States (ECOWAS)

The Ecowas credit guarantee fund was set up in August 1997 by the Committee of Governors of Ecowas Central Banks to provide short term credit facilities to member central banks to enable them to settle their debt positions within the clearing system. The above amount represents the Central Bank of The Gambia's contribution to the initial paid up capital of the fund and is retranslated using the rate of exchange ruling at the transaction dates.

WAMI Stabilisation Co-op fund

This represents full payment of \$3.5 million made on behalf of the Gambia Government for the stabilisation and co operation fund which is retranslated and carried at historical cost.

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Notes to the financial statements cont'd

11a. Loans and advances

	Notes	31-Dec-08 D'000	31-Dec-07 D'000
Loans to Government	11b	102,683	136,913
Loans to forex bureaus	11c	-	183,290
Fixed loans to banks		-	33,625
Overdrawn Government deposit accounts		349,771	715
Overdrawn sundry deposit accounts		3,443	3,443
Other fixed loans		11,200	-
		<u>467,097</u>	<u>357,986</u>
Less:			
Provision for sundry deposits for Government		(3,443)	(3,443)
Provision for credit losses (forex bureaus)		-	(183,290)
Provision for credit losses (fixed loans to banks)		-	(33,625)
		<u>463,654</u>	<u>137,628</u>

11b. Related party transactions

All loans to government were settled in full with the exception of D102,683,075 which relates to the Gambia National Petroleum Company.

- 11c.** The loans to forex bureaus represent advances to various foreign exchange bureaus in respect of spot foreign exchange deals for Swiss franc. The remaining balance of Swiss franc 7.8 million which was fully provided in previous years, was authorised for write off by the board of directors on the 31 March 2009.

12. Other assets

	31-Dec-08 D'000	31-Dec-07 D'000
Accrued interest receivable	10,400	11,044
Treasury bills accrued interest	-	525
West African monetary agency	17,655	14,598
International monetary fund	48,265	62,036
Staff loans	42,292	36,778
Stock of currencies	46,579	48,120
Others	30,603	10,722
	<u>195,794</u>	<u>183,823</u>
Less:		
Provision for doubtful debts	-	(7,002)
At end of year	<u>195,794</u>	<u>176,821</u>

Others include accounts receivable, payment on account, prepaid insurance, stock of commemorative coins and miscellaneous others.

Central Bank of The GambiaAnnual report and financial statements
for the year ended 31 December 2008**Notes to the financial statements cont'd****West African Monetary Agency**

The West African Monetary Agency was set up as an autonomous specialized agency of the ECOWAS to serve as a multi-lateral facility to improve sub regional trade in West Africa. The balance of WAUA 648,547.92 (\$1,003,823) is the Central Bank of The Gambia's inter settlement account balance within the region which has been retranslated using the rates of exchange ruling at the balance sheet date.

International Monetary Fund

The International Monetary Fund is an organisation working to foster global monetary cooperation, secure financial stability, facilitate international trade amongst other things. The balance of D48 Million is the net effect of the IMF quota account and other IMF liabilities.

13. Long term investments

	31-Dec-08 D'000	31-Dec-07 D'000
Fixed deposit long term GBP	123,489	-
Fixed deposit long term USD	624,663	-
Banque De France long term	406,558	331,900
	1,154,710	331,900

The long term investments are with bank of France in France, Credit Swiss in Switzerland, Crown agents in the UK and Morgan Keegan in the US.

14. Property, plant and equipment

	Land & Building D'000	Furniture & Equipment D'000	Computer & equipment & software D'000	Motor vehicles D'000	Total D'000
Cost					
At 01-Jan-08	57,238	21,558	15,443	19,248	113,487
Additions	11,551	3,571	2,343	2,233	19,698
Disposal	-	-	-	(584)	(584)
At 31-Dec-08	68,789	25,129	17,786	20,897	132,601
Accumulated depreciation					
At 01-Jan-08	5,838	9,067	7,396	6,341	28,642
Charge for the year	518	2,952	2,294	3,424	9,188
Disposal	-	-	-	(584)	(584)
At 31-Dec-08	6,356	12,019	9,690	9,181	37,246
Net book value					
At 31-Dec-08	62,433	13,110	8,096	11,716	95,355
At 31-Dec-07	51,400	12,491	8,047	12,907	84,845

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for the year ended 31 December 2008**Notes to the financial statements cont'd****15. Deposits**

	31-Dec-08	31-Dec-07
	D'000	D'000
Government deposits	938,972	1,662,067
World bank deposits	215	340
Local commercial banks	855,155	852,488
Sundry deposits	60,803	64,130
Credit institutions deposits	301	864
	<u>1,855,446</u>	<u>2,579,889</u>

The Central Bank of The Gambia receives deposits from the Government of The Gambia, local commercial banks, the International Monetary Fund and the World Bank. Interest is not paid on these deposits nor are bank charges levied on these accounts. The Central Bank is not allowed to receive deposits from persons other than those mentioned above.

16. Other liabilities

	31-Dec-08	31-Dec-07
	D'000	D'000
Accrued interest and accounts payable	34,346	4,305
Staff pension fund	7,408	7,135
Staff welfare fund	348	348
Payment orders	10,876	15,283
Miscellaneous others	368,698	44,940
Treasury bills accrued interest	562	-
Miscellaneous treasury bills	1,038	1,038
	<u>423,276</u>	<u>73,049</u>

Miscellaneous others includes The Gambia's MDRI-HIPC debt relief funds of D315.18 million and facilities granted to The Gambia government by mainland China of D51.66 million. The loan from mainland China was transferred to the Central Bank, so that payments made on behalf of the Government are debited to the Treasury Main Account.

17. Long term liabilities

	31-Dec-08	31-Dec-07
	D'000	D'000
Special drawing rights allocations	166,330	214,263
International Monetary Fund [Poverty Reduction Growth Facility]	259,840	-
International Monetary Fund ESAF	-	167,360
	<u>426,170</u>	<u>381,623</u>

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Notes to the financial statements cont'd

18. Currency in circulation

The liability represents that part of the banks' activity which relates to the issuing of notes and coins to the general public. Changes in the level of the liability is dictated by Government's monetary policy which is managed by the Central Bank.

19. Statement of reserve movement

	Share reserve D.000	Capital Revaluation reserve D.000	Other reserves D.000	Accumulated loss D.000	Total D'000
Balance at beginning of year	41,000	-	4,314	-7,541	37,773
Surplus/(loss)	-	377,748	-	(43,616)	334,132
Additions	20,000	-	-	-	20,000
Transfers in accordance with Sec 9(4)	-	(51,157)	-	51,157	-
Transfers in accordance with Sec 9(5)	-	(326,591)	-	-	(326,591)
Balance as at end of year	61,000	-	4,314	-	65,314

In accordance with section 9(4), where the profits referred to in subsection(1) are insufficient to cover the losses of the bank in a financial year, the Government shall cause to be issued to the bank redeemable negotiable interest bearing securities to the extent of the deficiency.

In accordance with section 9(5), a credit balance in the revaluation account at the end of the financial year of the bank shall be applied to redeem the outstanding securities issued under subsection (4).

In accordance with Section 8 (8) of the Central Bank Act 2005, the balance of accumulated losses shall be replenished by government by transferring to the Banks funds, negotiable securities bearing market related terms and conditions or foreign exchange as specified in section 7(8).

20. Cash generated from operations

	31-Dec-08 D'000	31-Dec-07 D'000
Net deficit for the year	(43,616)	(16,118)
Adjusted for the following:		
Transfer in accordance with section 9(4)	51,157	-
Depreciation	9,188	7,088
Profit on disposal of assets	(402)	-
Net increase (decrease) in reserves	-	-
Changes in working capital		
Net (increase)/decrease in loans and advances	(326,026)	85,005
Net (increase)/decrease in accounts receivable	(18,973)	30,641
Net (decrease)/increase in deposits	(724,443)	781,247
Net increase in accounts payable	350,226	5,955
Cash (used in)/provided by operating activities	(702,889)	893,818

PART V

STATISTICAL TABLES

TABLE I(A): GROSS DOMESTIC PRODUCT (in D' millions)
At Constant (2004) Market Prices

INDUSTRIAL ORIGIN	2002	2003	2004	2005	2006	2007	2008
AGRICULTURE	3,661.43	4,374.02	4,666.58	4,631.49	4,813.29	5,002.89	6,424.90
Crops	1,847.62	2,511.67	2,820.50	2,744.34	2,856.86	2,979.71	4,341.49
Livestock	1,356.43	1,397.13	1,439.04	1,482.22	1,526.69	1,587.75	1,635.39
Forestry	99.40	102.38	105.45	108.59	111.86	107.38	108.46
Fishing	357.98	362.84	301.59	296.34	317.88	328.05	339.56
INDUSTRY	2,217.88	2,274.43	2,356.96	2,504.19	2,966.67	2,875.11	2,894.47
Manufacturing	906.03	921.08	973.36	996.36	991.72	1,005.82	980.67
Building & Construction	934.87	962.92	982.18	1,093.51	1,530.90	1,380.10	1,380.10
Mining & Quarrying	203.31	230.61	266.94	278.49	300.07	320.74	339.98
Electricity, Gas and Water	173.67	159.82	134.48	135.83	143.98	168.45	193.72
SERVICES	9,943.90	9,549.41	9,247.25	9,540.45	10,081.82	11,133.32	11,065.73
Trade	5,383.53	4,910.53	4,380.42	4,437.40	4,371.16	4,680.82	4,075.95
Hotels & Restaurants	525.27	525.27	438.58	447.45	451.58	459.15	472.92
Transport & Storage	559.97	574.53	588.90	610.68	645.49	700.36	742.15
Communication & Postal Services	1,223.72	1,250.16	1,334.58	1,428.00	1,685.04	2,106.30	2,316.93
Real Estate & Business Services	1,636.13	1,668.86	1,702.30	1,858.13	2,126.68	2,335.66	2,595.96
Government Services	376.39	376.39	376.39	371.49	371.49	401.23	401.23
Other Services	238.89	243.67	426.08	387.30	430.38	449.80	460.59
<i>FISIM</i>	-665.94	-679.26	-692.85	-782.92	-921.49	-1,039.27	-1,122.41
Total all Industries	15,157.27	15,518.60	15,577.94	15,893.21	16,940.29	17,972.05	19,262.69
Indirect Taxes (net)	229.11	222.61	239.78	257.53	286.76	322.61	332.78
GDP at Constant Market Prices	15,386.38	15,741.21	15,817.72	16,150.74	17,227.05	18,294.66	22,590.42
<i>Annual Growth Rate</i>	<i>0.42</i>	<i>2.31</i>	<i>0.49</i>	<i>2.11</i>	<i>6.66</i>	<i>6.20</i>	<i>23.48</i>

Source : Gambia Bureau of Statistics

TABLE I (B) : GROSS DOMESTIC PRODUCT (in D' millions)
At Current (2004) Market Prices

INDUSTRIAL ORIGIN	2002	2003	2004	2005	2006	2007
AGRICULTURE	2,707.29	3,999.85	4,666.58	4,584.80	4,944.45	5,321.16
Crops	1,387.61	2,304.03	2,820.50	2,725.59	2,942.22	3,191.23
Livestock	888.56	1,244.15	1,439.04	1,442.20	1,546.37	1,677.38
Forestry	93.69	99.40	105.45	111.85	118.67	118.48
Fishing	337.43	352.27	301.59	305.16	337.19	334.07
INDUSTRY	2,300.34	2,368.71	2,356.96	2,556.58	2,903.59	3,114.77
Manufacturing	690.07	795.73	973.36	1,039.46	1,114.80	1,208.53
Building & Construction	1,207.28	1,144.30	982.18	1,104.44	1,638.94	1,728.68
Mining & Quarrying	241.33	277.45	266.94	273.64	3.16	3.49
Electricity, Gas and Water	161.66	151.23	134.48	139.04	146.69	174.07
SERVICES	6,748.51	7,623.07	9,247.25	9,607.63	10,708.38	13,075.63
Trade	2,672.06	3,237.22	4,380.42	4,495.12	4,361.92	5,001.82
Hotels & Restaurants	238.30	397.63	438.58	456.50	464.97	480.68
Transport & Storage	532.47	560.52	588.90	633.28	707.53	832.92
Communication & Postal Services	1,127.07	1,176.29	1,334.58	1,527.96	2,127.53	3,324.27
Real Estate & Business Services	1,572.60	1,636.13	1,702.30	1,774.36	2,242.71	2,533.03
Government Services	376.39	376.39	376.39	366.66	366.66	427.71
Other Services	229.62	238.89	426.08	353.75	437.06	475.20
<i>FISIM</i>	<i>-640.08</i>	<i>-665.94</i>	<i>-692.85</i>	<i>-884.70</i>	<i>-1,225.58</i>	<i>-1,558.91</i>
Total all Industries	11,116.06	13,325.69	15,577.94	15,864.31	17,330.84	19,952.65
Annual Growth Rate	3.44	19.39	16.89	2.04	9.50	15.50

Source : Gambia Bureau of Statistics

TABLE II: AGRICULTURAL PRODUCTION

TABLE II(A) : AREA UNDER CULTIVATION

(in '000 hectares)

	2002	2003	2004	2005	2006	2007
GROUNDNUTS	105.60	107.94	116.63	137.28	110.38	117.59
COTTON	0.00	0.00	0.00	0.00	0.00	0.00
FOOD CROPS	148.30	176.91	194.31	199.41	182.64	186.19
(a) Rice	12.00	17.75	16.61	17.87	15.20	16.59
(b) Other Food Crops	136.30	159.16	177.70	181.54	167.44	169.60
Sanyo (Late Millet)	10.40	14.40	14.96	17.45	14.82	17.67
Sorghum	18.30	24.68	26.05	22.95	18.96	21.72
Suno (Early Millet)	86.50	95.54	108.19	109.88	101.40	94.15
Maize	18.40	21.04	24.20	27.58	32.26	36.16
Sesame	2.70	3.50	4.30	1.79	0.00	0.00
Findo	0.00	0.00	0.00	1.89	0.00	0.00
TOTAL	253.90	284.85	310.94	336.69	293.02	303.78

Source: Department of Planning, Department of State for Agriculture

TABLE II(B) : OUTPUT OF PRINCIPAL CROPS

(in '000 tonnes)

	2002	2003	2004	2005	2006	2007
GROUNDNUTS	71.53	92.94	135.68	140.66	81.76	72.56
COTTON	0.00	0.00	0.00	0.00	0.00	0.00
FOOD CROPS	137.94	214.53	226.39	201.00	183.41	149.95
(a) Rice	18.63	29.51	34.30	18.14	15.83	11.40
(b) Other Food Crops	119.31	185.02	192.09	182.86	167.58	138.55
Sanyo (Late Millet)	7.28	13.20	16.52	16.27	14.62	13.36
Sorghum	15.21	30.13	29.00	28.46	20.27	17.95
Suno (Early Millet)	77.34	107.14	115.98	109.12	103.54	75.83
Maize	18.58	33.35	29.21	27.70	29.15	31.41
Sesame	0.90	1.20	1.38	0.74	0.00	0.00
Findo	0.00	0.00	0.00	0.57	0.00	0.00
TOTAL	209.47	307.47	362.07	341.66	265.17	222.51

Source: Department of Planning, Department of State for Agriculture

TABLE II(C): YIELD OF PRINCIPAL CROPS

(in kg/ha)

	2002	2003	2004	2005	2006	2007
GROUNDNUTS	603	681	1,166	1,024	741	617
COTTON	0	0	0	0	0	0
FOOD CROPS	4,757	12,261	6,918	5,526	5,022	3,948
(a) Rice	1,325	7,417	2,422	1,056	1,042	687
(b) Other Food Crops	3,432	4,844	4,496	4,471	3,980	3,261
Sanyo (Late Millet)	696	917	1,113	1,240	987	761
Sorghum	829	1,221	1,207	993	1,069	826
Suno (Early Millet)	894	1,121	1,104	932	1,021	805
Maize	1,013	1,585	1,072	1,005	903	866
Sesame	0	0	0	417	0	0
Findo	0	0	0	301	0	0

Source: Department of Planning, Department of State for Agriculture

TABLE III : CENTRAL BANK OF THE GAMBIA: ASSETS AND LIABILITIES
(end December figures, in millions of Dalasi)

	2003	2004	2005	2006	2007	2008
Foreign Reserves	1,934.63	2,497.06	2,745.12	3,369.36	3,221.03	3,029.26
Claims on non-banks:	1,644.24	1,725.40	1,621.73	764.53	728.78	701.02
Government	1,245.01	1,376.38	1,270.76	413.62	371.83	369.41
Public entities	136.91	136.91	136.91	136.91	136.91	102.68
Private sector	262.32	212.11	214.06	214.00	220.04	228.93
Claims on Banks	21.20	33.62	33.62	33.62	33.62	33.62
Seasonal Advance	0.00	0.00	0.00	0.00	0.00	0.00
Others	21.20	33.62	33.62	33.62	33.62	33.62
Revaluation Account	0.00	0.00	324.16	0.00	457.69	0.00
Fixed Assets	24.86	201.38	185.56	245.91	263.28	294.49
Other Assets	-233.69	-234.37	-433.83	527.09	-32.35	929.07
Total Assets = Total Liabilities	3,391.24	4,223.09	4,476.36	4,940.51	4,672.05	4,987.46
Currency Issued	1,250.85	1,485.57	1,537.55	2,087.17	1,893.50	2,050.17
Notes	1,228.05	1,460.92	1,537.55	2,087.17	1,893.50	2,050.17
Coins	22.80	24.65				
Deposits	1,009.57	2,138.31	2,453.63	1,741.43	2,516.91	1,440.84
Banks	605.03	575.16	769.04	779.30	851.04	851.97
Government	404.54	1,563.15	1,684.59	962.13	1,665.87	588.87
Others	0.00	0.00	0.00	0.00	0.00	0.00
Allocation of SDR	173.63	182.15	224.63	217.80	214.26	166.33
Revaluation Account	536.26	442.19	0.00	116.79	0.00	377.75
Foreign Liabilities	1,069.03	728.38	639.41	503.09	167.36	259.84
Capital and Reserves	8.31	8.31	8.31	28.31	53.85	65.31
Other Liabilities	-656.41	-761.82	-387.17	245.92	-173.83	627.22

Source: Central Bank of The Gambia

TABLE IV: COMMERCIAL BANKS : ASSETS AND LIABILITIES
(end December figures, in millions of Dalasi)

	2003	2004	2005	2006	2007	2008
Cash Holdings	67.96	69.30	113.35	149.87	204.29	217.26
Balance with Central Bank	605.03	601.63	829.38	821.94	851.04	851.86
Treasury bills & Other Govt. securities	653.96	1195.55	1762.19	2127.37	2482.66	2880.25
Loans, Advances, Discount & Other Investments	1,814.91	1,511.73	1,811.07	2,329.44	2,654.86	3,443.94
Official Entities	205.87	86.45	122.85	130.63	91.66	325.66
Private Sector	1,609.04	1,425.28	1688.22	2198.81	2563.20	3118.28
Foreign Assets	1,055.55	1,507.23	1,105.84	1,520.57	1,458.98	1,301.42
Foreign Currency	211.08	243.13	164.64	139.79	118.14	401.33
Balance held abroad	844.47	1264.10	941.20	1380.78	1340.84	900.09
Fixed Assets	234.77	283.65	285.53	379.18	548.85	840.12
Other Assets	298.62	500.23	679.95	710.19	1025.44	1497.55
Total Assets = Total Liabilities	4,730.80	5,669.32	6,587.31	8,038.56	9,226.12	11,032.40
Demand Deposits	1,690.14	1,691.35	1,896.41	2,248.10	2,519.30	3,286.70
Official Entities	160.28	174.70	264.95	167.66	219.43	593.65
Private Sector	1,529.86	1,516.65	1631.46	2080.44	2299.87	2693.05
Time & Savings Deposits	1,720.00	2,324.34	2,824.59	3,572.20	4,065.39	4,676.77
Official Entities	63.84	77.78	208.67	313.801	375.84	558.60
Private Sector	1,656.16	2,246.56	2615.92	3258.402	3689.55	4118.17
Borrowings from Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Other Domestic Borrowings	0.00	0.00	0.00	0.00	0.00	12.00
Foreign Liabilities	41.67	80.52	37.49	56.45	485.93	539.61
Capital & Reserves	604.35	652.55	904.39	1067.74	1219.20	1447.99
Other Liabilities	674.64	920.56	924.43	1094.07	936.30	1069.33

Source: Central Bank of The Gambia

TABLE V : MONETARY SURVEY
(end December figures, in millions of Dalasi)

	2003	2004	2005	2006	2007	2008
NET FOREIGN ASSETS	1,879.48	3,195.39	3,174.06	4,330.39	4,026.72	3,531.23
Monetary Authorities (net)	865.60	1,768.68	2,105.71	2,866.27	3,053.67	2,769.42
Foreign Assets	1,934.63	2,497.06	2,745.12	3,369.36	3,221.03	3,029.26
Foreign Liabilities	1,069.03	728.38	639.41	503.09	167.36	259.84
Commercial Banks (net)	1,013.88	1,426.71	1,068.35	1,464.12	973.05	761.81
NET DOMESTIC ASSETS	2,713.55	2,236.57	2,971.14	3,427.21	4,247.18	6,265.15
Domestic Credit	3,708.57	2,869.53	3,510.40	4,259.21	4,200.43	6,436.34
Claims on Public Sector	1,837.21	1,232.14	1,608.12	1,846.40	1,417.19	3,089.13
-Claims on Govt.(net)	1,494.43	1,008.78	1,348.36	1,578.86	1,188.62	2,660.79
. Central Bank (net)	840.47	-186.77	-413.83	-548.51	-1,294.04	-219.46
. Commercial Banks (net)	653.96	1,195.55	1,762.19	2,127.37	2,482.66	2,880.25
-Claims on Public Entities	342.78	223.36	259.76	267.54	228.57	428.34
Claims on Private Sector	1,871.36	1,637.39	1,902.28	2,412.81	2,783.24	3,347.21
Other Items (net)	-995.02	-632.96	-539.26	-832.00	46.75	-171.19
<i>O/W : Revaluation account</i>	-536.26	-442.19	324.16	-116.79	457.69	-377.75
<i>SDR allocation</i>	-173.63	-182.15	-224.63	-217.80	-214.26	-166.33
Money Supply (M1)	2,873.03	3,107.62	3,320.61	4,185.40	4,208.51	5,119.61
Quasi-Money	1,720.00	2,324.34	2,824.59	3,572.20	4,065.39	4,676.77
TOTAL MONEY SUPPLY (M2)	4,593.03	5,431.96	6,145.20	7,757.60	8,273.90	9,796.38

Source: Central Bank of The Gambia.

TABLE VII: LIQUIDITY POSITION OF COMMERCIAL BANKS
(end December figures, in millions of Dalasi)

	2003	2004	2005	2006	2007	2008
Total Liquid Assets	1,707.39	2,162.68	2,150.77	2,630.37	2,632.33	2,400.81
Reserves	1,045.88	1,358.69	1,469.79	1,908.90	1,546.58	1,183.86
Deposits at CBG	592.05	573.89	762.33	768.83	921.94	842.95
Cash Holdings	68.02	68.99	112.44	143.90	215.82	227.25
Foreign Cash Holdings	167.50	203.91	179.51	194.14	171.58	431.11
Foreign Bank Balances	218.31	511.90	415.51	802.03	237.24	-317.45
Treasury Bills	659.01	801.49	678.48	718.97	1,083.25	1,214.45
Govt. Dev. Stock (182 Days) 1/	0.00	0.00	0.00	0.00	0.00	0.00
Other Liquid Assets	2.50	2.50	2.50	2.50	2.50	2.50
Required Liquid Assets 2/	1,003.59	1,162.15	1,331.22	1,646.28	1,876.30	2,428.24
Excess Liquidity 3/	703.80	1,000.53	819.55	984.09	756.03	-27.43
in % of requirement	70%	86%	62%	60%	40%	-1%
Required Cash Reserves 4/	596.10	684.18	792.39	872.73	960.86	1,022.80
Excess Cash Reserves 5/	449.78	674.51	677.40	1,036.17	585.72	161.06
in % of requirement	75%	99%	85%	119%	61%	16%

Source: Central Bank of The Gambia

1/ Introduced March 21, 1993.

2/ Based statutory requirements of 30% of total liabilities to the public.

3/ Total liquid assets less statutory requirements.

4/ In June 1998 reserves requirements have been unified at 14 percent.

5/ Reserves less required reserves

TABLE VIII : COMMERCIAL BANKS : LOANS AND ADVANCES TO MAJOR ECONOMIC SECTORS
(end December figures, in millions of Dalasi)

Sectors	2003	2004	2005	2006	2007	2008
Agriculture	139.45	181.40	300.98	462.18	189.39	195.48
Fishing	10.50	16.66	31.97	19.06	16.24	15.87
Mining and Quarrying	0.00	0.00	0.00	0.00	0.00	0.00
Building & Construction	94.99	89.06	144.38	164.96	302.17	435.73
Transportation	150.78	128.00	133.41	180.72	325.60	267.82
Distributive Trade	598.19	499.41	478.70	517.95	719.77	960.76
Tourism	100.12	102.92	75.44	205.33	202.27	201.01
Personal Loans	399.52	367.57	533.90	408.62	449.46	609.07
Other	372.26	228.91	283.85	421.09	426.73	850.51
Total	1,865.81	1,613.93	1,982.63	2,379.91	2,631.63	3,536.25

Source : Central Bank of The Gambia

* Excludes bills purchased and discounted and other investment in the private sector.

TABLE IX: TREASURY BILLS DISCOUNT RATES 1/
(in percent per annum)

	2002	2003	2004	2005	2006	2007	2008
January	15.0	20.0	31.0	28.0	15.0	13.7	13.5
February	15.0	20.0	31.0	28.0	14.9	13.8	13.7
March	15.0	23.0	31.0	26.0	15.9	13.7	13.6
April	15.0	24.0	31.0	26.0	15.8	13.7	13.1
May	15.0	24.0	31.0	26.0	15.4	13.9	13.3
June	15.0	25.0	31.0	26.0	14.5	13.9	13.1
July	15.0	26.0	31.0	22.0	14.1	13.9	12.3
August	18.0	31.0	31.0	18.0	14.0	13.4	12.3
September	18.0	31.0	31.0	18.0	13.3	12.8	13.1
October	19.0	31.0	30.0	18.0	12.3	12.2	14.2
November	19.0	31.0	30.0	16.0	10.7	12.9	14.3
December	20.0	31.0	30.0	16.0	12.8	13.7	13.5

Source : Central Bank of The Gambia

TABLE X: INTEREST RATE STRUCTURE
(end December figures, in percent per annum)

	2003	2004	2005	2006	2007	2008
Commercial banks						
<i>Lending rates</i>						
Agriculture	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0	18.0-27.0
Manufacturing	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0	18.0-27.0
Building	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Trading	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Tourism	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
Other	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0	18.0-27.0
<i>Deposit rates</i>						
Short-term deposit account	6.5	6.5	1.25-4.0	1.25-4.0	1.25-4.0	0.5 - 5.5
Savings bank account	8.0-17.0	8.0-17.0	5.0-10.0	5.0-7.0	5.0-7.0	4.0 - 7.0
Time deposits						
Three months	7.0-22.0	8.0-22.0	5.0-14.0	5.0-10.0	5.0-12.9	5.0 - 10.5
Six months	8.0-22.0	8.0-22.0	7.0-15.0	6.0-13.0	6.0-12.9	6.0 - 11.0
Nine months	8.0-22.0	8.0-22.0	7.0-14.0	6.0-13.0	7.0-12.9	7.0 - 14.0
12 months and over	10.0-22.0	12.0-23.0	7.0-17.0	6.0-13.0	7.0-12.9	7.0 - 15.0
Post office savings bank						
Savings deposits	N/A	N/A	N/A	N/A	N/A	N/A
Government						
Treasury bills	31.0	30.0	16.0	12.8	13.7	13.1
Discount Notes	25.5	25.5	25.5	-	-	-
Government development loans						
1999-2002 (F)	-	-	-	-	-	-
1999-2002 (G)	-	-	-	-	-	-
2002 (H)	15.5	15.5	15.5	-	-	-
2002 (I)	20.0	20.0	20.0	-	-	-
Central Bank of The Gambia						
Bank rate	29.0	28.0	14.0	9.0	10.0	13.1
Rediscount rate	34.0	33.0	19.0	14.0	15.0	15.0

Source: Central Bank of The Gambia.

1/ Loans at 9 per cent represent non-performing loans of a commercial bank.

TABLE XI: NATIONAL CONSUMER PRICE INDEX (NCPI)
(Jan. - Dec. 2004 = 100)

	Food and Drink	Housing, Fuel & Lighting etc	Clothing Textiles & Footwear	Furnishing, H/H Equipment	Trans- portation	Newspaper, Books & Stationery	Alcohol Beverages Naco & Tobacco	Health	Recreation & Culture	Edu- cation	Hotels, cafes & Restaur	Comm- unica- tion	Miscel- laneous	All Item Index	% Change from same period, last year
<i>Weights</i>	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	
2007 JAN	106.65	112.12	103.35	108.32	114.50	109.24	102.58	100.60	103.43	101.71	104.29	100.65	109.91	106.86	2.01
FEB	106.77	112.12	103.35	108.32	114.50	109.67	102.58	100.60	103.43	101.71	104.29	100.65	110.75	107.01	2.09
MAR	111.07	112.12	103.35	108.32	114.50	109.69	102.58	100.60	103.43	101.71	104.29	100.65	110.75	109.36	4.22
APR	114.69	113.79	104.18	109.31	114.54	109.67	102.92	100.60	103.54	101.71	106.60	100.78	112.01	111.64	6.26
MAY	115.19	113.14	104.33	109.37	114.54	109.67	102.92	100.60	103.54	101.71	107.28	100.96	112.01	112.05	6.56
JUN	115.15	113.94	104.54	109.88	114.54	109.67	103.58	100.60	103.54	101.71	107.28	100.96	112.01	111.98	6.42
JUL	115.01	114.03	104.75	110.22	114.54	109.67	103.58	100.73	103.54	101.71	107.43	100.96	112.01	111.95	6.33
AUG	115.19	114.19	104.86	110.34	114.56	109.77	103.64	100.99	103.54	101.74	107.48	101.07	112.07	112.09	6.37
SEPT	114.77	114.19	104.89	110.34	114.56	109.78	103.64	100.99	103.54	101.74	107.48	101.07	112.07	111.86	6.03
OCT	114.70	114.19	105.06	110.86	114.78	109.89	103.98	101.00	103.56	101.87	107.56	101.09	112.07	111.95	5.98
NOV	115.12	114.25	105.21	110.50	114.78	109.90	103.79	101.00	103.56	101.87	105.56	101.09	112.07	112.13	6.04
DEC	115.32	114.39	105.20	110.51	114.78	109.90	103.79	101.00	103.56	101.87	107.56	101.90	112.29	112.26	6.03
2008 JAN	115.38	114.40	105.29	110.65	114.89	109.91	103.83	101.00	103.56	101.87	107.60	101.09	112.31	112.31	5.10
FEB	115.45	114.40	105.29	110.56	114.89	109.91	103.83	101.00	103.56	101.87	107.60	101.09	112.31	112.34	4.98
MAR	116.11	114.40	105.31	110.56	114.89	109.91	103.83	101.00	103.56	101.87	108.86	101.09	112.39	112.73	3.08
APR	116.61	115.38	106.19	111.50	115.14	109.91	104.19	101.00	103.94	101.87	108.86	101.54	112.46	113.21	1.41
MAY	117.39	115.77	106.25	111.52	118.86	109.93	104.30	101.04	103.94	101.87	109.89	101.54	112.56	113.83	1.59
JUN	118.17	116.38	107.10	112.13	118.87	109.94	104.64	101.10	104.13	101.87	110.10	101.55	113.59	114.48	2.23
JULY	121.02	118.35	107.14	112.34	119.97	109.94	104.64	101.10	104.13	101.87	111.42	101.55	114.01	116.21	3.81
AUG	122.99	119.76	107.45	113.20	119.97	112.26	104.64	101.10	104.13	101.87	114.52	101.55	115.27	117.65	4.96
SEPT	124.11	119.76	110.46	113.38	119.97	112.26	104.64	101.10	104.13	101.87	114.52	101.55	121.01	118.96	6.35
OCT	124.58	120.10	110.68	113.53	119.17	113.17	104.69	101.11	104.15	101.90	115.10	101.92	121.13	119.29	6.56
NOV	125.03	120.30	110.73	113.59	119.61	113.38	104.77	101.13	104.14	101.94	115.79	101.92	121.47	119.54	6.61
DEC	125.49	121.02	110.30	113.64	119.83	113.40	105.45	101.13	104.17	101.94	115.83	101.94	121.56	119.93	6.83

Source : Gambia Bureau of Statistics (GBoS)

TABLE XII : INTERBANK EXCHANGE RATES

TABLE XII(A) : END OF PERIOD MID-MARKET RATES 1/
(Dalasi per unit of foreign currency) 2/

Period	GBP	USD	CHF	SEK (100)	CFA (5,000) 3/	FRF(100)/ Euro
2002 December	35.4878	23.3924		263.1515	174.4489	23.6402
2003 December	51.9065	30.9577		367.7336	220.1900	35.9003
2004 December	54.6682	29.6743		404.9517	281.8272	37.7522
2005 December	49.7853	28.1348		347.0767	251.9007	33.7130
2006 December	53.8926	28.0469		383.7245	277.3708	36.2002
2007 January	53.8426	27.9784	22.2657	388.1098	271.4724	36.2418
February	53.8824	27.8940	21.9618	386.3244	271.7511	36.0781
March	53.6086	27.6833	22.3076	367.5482	274.5384	36.2912
April	53.6471	27.5000	22.5236	378.8280	273.7724	36.3813
May	53.2701	27.2533	22.1377	366.2522	280.3950	36.1490
June	52.7630	26.5164	21.2816	373.9182	272.3123	35.6796
July	51.8268	25.3112	22.3284	367.9709	263.8399	35.4110
August	47.4432	23.2257	19.0931	355.5228	244.2167	31.7928
September	38.8465	19.0691	15.8334	304.7041	206.6795	27.4262
October	40.0528	19.4488	16.6320	269.2431	220.0940	27.1796
November	43.5914	21.3420	19.0385	295.4826	235.4311	30.2965
December	44.4558	22.5394	19.5998	329.2529	254.8222	32.8188
2008 January	44.2734	22.3436	19.9142	306.0235	252.8506	32.8933
February	42.5848	21.8805	19.5749	339.8817	243.9756	32.2846
March	40.8650	19.4618	19.1495	337.3279	239.1597	30.8269
April	39.52	20.1166	19.1620	331.0237	235.9529	31.4290
May	40.2530	20.6421	19.4624	322.9303	245.8433	32.0957
June	40.7729	20.6510	19.2683	339.2527	245.5149	32.0774
July	41.3481	20.9382	19.8979	350.7054	251.0453	32.2061
August	40.7303	21.3715	20.0791	326.0626	249.4728	32.2301
September	41.6455	23.1189	19.8566	323.5015	249.3046	33.0155
October	40.4922	24.8910	20.1458	330.2918	258.0895	32.8898
November	40.5594	26.2599	20.0671	321.5686	258.3080	33.2835
December	40.1424	26.5422	22.9392	379.5853	259.1525	35.6709

Source : Central Bank of The Gambia

1. The mid-market exchange rate is the mid point between the weighted average of buying and selling
2. Unless otherwise stated
3. Since January 1994, participants in the interbank market have stopped trading in CFA franc
4. Commencing January 2002, the EURO replaces the DEM and FRF

TABLE XII(B) : PERIOD AVERAGE MID-MARKET RATES 1/
(Dalasi per unit of foreign currency) 2/

Period	GBP	USD	CHF	SEK (100)	CFA (5,000) 3/	FRF(100)/ Euro
2002 December	35.6825	23.5562		214.5339	174.9403	22.7520
2003 December	51.8146	31.0589		376.7330	237.2917	35.9709
2004 December	54.4447	29.8029		417.2066	279.2442	36.9252
2005 December	49.5216	28.1466		349.9966	252.6027	33.7184
2006 December	53.6391	28.0145		385.2866	273.2792	36.2089
2007 January	53.8371	27.9667	22.3615	392.2695	276.3046	36.2022
February	53.6698	27.9018	21.9528	383.5053	271.7030	36.1681
March	53.4653	27.7031	22.4906	378.3452	273.5248	36.1614
April	53.6844	27.5502	22.4240	371.2612	274.6160	36.3859
May	53.4058	27.3359	22.1052	364.4454	278.9243	36.4231
June	52.8957	26.8122	21.9876	370.5155	273.4163	36.0315
July	52.4732	25.9002	22.1945	369.7057	269.6422	35.5635
August	49.2719	24.1629	20.4097	363.0161	255.7193	33.5202
September	41.6234	20.8103	17.7207	312.7972	215.5550	29.2665
October	39.0159	19.1534	15.9752	275.4453	215.4639	27.3757
November	42.4179	20.9465	18.0089	307.8980	238.2992	29.9863
December	44.2843	22.2380	19.8149	320.8898	256.7785	31.5987
2008 January	44.4153	22.5507	19.9965	323.4875	249.0081	33.0507
February	43.5718	22.1006	20.1579	334.4623	249.9144	32.4805
March	41.4701	20.2045	19.5821	340.2312	244.0216	31.2433
April	38.8794	19.6247	19.2715	326.8253	237.4483	31.0356
May	40.1151	20.4864	19.6611	320.3512	244.9337	31.9815
June	40.5528	20.7293	19.6230	334.5695	249.9442	31.9680
July	40.9781	20.8438	20.2518	340.5181	248.7570	32.1584
August	41.0703	21.2647	20.0837	327.9830	251.4712	32.3562
September	41.0477	22.5721	20.0848	347.0483	250.4543	32.6319
October	41.0759	23.8056	20.0340	344.9422	255.5051	30.9080
November	40.5623	25.2954	20.2720	319.5658	254.6174	33.0597
December	40.4293	26.8304	21.7842	374.1499	295.2077	34.6101

Source : Central Bank of The Gambia

1. The mid-market exchange rate is the mid point between the weighted average of buying and selling
2. Unless otherwise stated
3. Since January 1994, participants in the interbank market have stopped trading in CFA franc
4. Commencing January 2002, the EURO replaces the DEM and FRF

**TABLE XII(C) VOLUME OF INTERBANK FOREX TRANSACTIONS 1/
BREAKDOWN BY CURRENCY**
(Figures represent Dalasi equivalents; in D' millions)

Period	GBP	USD	CHF	SEK	CFA 2/	FRF/Euro	Others	TOTAL
2002 December	169.07	635.27		16.87	8.789	139.18	86.52	1,055.70
2003 December	397.03	1076.35		20.30	11.591	311.69	30.13	1,847.09
2004 December	382.67	1,345.20		26.64	5.06	321.92	60.74	2,142.23
2005 December	666.51	1,591.65		20.35	11.64	629.42	49.16	2,968.73
2006 December	514.37	1,881.42		17.40	18.65	1,067.63	37.70	3,537.17
2007 January	636.16	2118.13	21.24	18.33	17.80	730.15	30.27	3,572.08
February	550.80	2195.54	8.69	17.58	13.81	893.07	30.22	3,709.71
March	459.15	2105.64	7.64	18.04	17.07	721.79	20.06	3,349.39
April	567.01	2398.82	16.51	8.99	18.51	903.59	7.19	3,920.62
May	559.82	2114.11	10.17	8.51	19.68	652.07	8.40	3,372.76
June	518.40	2525.63	8.80	24.10	22.87	709.81	7.06	3,816.67
July	423.06	1880.23	20.85	16.79	23.76	709.09	11.66	3,085.44
August	468.67	2331.32	12.60	22.07	21.10	824.70	6.47	3,686.93
September	481.09	1865.92	13.08	11.60	11.00	649.19	10.10	3,041.98
October	362.59	1557.26	3.15	7.08	13.73	558.16	7.03	2,509.00
November	325.35	1521.49	5.10	9.83	15.92	501.57	25.12	2,404.38
December	270.50	1374.67	7.73	15.14	7.21	302.52	32.73	2,010.50
2008 January	360.83	1389.30	8.62	12.27	12.36	300.23	26.53	2,110.14
February	369.98	2323.85	5.85	19.24	17.28	582.66	24.13	3,342.99
March	433.90	1924.64	6.24	10.16	16.54	778.02	27.30	3,196.80
April	446.16	2075.07	7.76	28.19	43.44	777.56	26.03	3,404.21
May	389.33	1827.62	12.07	8.52	37.25	801.17	6.66	3,082.62
June	398.97	1788.17	13.67	15.61	31.30	659.34	23.73	2,930.79
July	412.00	2054.36	40.08	11.59	52.19	884.71	34.74	3,489.67
August	339.26	1353.38	25.13	10.48	50.92	749.34	23.33	2,551.84
September	385.16	1794.63	11.01	8.38	73.94	616.95	18.79	2,908.86
October	293.36	1467.21	4.4	11.57	53.81	472.73	31.25	2,334.33
November	328.60	1728.92	10.33	12.86	62.59	462.66	25.31	2,631.27
December	399.19	2021.99	16.53	35.72	40.84	441.69	52.38	3,008.34

Source : Central Bank of The Gambia

1/ Volume of transactions is defined here as the aggregate of purchases and sales.

2/ Actual transactions in CFA franc are very insignificant.

TABLE XIII: EXTERNAL TRADE

TABLE XIII (A) : COMPOSITION OF EXPORTS - FOB
(in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Groundnut Shelled	43.24	9.17	31.13	59.00	154.37	28.34
Groundnut Cake	47.38	0.37	39.52	0.00	2.65	37.14
Groundnut Oil	181.57	23.57	167.14	0.13	0.20	78.70
Fish and Fish Preparation	21.18	11.95	9.16	29.49	9.44	83.78
Hide and Skins	1.50	1.57	1.15	1.04	0.40	0.55
Cotton	2.90	6.69	3.20	1.18	4.95	8.10
Fruits and Vegetables	17.81	19.05	39.09	20.76	91.26	37.22
Other Exports	19.34	31.04	52.03	89.44	24.93	38.34
Re-Exports	5.48	30.89	199.33	10.29	33.55	20.80
TOTAL EXPORTS	340.40	134.30	541.75	211.33	321.75	332.77

Source: Gambia Bureau of Statistics (GBOS)

TABLE XIII (B): COMPOSITION OF IMPORTS - CIF
(in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Live Animals and Products		124.45	193.47	275.29	205.59	
Vegetable Products		535.14	1,077.26	1,182.18	775.21	
Fats and Oils		164.08	669.51	436.00	488.83	
Prepared Food Stuff, Beverages/ Tobacco		813.14	969.31	916.44	808.90	
Mineral Products		692.49	1,303.92	1,345.00	1,479.07	
Chemicals & Allied Products		303.50	341.32	344.77	390.95	
Plastics, Ethers, Esters & Rubber etc		63.71	98.95	98.14	91.17	
Raw Hides & Skins, Leather & Furskins		9.75	20.22	18.63	15.89	
Wood, Charcoal & Wood Product		45.82	45.58	58.09	47.95	
Paper Making Materials & Articles		118.64	88.93	95.22	105.87	
Textiles & Textiles Articles		320.66	508.35	418.61	478.37	
Footwear, Headgears & Umbrellas		72.98	111.67	60.91	58.07	
Articles of Stones Plaster & Cement		74.64	104.70	108.20	110.72	
Natural Pearls, Gemstones, etc		0.25	0.44	0.30	1.50	
Base Metals & Articles ,etc		152.01	173.72	240.78	210.79	
Machinery & Appliance (Other)		144.20	174.84	214.74	340.54	
Electrical Machinery & Appliances		229.72	413.96	595.35	683.79	
Transport Equipment		358.06	653.99	810.02	817.14	
Instruments & Apparatus		50.50	67.10	113.60	75.08	
Arms & Ammunition		0.49	0.77	7.48	1.43	
Works of Arts, Collector Pieces		59.40	85.07	84.13	95.39	
Other Goods & Products (Misc)		0.40	0.23	0.16	1.04	
Personal Effects		0.00	1.93	0.47	0.00	
TOTAL IMPORTS	3,214.56	4,334.03	7,105.24	7,422.51	7,277.29	7,945.37

Source: Gambia Bureau of Statistics (GBOS)

TABLE XIV : BALANCE OF PAYMENTS				
<i>(in millions of Dalasi)</i>				
Period	2005	2006	2007	2008
CURRENT ACCOUNT	(1,239.93)	(1,841.11)	(1,463.23)	(1,109.60)
Goods	(3,379.99)	(3,181.28)	(3,520.39)	(2,919.05)
Exports FOB	2,745.41	2,868.80	3,047.22	2,819.56
Exports of goods in trade statistics	147.52	321.75	266.34	330.42
Adjustments	2,597.89	2,547.05	2,780.88	2,489.14
For coverage (re-exports)	2,597.89	2,547.05	2,780.88	2,489.14
Goods procured in ports by carriers	235.72	186.55	241.57	356.23
in seaports	2.66	5.65	5.64	5.64
in airports	233.06	180.90	235.93	350.59
Imports FOB	(6,361.12)	(6,236.63)	(6,809.17)	(6,094.85)
Imports of goods in trade statistics	(7,422.54)	(7,277.28)	(7,945.36)	(7,111.84)
Adjustments	1,061.42	1,040.65	1,136.19	1,016.99
For classification	1,061.42	1,040.65	1,136.19	1,016.99
Services	1,009.52	(56.01)	1,045.16	757.49
Transportation	(554.84)	(501.15)	(454.42)	(434.06)
Sea transport	(542.43)	(597.73)	(746.69)	(647.41)
Air transport	(12.41)	96.58	292.27	213.35
Travel	1,506.38	1,677.45	1,868.99	1,624.07
Business travel	(104.55)	(99.55)	(142.01)	(91.64)
Personal travel	1,610.93	1,777.00	2,011.00	1,715.71
Education-related expenditure	(51.70)	(80.16)	(63.51)	(81.30)
Other	1,662.63	1,857.16	2,074.51	1,797.01
Communications services	210.98	181.71	103.15	214.42
Postal and courier services	0.33	1.61	(22.35)	(14.70)
Telecommunications services	210.65	180.10	125.50	229.12
Insurance services	(133.44)	(131.46)	(163.35)	(146.01)
Freight insurance	(141.03)	(138.27)	(150.96)	(135.12)
Reinsurance	7.59	6.81	(12.39)	(10.89)
Construction Services			223.74	119.98
Computer and information services	(19.56)	(22.11)	(32.95)	(70.91)
Other Business Services		(1,260.45)	(500.00)	(550.00)
Income	(923.71)	(1,062.58)	(1,110.79)	(757.37)
Investment income	(923.44)	(1,058.48)	(1,129.38)	(931.37)
Income on equity	(767.95)	(922.52)	(943.01)	(943.04)
Portfolio investment	(159.66)	(137.01)	(187.42)	11.67
Other investment	4.17	1.05	1.05	-
Compensation of employees	(0.27)	(4.10)	18.59	174.00
Current transfers	2,054.25	2,458.76	2,122.79	1,809.34
General government	170.39	168.74	130.43	137.17
Other sectors	1,883.86	2,290.02	1,992.36	1,672.17
Workers' remittances	1,673.68	1,767.38	964.78	1,195.80
Other transfers	210.18	522.64	1,027.58	476.37
CAPITAL AND FINANCIAL ACCOUNT	2,297.51	2,150.42	2,204.91	342.29
CAPITAL ACCOUNT	114.20	114.20	42.97	24.37
Capital transfers	114.20	114.20	42.97	24.37
Debt forgiveness	114.20	114.20	42.97	24.37
FINANCIAL ACCOUNT	2,183.31	2,036.22	2,161.94	317.92
Direct investment	1,533.08	2,307.23	1,901.86	1,555.74
In reporting economy	1,533.08	2,307.23	1,901.86	1,555.74
Equity capital	1,277.10	1,998.79	1,468.50	1,294.70
Reinvested earnings	255.98	308.44	433.36	261.04
Other investment	650.23	(268.81)	260.08	(1,429.59)
Assets	(401.39)	(395.77)	721.14	(91.75)
Loans			329.63	251.05
Currency and deposits	(401.39)	(395.77)	391.51	(342.80)
Liabilities	1,356.91	650.77	(609.39)	(1,337.84)
Trade credits	129.40	274.64	(876.69)	(1,407.90)
Loans				
General Government	1,325.84	470.91	(80.50)	16.38
Drawings on new loans	1,735.90	902.17	333.64	339.57
Repayments	(410.06)	(431.26)	(414.14)	(323.19)
Monetary Authorities				
Use of Fund Credits and Loans	(55.29)	(113.74)	(81.68)	-
Drawings	-	-	-	-
Repayments	(55.29)	(113.74)	(81.68)	-
Currency and deposits	(43.04)	18.96	429.48	53.68
Reserve Assets (Increase -)	(305.29)	(526.01)	148.33	191.77
OVERALL BALANCE	(1,057.58)	(309.31)	(741.68)	767.31

TABLE XV: DISTRIBUTION OF AIR CHARTER TOURISTS BY NATIONALITY, SEX AND LENGTH OF STAY

Nationality	2002	2003	2004	2005	2006	2007
British	48,894	40,872	48,297	48,784	52,797	66,043
Swedish	5,594	4,205	3,954	6,754	6,361	7,458
French	645	653	432	546	659	717
German	3,707	4,253	2,891	4,941	6,561	6,418
Danish	2,260	2,616	1,997	3,146	3,604	4,372
Norwegian	711	999	5,513	1,028	1,186	3,212
Others	17,082	35,518	27,014	42,705	53,632	54,406
TOTAL	78,893	89,116	90,098	107,904	124,800	142,626
Sex						
Male	n.a	n.a	45,351	n.a	71,156	75,348
Female	n.a	n.a	44,744	n.a	53,644	67,278
Length of stay						
Average length of stay (in days)	12.90	12.90	12.90	12.90	12.90	12.90
AVERAGE OUT-OF-POCKET EXPENDITURE PER DAY (in Dalasi)						
	250.00	250.00	250.00	500.00	500.00	500.00

Source : Central Statistics Department

TABLE XVI : THE GAMBIA : ENERGY STATISTICS

	2002	2003	2004	2005	2006	2007
ELECTRICITY (000'S KWH)						
Total Production	161,361	150,307	128,061	156,268	164,212	213,004
Residential consumption	62,060	48,458	38,833	52,944	49,642	58,559
Business consumption (incl. Govt.)	24,934	44,693	41,132	16,309	49,548	61,636
Hotels, Industries and Clubs	17,237			27,698		
Agriculture				6		
Local Authorities				303		
Street Lighting	507	383	279			
Other consumption	64			4,752	6	6
Losses (incl. power house consumption)	56,559	56,773	47,817	54,255	65,016	92,803
RETAIL ELECTRICITY PRICE PER KWH						
Residential	1.81		1.55-6.98	4.59	1.55-6.98	2.02-7.58
Commercial & Local Government	2.21		7.25	7.25	7.25	9.43
Hotels, clubs & industries	2.54		8.02	8.02	8.02	10.43
PETROLEUM IMPORTS (M / litres)						
Total imports						
PMS			17.7091	19.5987		
HEAVY FUEL						
KEROSENE			2.1748	4.0771		
GAS OIL			49.7868	45.7972		
JET			2.7272	14.1275		
Petroleum oils and oils obtained from bituminous mineral, crude.						
Petroleum oils and oils obtained from bituminous mineral, other than crude.						
RETAIL PETROLEUM PRICE PER LITRE						
PMS	9.75	22.00	22.00	30.00	30.00	30.00
DIESEL		21.50	21.50	28.00	28.00	28.00
JET/ KEROSENE						

Source: State Department For Trade, Industry & Employment.

TABLE XVII : CENTRAL GOVERNMENT FISCAL OPERATIONS

	In D'millions						
	2002	2003	2004	2006	2008	2007	2008
Revenue and Grants	1,618.8	1,848.4	3,067.8	2,829.7	3,089.4	3,808.7	3,723.4
Total Revenue	1,201.7	1,573.1	2,498.4	2,809.8	3,013.2	3,427.3	3,479.0
Tax Revenue	1,040.2	1,379.8	2,244.8	2,283.2	2,891.2	3,036.8	3,181.3
Direct Taxes	318.0	441.1	606.4	682.5	803.2	884.1	1140.2
Indirect Taxes	722.2	938.7	1638.5	1580.7	1888.0	2151.7	2021.1
Domestic Taxes on Goods & Services	124.9	205.3	291.4	374.5	474.7	548.4	641.3
Stamp Duty	6.1	5.7	12.2	13.7	18.6	14.0	41.6
Excise Duties	10.8	13.6	39.5	50.4	112.7	148.1	168.0
Domestic Sales Tax	108.0	185.9	239.8	310.5	343.4	386.3	431.7
Airport Levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on International Trade	597.3	733.4	1347.1	1206.2	1413.3	1603.3	1379.8
Customs Duty	226.1	291.7	577.4	443.4	490.8	512.6	472.4
Sales Tax on Imports	209.5	279.0	495.3	468.8	500.9	644.0	497.1
Petroleum Taxes	161.7	162.7	274.4	294.0	421.6	446.7	410.3
Duty	141.6	124.0	183.1	169.8	273.6	294.2	235.4
Sales Tax	20.1	38.7	91.3	124.2	148.0	152.5	174.9
Non-tax Revenue	161.6	193.3	263.6	348.4	322.0	381.6	317.7
Government Services & Charges	134.8	166.9	195.4	147.9	140.2	132.3	106.7
Interest and Property	24.1	23.1	54.7	43.3	23.4	17.2	23.5
Contribution to Pension Fund	2.6	3.3	3.4	3.7	21.0	0.0	0.0
Central Bank Profit / Loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non tax Revenues	0.0	0.0	0.0	151.5	137.4	242.0	187.5
Grants	318.9	273.3	669.4	220.1	78.2	181.4	244.4
Program	68.0	0.0	0.0	0.0	17.0	0.0	0.0
Projects	126.8	143.8	409.6	203.0	59.2	173.9	165.6
HIPC II Assistance	122.1	129.5	149.8	17.1	0.0	7.5	78.8
Total Expenditure and Net Lending	1,870.7	2,338.6	3,780.8	3,721.3	3,403.3	3,610.6	4,137.8
Current Expenditure	1,318.2	1,701.3	2,169.1	2,419.9	2,616.9	2,684.7	3,014.6
Expenditure on Goods & Services	690.8	789.8	898.6	1058.4	1238.4	1335.4	1838.0
Salaries	395.2	459.2	517.7	549.5	652.5	680.4	905.5
Other Charges	295.6	330.6	380.9	508.9	585.9	655.0	932.5
Interest Payments	370.6	607.4	1003.1	1130.9	921.4	815.0	713.3
Internal	286.6	444.1	633.2	890.1	689.2	584.0	559.8
External	84.0	163.3	369.9	240.8	232.2	231.0	153.5
Emergency Relief (Rural road repairs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HIPC II Expenditure	39.9	82.5	66.6	0.0	0.0	0.0	0.0
Subsidies & Current Transfers	216.9	221.6	190.8	230.6	356.1	434.3	463.2
Development Expenditure	686.3	867.8	1826.3	1198.3	893.3	913.6	1018.8
Extrabudgetary Expenditure	0.0	0.0	0.0	136.6	0.0	0.0	0.0
Net Lending	-32.8	-22.8	-23.6	-30.4	-6.9	12.3	106.8
Overall Balance (Commitment Basis)							
Excluding Grants (with HIPC II)	-668.9	-763.6	-1262.2				
Excluding Grants (w/o HIPC II)	-596.6	-681.0	-1080.6	-667.1	-390.0	-161.2	-660.7
Including Grants (w/o HIPC II)	-342.0	-490.1	-702.8	-749.6	-313.8	-313.8	-416.3
Adjustment to cash basis (Float)	17.8	43.8	742.9	-40.8	-623.8		
Overall Balance - Including Grants (Cash Basis)	-324.2	-448.3	40.1	-790.4	-837.8	-806.9	-806.9
Financing	324.1	381.3	-40.2	931.8	937.6	806.9	806.8
External (net)	140.9	60.8	191.9	457.5	309.0	661.5	11.3
Borrowing	725.8	340.5	862.0	868.1	740.3	549.0	339.6
Project	368.4	340.5	862.0	868.1	740.3	549.0	339.6
Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Loans	357.4	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	-584.9	-279.7	-670.1	-410.6	-431.3	112.5	-328.3
Domestic	183.2	320.6	-292.1	474.3	628.6	114.3	-440.4
Bank	22.9	225.4	-872.1	339.6	730.6	291.5	994.3
Non-Bank	197.0	95.1	640.0	80.7	101.5	-132.2	-856.5
Accumulation of arrears	-36.7	0.0	0.0	0.0	0.0	0.0	-258.1
Privatization Proceeds	0.0	0.0	0.0	54.0	0.0	155.7	-21.5
Repayment of Domestic Debt / Arrears					-134.6	-82.0	0.0
Capital Revenue					0.0	22.4	0.0
Bank Capitalization					-69.0	10.0	0.0
Nominal GDP	7364.3	10005.9	12394.3	13174.0	14333.0	14333.0	14333.0

Source: Department of State for Finance and Economic Affairs

TABLE XVIII : DISTRIBUTION OF OUTSTANDING GOVERNMENT SECURITIES (Face Value)
(end December figures, in millions of Dalasi)

	2003	2004	2005	2006	2007	2008
Gambia Govt. Treasury Bills	2,272.16	3,590.07	4,387.65	4,647.73	4,741.30	4,773.27
Central Bank	212.56	94.60	118.04	102.14	137.67	129.08
Commercial banks	713.58	1,396.21	2038.62	2359.46	2724.25	3175.51
Non-banks	1,346.02	2,099.26	2230.99	2186.13	1879.38	1468.68
<i>of which: public enterprises</i>	<i>1,091.12</i>	<i>1,368.31</i>	<i>1364.97</i>	<i>1235.81</i>	<i>971.33</i>	<i>752.65</i>
Gambia Govt. Development stocks	23.18	23.18	11.88	0.00	0.00	0.00
Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Commercial banks	5.50	5.50	0.00	0.00	0.00	0.00
Non-banks	17.68	17.68	11.88	0.00	0.00	0.00
<i>of which: public enterprises</i>	<i>17.18</i>	<i>17.18</i>	<i>11.88</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Gambia Govt. Discount Note Series	95.10	90.76	0.00	0.00	0.00	0.00
Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Commercial banks	0.00	0.00	0.00	0.00	0.00	0.00
Non-banks	95.10	90.76	0.00	0.00	0.00	0.00
<i>of which: public enterprises</i>	<i>92.23</i>	<i>88.02</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
TOT. OUTSTAND. GOVT. DOMESTIC DEBT	2,390.44	3,704.01	4,399.53	4,647.73	4,741.30	4,773.27
Gambia Govt. Treasury Bills 1/	1948.12	3018.46	3809.04	4174.30	4295.73	4321.46
Central Bank	192.20	80.92	110.29	88.88	121.83	119.41
Commercial banks	648.46	1190.05	1762.19	2127.37	2482.66	2880.25
Non-banks	1107.46	1747.49	1936.56	1958.05	1691.24	1321.80
<i>of which: public enterprises</i>	<i>881.52</i>	<i>1098.00</i>	<i>1156.50</i>	<i>1083.57</i>	<i>854.01</i>	<i>663.69</i>

Source : Central Bank of The Gambia

1/ At discounted value

APPENDIX : LIST OF ACRONYMS

AACB	Association of African Central Banks
ADF	African Development Fund
AfDB	African Development Bank
NACCUG	National Association of Cooperative Credit Unions
AFRACA	African Rural and Agricultural Credit Association
AMCP	African Monetary Cooperation Program
BOP	Balance of Payments
CBG	Central Bank of The Gambia
ECOWAS	Economic Community of West African States
FIU	Financial Intelligence Unit
IFRS	International Financial Reporting Standards
MOFEA	Department of State for Finance and Economic Affairs
ECOWAS	Economic Community of West African States
IMF	International Monetary Fund
MPC	Monetary Policy Committee
PRGF	Poverty Reduction and Growth Facility
REC	Regional Economic Communities
RTGS	Real Time Gross Settlement System
SCC	Savings and Credit Company
AFREXIM Bank	African Export-Import Bank
MFIs	Micro Finance Institutions
VISACA	Village Savings and Credit Association
WAIFEM	West African Institute for Financial and Economic Management
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WAMZ	West African Monetary Zone



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