CENTRAL BANK OF THE GAMBIA

ANNUAL REPORT 2021

THE YEAR IN NUMBERS

End December 2021

Monetary Policy Rate

10.0%

Headline Inflation

7.6%

Real GDP Growth

4.3%

Gross International Reserves

8.8 months

of import cover

*Additional data can be found on the Central Bank of The Gambia's Data Warehouse through CBG Data Warehouse (gambia.datawarehousepro.com).

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PRIMARY OBJECTIVES OF THE BANK

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

MISSION STATEMENT

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

ABBREVIATIONS

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

FOREWORD BY THE GOVERNOR

I have the pleasure to present the Annual Report of the Central Bank of The Gambia (CBG) for the year 2021. The report highlights the governance and organizational structures of the Bank and provides a review of developments in the Gambian economy. It also covers the policies and activities implemented during the year.

Global economic activity picked up in 2021 following the rollout of COVID-19 vaccines that triggered the gradual lifting of pandemic-related restrictions and containment measures. A combination of strong policy support, especially in advanced economies, and mass vaccination programs supported the recovery process. However, the emergence of the highly infectious Omicron variant of the coronavirus in the later part of the year resulted in renewed lockdowns and disruption in economic activity. Moreover, continued supply chain disruptions created a mismatch between demand and supply that triggered an escalation in global commodity prices and inflation started drifting away from central bank targets.

The Gambian economy showed signs of recovery in 2021 from the pandemic-induced stagnation in 2020. Economic activity picked up, especially in the second half of the year following the easing of pandemic-related containment measures. Real GDP grew by 4.3 percent in 2021, higher than 0.6 percent in 2020. Growth was supported largely by a pick-up in fishing and aquaculture, construction, and some recovery in services. Meanwhile, private remittances continued to support household consumption and private investment.

Price pressures emerged during the year with a pick-up in domestic demand on the back of rising international commodity prices and lingering domestic structural bottlenecks. Headline inflation moved away from the Bank's implicit medium-term target of 5 percent and reached 7.6 percent at end-2021, from 5.7 percent a year ago. However, the Bank maintained its accommodative monetary stance to support the fragile recovery in economic growth with the expectation that price pressures were transitory and that inflation was going to return to its long-run trend once supply constraints wane. The Monetary Policy Committee (MPC) maintained the monetary policy rate (MPR) at 10 percent throughout the year.

Meanwhile, balance of payment pressures emerged during the year, despite robust private remittance inflows. The sharp increase in imports of medical equipment and stronger domestic demand amidst soaring commodity prices ramped up the import bill. Exports of goods and services, on the other hand, plummeted significantly during the year, reflecting the slower-than-expected recovery in re-export trade and tourism activities. A combination of these factors resulted in a wider current account deficit of 5.3 percent of GDP in 2021, relative to 5.0 percent of GDP a year ago. However, the Bank maintained a comfortable level of external reserve buffer of 8.8 months of prospective imports of goods and services.

The Gambia's financial system remained resilient with robust fundamentals. The industry weathered the negative effects of the COVID-19 pandemic in 2020 and 2021, evidenced by the strong financial soundness indicators. Banks continued to maintain decent liquidity and capital buffer throughout the year, despite the pandemic shock, thanks largely to improved asset quality and retained earnings. The non-performing loan (NPL) of the industry declined to 5.2 percent of gross loans in December 2021, from 6.4 percent a year ago.

High on the Bank's agenda continued to be the fight against money laundering (ML) and terrorist financing (FT). In September 2021, a dedicated AML/CFT unit was created to deal with financial vulnerabilities. The Risk Management and Legal Units have been capacitated and upgraded to departments with expanded mandates. The aim is to streamline the AML/CFT regime to protect the economic and financial systems of the country. The Bank also continues to collaborate with the Financial Intelligence Unit (FIU) in areas of information sharing, training, and awareness campaigns.

We have registered significant improvements in the payment systems development. The national payment system has evolved since its establishment in 2011 and continues to transform the financial landscape in The Gambia. The Bank is currently upgrading and modernizing the infrastructure to improve the capacity to accommodate a variety of products and services. In addition, the Bank created a payment system oversight unit at the Banking Services department to ensure that platform continues to operate in a safe and secure environment. The new payment environment will provide a more efficient, secure, and reliable platform for financial transactions and promote financial inclusion and innovation in the payment ecosystem.

To conclude, the last two years have been challenging, and it took hard work and dedication to sail through. We remained committed to our mandate of price and financial sector stability to promote the growth and development of the Gambian economy. Therefore, I want to thank the staff and Management of the Bank for their continued support and commitment during the year. I also thank the members of the Board, the MPC, and the Management of the Bank for their unwavering support during the year.

Thank you,

Buah Saidy

Governor

Central Bank of The Gambia

MANAGEMENT OF THE BANK

Board of Directors

Mr. Buah Saidy
(Governor/Chairman)

Mr. Abdou Sara Janha

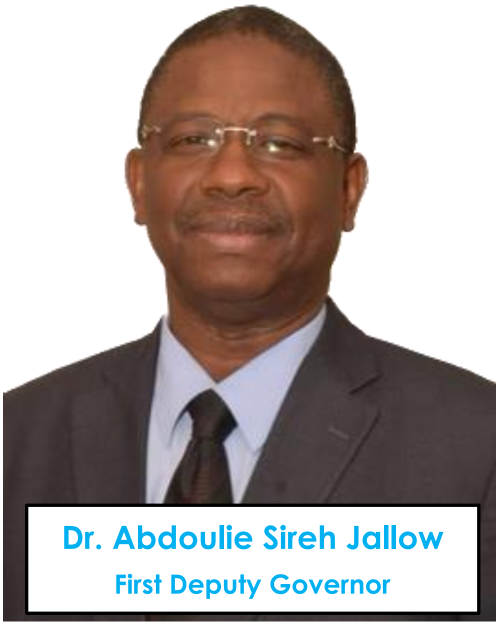
Mr. Ousman A. Sowe

Ms. Eudora Taylor-Thomas

Ms. Aji Amie Jagne (Secretary)

Top Management

Mr. Buah Saidy
Governor



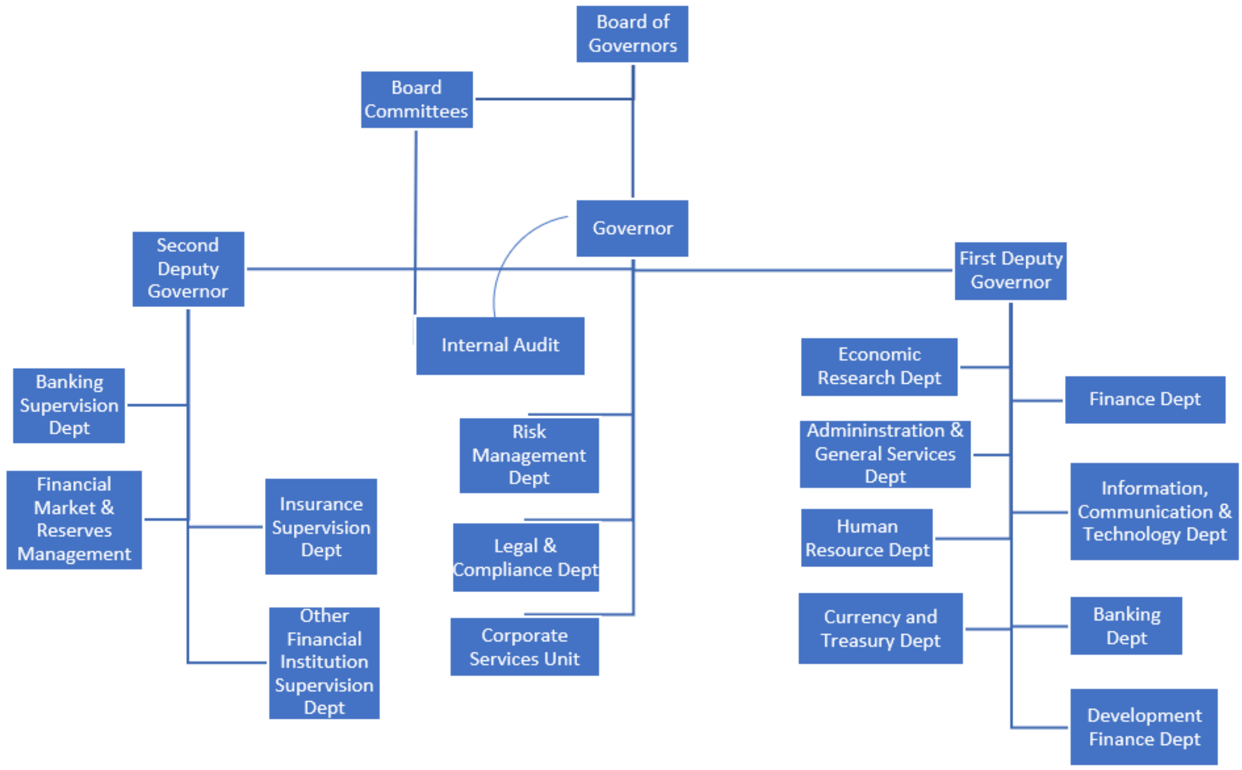
Dr. Abdoulie Sireh Jallow
First Deputy Governor

Dr. Paul Mendy
Second Deputy Governor

Heads of Department

Legal and Compliance	Aji Amie Jagne
Internal Audit	Michael Barai
Administration and General Services	Omar Janneh
Human Resource	Saikou Touray
Risk Management	Rohey S. Khan
Insurance Supervision	Pa Alieu Sillah
Finance	Attikan Dibba
Other Financial Institutions Supervision	Siaka Bah
Banking Services	Karamo Jawara
Economic Research	Ebrima Wadda
Financial Markets	Karafa Jobarteh
Banking Supervision	Halima Singhateh
Information Technology	Peter Prom
Development Finance	Fatou Deen-Touray

Organizational Chart



GOVERNANCE

1 GOVERNANCE

1.1 Mandate of the Bank

The mandate of the Central Bank of The Gambia (CBG) is derived from the Constitution of the Republic of The Gambia 1997 and the Central Bank of The Gambia Act (2018). The primary objects of the Bank are outlined as follows:

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

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

1.2 Board of Directors

The Central Bank of The Gambia Act (2018) sets out a governance framework for the Bank. The governing body is the Board of Directors consisting of the Governor, who is the Chairman, and four other Executive Directors. Members of the Board are appointed by the President in consultation with the Public Service Commission, from among persons of good standing and experience in economics, finance and any other field that relates to central banking.

The Board members, other than the Chairperson, shall be appointed for a term of two years and are eligible for re-appointment for a further term. The main function of the governing body is to formulate policies necessary for the achievement of the Bank's mandate.

1.3 Statutory Committees

The Central Bank of The Gambia Act (2018) has mandated the Board to establish the Audit Committee, the Financial Stability Committee, and the Monetary Policy Committee. The role and functions of these Committees are as follows.

1.3.1 Audit Committee

The Central Bank of The Gambia Act (2018) mandates the Board to appoint three non-executive members to constitute the Audit Committee. The following are the functions of the Committee:

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

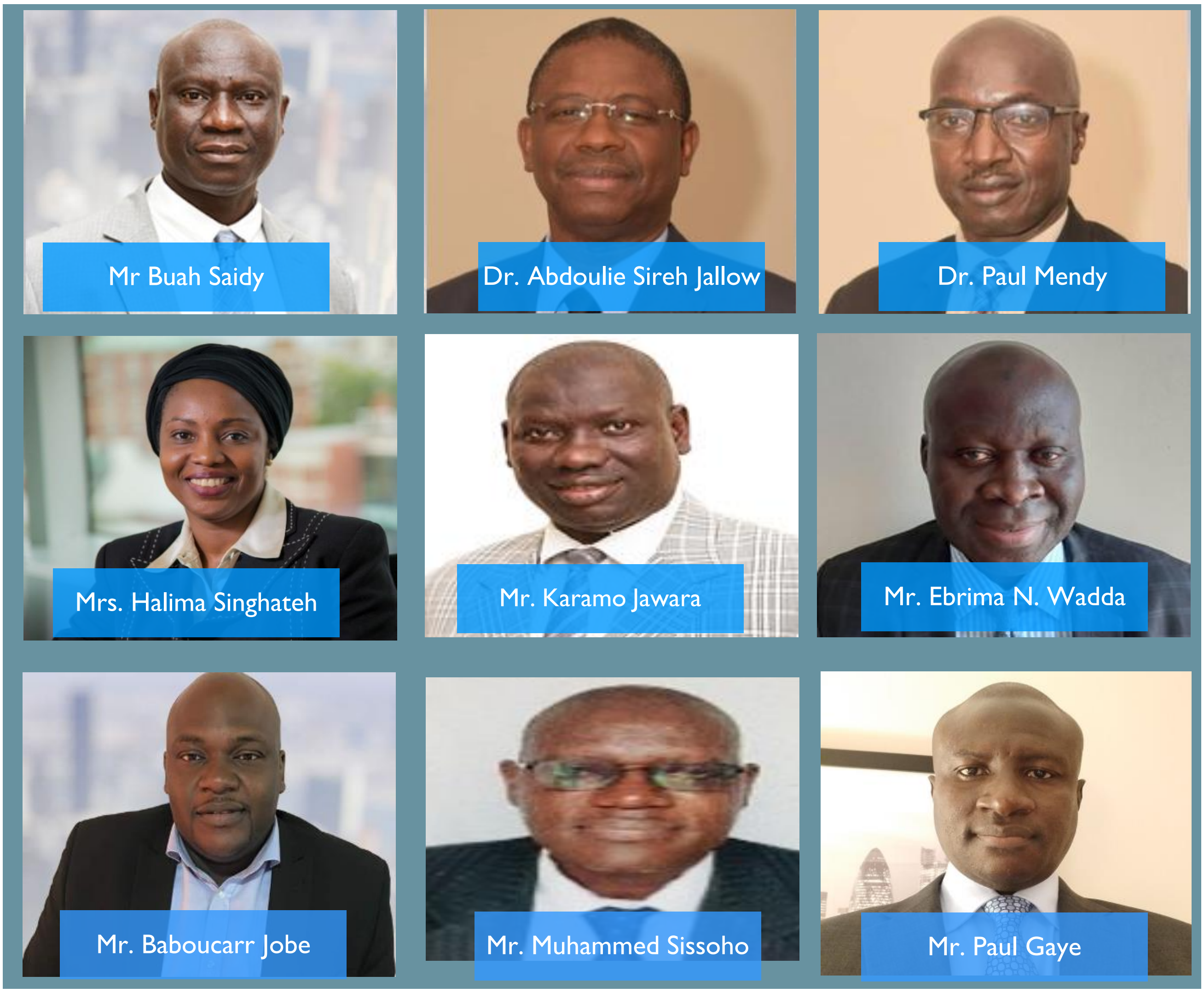
1.3.2 Monetary Policy Committee

The Monetary Policy Committee (MPC) is also established by the Central Bank of The Gambia Act (2018) as the apex monetary policy decision-making body of the Bank. The MPC is responsible for:

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

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

Current Members of the MPC



1.3.3 Financial Stability Committee

The Central Bank of The Gambia Act (2018) mandates the Board to establish the Financial Stability Committee (FSC) to consist of three non-executive members. The Committee shall have the following functions:

- Establish appropriate supervisory guidelines, policies, and other reporting requirements for the financial sector.
- Monitor compliance with such guidelines, policies, and reporting requirements and report on them to the Board.
- Deliver opinions on any matter submitted to it by the Board or Management of the Bank.
- Receive and review examination reports and recommend to the Board any appropriate action to be taken.
- Review the work of the Financial Supervision, Microfinance, Foreign Exchange, and Insurance Departments of the Bank.

The Committee shall meet at least once every three months.

1.4 Committees of the Board

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

1.4.1 Human Resource Committee

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

1.4.2 Foreign Reserve Management Committee

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

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

The Committee is chaired by a deputy governor and comprises heads of the Foreign Department, Finance Department, Banking Department, Risk Management Department, and Economic Research Department.

1.4.3 Risk Management Committee

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

1.4.4 Payment Systems Committee

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

1.4.5 Treasury Bills Committee

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

1.5 Departments of the Bank

1.5.1 Administration and General Services Department

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

1.5.2 Human Resource Department

In September 2021, the human resource functions were divorced from the administrative functions of the Bank as part of the overall restructuring of the Bank. The Human Resources Department (HRD) was established. The role of the HRD is to oversee the broad personnel management function of the Bank through functional activities such as hiring qualified staff, establishing a just and equitable compensation structure, training, and retention of staff, and addressing staff relation matters.

1.5.3 Banking and Payments Systems Department

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

1.5.4 Currency Management Department

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

Key functions of the Department are the following:

- Management of the Bank's vault, cash payment system, including cash payments on behalf of the Bank, Government of The Gambia, and commercial banks in both local and foreign currencies.

- In the operational capacity as a banker to the Government and the deposit money banks.
- Forecasting and printing of both banknotes and coins for circulation into the economy.
- Maintaining statistics of all cash transactions.
- Coordinating the destruction of unfit banknotes and assisting law enforcement authorities in identifying and verifying counterfeit banknotes.

1.5.5 Economic Research Department

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

1.5.6 Finance Department

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

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

1.5.7 Banking Supervision Department

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

1.5.8 Insurance Department

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

1.5.9 Financial Markets and Reserve Management Department

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

The Secretariat for the FRMC is domiciled in the department and the provisional exchange for the proposed capital market.

1.5.10 Internal Audit Department

The Internal Audit Department (IAD) is responsible for independently monitoring and evaluating the Central Bank's operations. The primary function of the IAD is to provide independent assurance to the Board and Senior Management on the quality and effectiveness of the Bank's risk management, internal controls, and governance systems and processes. The head of the Department has the mandate to prepare quarterly audit reports for submission to the Governor and the Board through the Audit Committee.

1.5.11 Other Financial Institutions Supervision Department

Other Financial Institutions Supervision Department (OFISD) was also created in September 2021. It replaced the then Microfinance Department. The Department licenses, regulates, and supervises other non-bank financial institutions (NBFIs), foreign exchange bureaus, fintech companies and money transfer operators (MTO). The Department also provides support to the FSC of the Board. As a regulatory and supervisory department, OFISD contributes to measures of the Bank to foster financial stability.

1.5.12 Development Finance Department

The Development Finance Department (DFD) came into being following the restructuring of the Bank in September 2021. The Department is envisaged to coordinate all development finance activities, including identifying and partnering with the private sector in the implementation of development finance projects.

1.5.13 Legal And Compliance Department

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

1.5.14 Information and Communication Technology Department

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

1.5.15 Risk Management Department

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

REVIEW OF THE GLOBAL ECONOMY

2 REVIEW OF THE GLOBAL ECONOMY

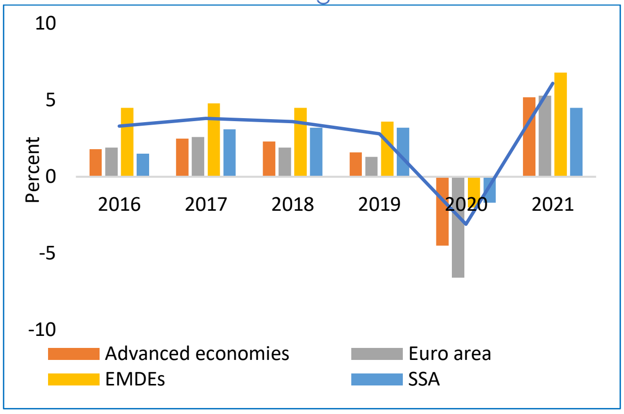
2.1 Overview

The global economy showed signs of recovery in 2021 from the adverse effects of the COVID-19 pandemic shock. Several economies around the world started to register growth after the pandemic-induced contraction in 2020. The availability and rollout of vaccines allowed for the gradual easing of restrictions and containment measures, and resumption of activity in sectors that were largely dormant during the pandemic. The pace of recovery was more pronounced in advanced economies than in emerging markets and developing economies, due mainly to better access to vaccines and broader fiscal measures. The easing of containment measures supported growth in manufacturing, trade, and services in the first half of the year. However, the recovery momentum was dampened by the emergence of the highly infectious Omicron variant of the virus in the fourth quarter which resulted in renewed lockdowns in most regions and disruption of economic activities. The increase in aggregate demand during the year created an imbalance between demand and supply that pushed up prices. In response, central banks in most advanced economies began reversing the accommodative monetary policy stance that existed since the beginning of the pandemic, raising concern for capital reversals and currency depreciations in emerging and developing economies.

2.2 Global Output Growth

Global growth momentum picked up in 2021 and prospects were promising, with the gradual lifting of pandemic-related restrictions and containment measures with the rollout of vaccines, and strong policy support. In its April 2022 World Economic Outlook (WEO), the International Monetary Fund (IMF) estimated global economic growth at 6.1 percent for 2021, from a contraction of 3.1 percent for 2020 (Chart 1). However, the outlook remained fragile, uncertain, and subject to significant downside risks, especially following the outbreak of the Omicron variant in the later part of the year.

Chart 1: Global economic growth



Source: IMF WEO Database, April 2022

With better access to vaccines and broader policy support, output growth was stronger in advanced economies than in emerging markets and developing economies. Economic growth in the region was estimated by the IMF at 5.2 percent in 2021, after contracting by 4.5 percent in 2020. The United States economy registered a robust recovery from the pandemic-induced contraction of 3.4 percent in 2020 to grow by an estimated 5.7 percent in 2021, largely reflecting fiscal support and access to vaccines. In the Euro area, real GDP growth strengthened to 5.3 percent from a deep contraction of 6.6 percent in 2020. Similarly, the United Kingdom economy was estimated to have grown by 6.8 percent in 2021, against a contraction of 9.8 percent in 2020.

In emerging markets and developing economies, economic activity picked up in the first half of the year, following the relaxation of restrictions on the movement of goods and services. However, repeated waves of COVID-19 infections around the end of the year ensured a wider range of lockdowns, particularly in China. The scaling back of fiscal stimulus also weighed on growth. The region expanded by 6.8 percent in 2021, relative to a contraction of 2.0 percent in 2020.

The speed of recovery was slowest in sub-Saharan Africa (SSA) compared to other regions due to the slow pace of vaccination in the region, vaccine hesitancy and limited fiscal space. Real GDP growth for the region was estimated at 4.5 percent in 2021, from negative 1.7 percent in 2020, buoyed by policy support and rising commodity prices.

Table 1: Global economic growth (percent)

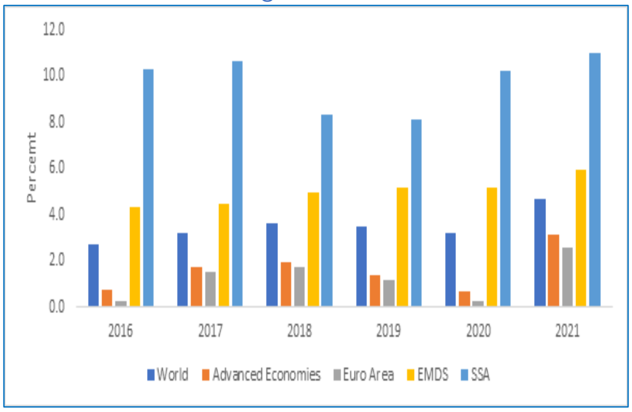
Region	2016	2017	2018	2019	2020	2021
World	3.3	3.8	3.6	2.8	-3.1	6.1
Advanced economies	1.8	2.5	2.3	1.6	-4.5	5.2
Euro area	1.9	2.6	1.9	1.3	-6.6	5.3
Other advanced economies	2.6	3.1	2.8	1.8	-2.1	5
European Union	2.1	3	2.3	1.7	-6.1	5.4
Emerging markets and developing economies	4.5	4.8	4.5	3.6	-2	6.8
Emerging and developing Asia	6.8	6.6	6.4	5.3	-0.8	7.3
Emerging and developing Europe	1.9	4.1	3.4	2.4	-1.8	6.7
ASEAN-5	5.1	5.5	5.3	4.8	-3.4	3.4
Latin America and the Caribbean	-0.6	1.3	1.2	0.2	-7	6.8
Middle East and Central Asia	4.7	2.5	2	1.4	-2.9	5.7
Sub-Saharan Africa	1.5	3.1	3.2	3.2	-1.7	4.5

Source: IMF WEO Database, April 2022

2.3 Global Inflation

Global inflation accelerated during the year, averaging 4.7 percent from 3.2 percent in 2020, reflecting a pick-up in aggregate demand as the pandemic situation eased while related supply chain bottlenecks persist and base effects (Table 2). According to the IMF, consumer prices in advanced economies accelerated to 3.1 percent as at end-December 2021 from 0.7 percent in 2020. Rebound in commodity prices, currency depreciation and foreign currency shortages in some emerging markets and developing countries contributed to the hike in inflation to 5.9 percent in 2021 from 5.1 percent a year earlier.

Chart 2: Annual Average inflation



Source: IMF WEO Database, April 2022

Table 2: Annual Average inflation

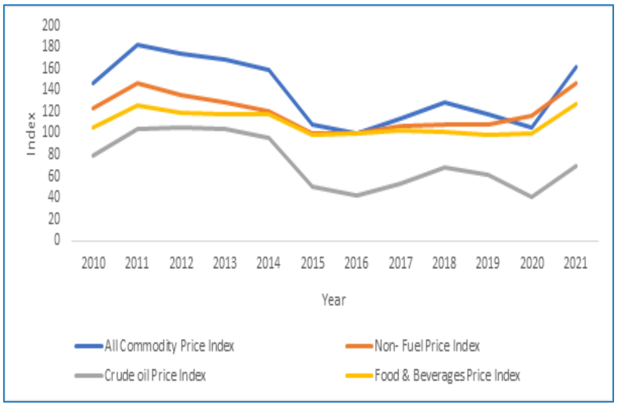
Group/Region Name	2016	2017	2018	2019	2020	2021
World	2.7	3.2	3.6	3.5	3.2	4.7
Advanced economies	0.8	1.7	2	1.4	0.7	3.1
Euro area	0.2	1.5	1.8	1.2	0.3	2.6
Other advanced economies	0.9	1.5	1.6	1.1	0.5	2.3
European Union	0.2	1.6	1.9	1.4	0.7	2.9
Emerging mkt & dev econ	4.3	4.4	4.9	5.1	5.1	5.9
Emerging & developing Asia	2.8	2.4	2.7	3.3	3.1	2.2
Emerging & dev Europe	5.6	5.6	6.4	6.6	5.4	9.5
ASEAN-5	2.3	3.1	2.9	2.1	1.4	2
Latin America & Caribbean	5.5	6.3	6.6	7.7	6.4	10
Middle East & Central Asia	5.7	6.9	9.5	7.4	10.2	13.2
Sub-Saharan Africa	10.4	10.7	8.4	8.5	10.8	11

Source: IMF WEO Database, April 2022

2.4 Global Commodity Prices

Commodity prices rebounded in 2021 with continued disruptions in the global supply chain and a pickup in demand. The IMF All Commodity Price Index, which tracks the prices of internationally traded primary commodities, increased by 53.2 percent (year-on-year) in December 2021, following a contraction of 9.9 percent in 2020. Chart 3 shows that both food and energy prices which were largely subdued since 2015, picked up in 2021, supported by improved demand conditions amid supply challenges.

Chart 3: IMF Commodities Price Index-2016=100

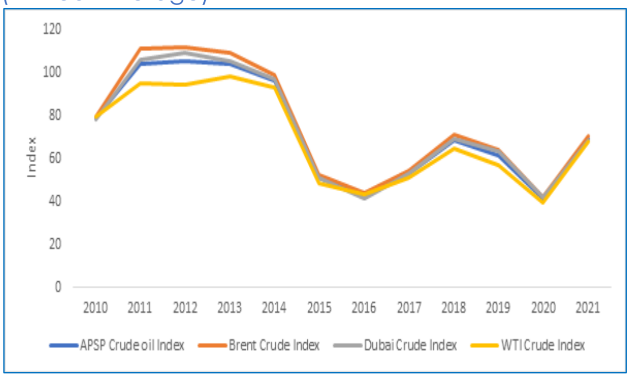


Source: IMF, April 2022

2.4.1 Crude Oil Prices

Data from the IMF shows that the price of crude oil averaged US$69.1 per barrel in 2021, up markedly by 67.3 percent compared to 2020 (Chart 4), driven by improved demand conditions. The Dated Brent, West Texas Intermediate, and the Dubai Fateh traded at an average of US$70.4, US$68.0, and US$68.8 per barrel during the year, up by 67.0 percent, 73.0 percent, and 63.2 percent from 2020, respectively. The IMF Crude Oil Price Index, which is an average of the price indices of Dated Brent, Dubai Fateh, and West Texas Intermediate rose by 67.3 percent in 2021. All Commodity Non-Fuel Price Index also surged by 26.8 percent higher than the 6.7 percent recorded in 2020.

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

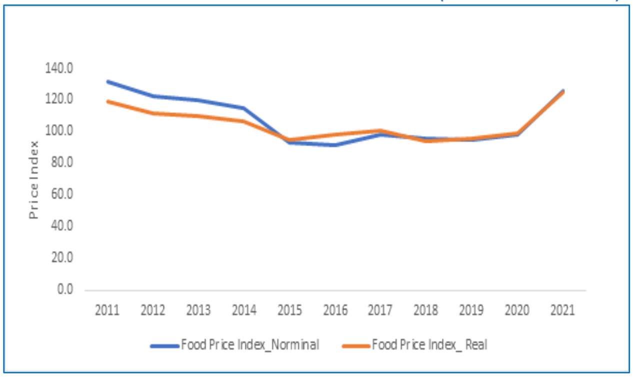


Source: IMF Primary Commodity Price System, April 2022

2.5 Global Food Prices

Global food prices rose sharply in 2021, due mainly to the pick-up in demand and the pandemic related supply disruptions. The FAO Food Price Index, which tracks international prices of 5 food commodity groups, recorded 133.7 points in December 2021, representing a 23.1 percent increase from the level in 2020 (See Chart 5).

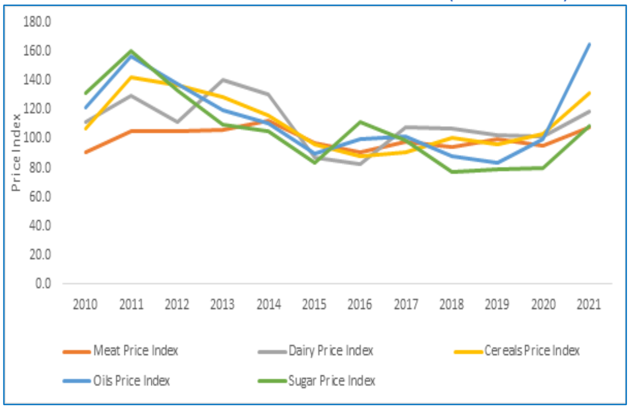
Chart 5: FAO Annual Food Price Index (2002-2004=100)



Source: FAO

The price indices of meat, dairy products, and cereals respectively increased by 12.7 percent, 17 percent, and 27.2 percent in 2021 relative to 2020. Similarly, the sugar price index increased sharply by 37.5 percent, while that of edible oil went up significantly by 65.8 percent.

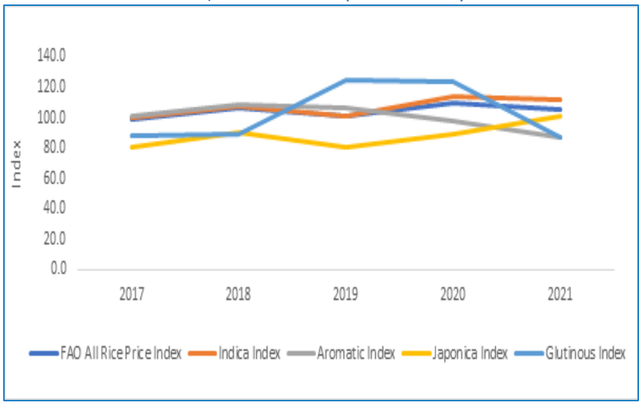
Chart 6: FAO Annual Food Price Index (2016=100)



Source: FAO

The international prices of rice, which is the stable food in The Gambia, declined during the year. The FAO Rice Price Index averaged 105.8 points for 2021, representing a decrease of 4.0 percent relative to the 2020 record of 110.2 points. This mainly reflects the decrease in the price of Indica (1.9 percent), aromatic (11.0 percent) and Glutinous (29.6 percent). The Index for the Japonica rice variety, on the other hand, increased by 13.2 percent.

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



Source: FAO

REVIEW OF THE DOMESTIC ECONOMY

3 REVIEW OF THE DOMESTIC ECONOMY

3.1 Overview

The Gambian economy avoided recession in 2020 and registered stronger growth in 2021, notwithstanding pandemic-related headwinds. Despite a weak recovery in tourism and re-export trade, and a marked decline in donor support, real GDP grew by 4.3 percent in 2021, higher than 0.6 percent in 2020, supported by a pick-up in fishing and aquaculture, construction, and moderate recovery in services. On the demand side, economic growth was supported by household consumption and private construction that were financed largely by steady private remittance inflows and government investment.

The medium-term outlook for economic growth remains positive but the conflict in Ukraine coupled with the lingering effects of the pandemic heightened uncertainties and elevated the risks to the outlook. The vulnerability of agriculture to unpredictable weather conditions, high public debt and limited fiscal space, and the impact of accelerating commodity prices on domestic demand are other key risk factors.

The rebound in domestic demand amid rising global commodity prices, especially food and energy and domestic structural bottlenecks shaped inflation developments in 2021.

Headline inflation drifted away from the Bank's implicit medium-term target of 5 percent and reached 7.6 percent at end-2021, from 5.7 percent a year ago. Food inflation continued to be the main driver of headline inflation. It accelerated to 10.2 percent in December 2021, from 7.0 percent recorded in the same period in 2020. The medium-term inflation expectations started growing, reflecting the buildup of price pressures, uncertain global economic environment, and rising commodity prices. Meanwhile, the MPC judged price pressures to be transitory and that inflation was expected to return to the long run trend once supply and demand rebalance. As a result, monetary policy remained accommodative to nurture economic recovery that was considered fragile.

The Gambia's balance of payments position deteriorated in 2021, despite robust private remittance inflows. Balance of payment pressures emerged following an unprecedented rise in import bills, a slow recovery in tourism and re-export trade, and a decline in official donor support. The sharp increase in imports of medical equipment and stronger domestic demand on the back of rising commodity prices ramped up the import bill. Meanwhile, exports of goods and services plummeted significantly during the year, reflecting the slower-than-expected recovery in re-export trade and tourism activities. Total exports stood at US$31.7 million in 2021, lower than the US$70.1 million recorded a year ago. Recovery in re-export trade activities was hampered by adverse political developments in the sub-region that restricted the movements of goods to major re-export destinations such as Guinea Conakry and Mali. Persistent challenges at the port in Banjul caused the decline in efficiency and loss of competitiveness to neighboring countries.

The tourism sector showed promising signs of recovery during the year following the lifting of international travel and related restrictions. However, the pace of recovery was disrupted by the outbreak of the Omicron variant in the latter part of the year.

On the positive side, workers' remittances (net) remained strong but official grant inflows declined markedly due to delay or cancellation of donor commitments.

The combination of these factors resulted in a wider current account deficit of 5.3 percent of GDP in 2021 from 5.0 percent of GDP a year ago. Meanwhile, the Bank maintained a comfortable level of external reserve buffer of 8.8 months of prospective imports of goods and services- following the augmentation of member countries' SDR allocation by the IMF. The exchange rate of the Dalasi remained relatively stable, albeit with some depreciation pressures during the year.

On the fiscal policy front, data from the Ministry of Finance and Economic Affairs (MoFEA) on budget execution indicated that fiscal performance worsened in 2021 relative to 2020. Revenue performance declined due to lower-than-anticipated tax collection and delay or cancellation of grant disbursements. Meanwhile, total expenditure increased markedly to 4.6 percent of GDP, driven by wages and salaries, debt service payments and spending on goods and services. As a result, growth in expenditure outpaced revenue mobilization and the overall fiscal deficit widened to 5.1 percent of GDP in 2021, compared to 3.6 percent of GDP recorded last year. The increase in the budget deficit led to a wider financing gap, albeit a slight decline in the stock of public debt-to-GDP ratio from 85 percent in 2020 to 83 percent in 2021. With the persistent shortfall in revenue amid the rising spending needs of the government, the fiscal outlook remained blurred characterized by dissipating fiscal space.

The Gambia's financial system remained resilient with robust fundamentals, amidst a challenging global environment. The sector weathered the negative effects of the COVID-19 pandemic in 2020 and 2021, evidenced by the strong financial soundness indicators. Private sector credit growth significantly rebounded to grow at 20.7 percent in December 2021, compared to 0.8 percent growth reported in the same period last year.

Table 3: Selected macroeconomic indicators

Indicators	2015	2016	2017	2018	2019	2020	2021
	(Annual percent change, unless otherwise stated)						
National Income							
Real GDP	4.1	1.9	4.8	7	6.3	0.6	4.3
Nominal GDP (GMD millions)	58,581.20	64,389.90	70,142.20	80,445.80	90,793.80	93,329.80	104,946.70
Consumer price index (end-of-period)							
Headline Inflation	6.7	7.9	6.9	6.4	7.7	5.7	7.6
Food Inflation	7.5	8.7	7.3	6.4	7.6	6.8	10.2
Non-food Inflation	5.3	6.5	6.3	6.5	7.7	4.4	4.9
Exchange rate (end-of-period)							
GMD/USD	39.8	43.9	47.9	49.5	51.1	51.6	52.6
GMD/GBP	61.6	55.6	63.7	63.1	66.9	68.5	70.1
GMD/euro	43.1	46.9	56.6	56.9	57.1	61.9	60.6
GMD/CFA (5000)	335.7	377.1	416.2	418	418.5	440.93	478.14
Money and credit							
Reserve Money	10	25.2	22.6	16.5	17.2	33.9	13.6
Broad Money Supply (M2)	-0.9	15.3	20.9	20	27.1	22	19.5
Claims on government, net	37.9	22.1	-5	10.3	6.1	4.0	31.2
Credit to the private sector	-7.9	-12.3	-1.2	32.9	35.8	0.8	20.7
Real credit to private sector	-13.6	-18.7	-7.6	24.9	26.1	-4.6	-4.6
Interest Rates (percent)							
91-day treasury bill rate	17.6	13.7	5	5.1	2.2	3.6	2.2
182-day treasury bill rate	18.1	16.3	5.5	7	5	7.3	0.5
365-day treasury bill rate	21.8	17.7	6.7	9.5	7.5	8.4	4.3
Average lending rate	22.5	21.6	21.5	21.5	20	19	14.5
Average 3-month deposit rate	11.8	10.3	9.1	5.5	4.1	2.8	2.5
External Sector							
Current account (US$ millions)	-53.8	-76.1	-95.2	-135	-38.8	-86.6	-94.1
Current account (% of GDP)	-4.2	-5.7	-6.9	-8.4	-2.2	-5.0	-5.3
Exports FOB (USD millions)	107.5	91.2	139.4	157.7	154.5	70.1	31.7
Imports FOB (USD millions)	-334.4	-310.5	-470	-579.1	-532.5	-581.8	-607.4
Gross international reserves	76.48	60.1	143.96	157.14	226.22	352	530.4
Months of imports cover	2.5	1.5	3.6	3.9	4.5	4.9	7.1
Government Budget (percent of GDP)							
Domestic Revenue	12.7	12.1	11.5	12.7	12.9	13.2	14.6
Grants	1.2	1.1	8	5.8	5.3	8.5	3.8
Total Expenditure	18.2	19.9	24.2	24.5	21.1	25.3	23.6
Overall Balance	-4.2	-6.7	-4.8	-6	-2.9	-3.6	-5.1

Source: CBG, GBoS

3.2 Monetary Policy

Although price pressures emerged in 2021, the CBG maintained a loose monetary policy stance throughout the year to support private sector credit growth and the fragile economic recovery from the pandemic-induced stagnation in 2020. The MPC kept the monetary policy rate at 10 percent, the level it was since May 2020. The required reserves of commercial banks, which were brought down from 15 percent in May 2020 to 13.0 percent, were maintained at the same level throughout the year. The interest rates on the standing deposit and lending facilities were also maintained at 2.0 percent and 11.0 percent, respectively. The accommodative monetary policy stance helped sustain excess liquidity in the system and negative real interest rates in the money and bond markets (Table 4 and chart 14).

Table 4: Monetary Policy Decisions from 2020 to 2021

Meeting Date	Policy Decision	Rate (percent)
Feb-20	MPR reduced by 50 basis points	12
May-20	MPR reduced by 200 basis points	10
Aug-20	Left MPR unchanged	10
Dec-20	Left MPR unchanged	10
Mar-21	Left MPR unchanged	10
May-21	Left MPR unchanged	10
Sep-21	Left MPR unchanged	10
Nov-21	Left MPR unchanged	10

Source: CBG

3.2.1 Strengthening Monetary Policy Implementation

In the face of evolving dynamics of the economy, efforts are continuing to modernize the formulation and implementation of monetary policy. The ERD spearheads the reform that seeks to make monetary policy strategy more forward-looking, and evidence based. Capacity building in research, economic analysis and forecasting is at the core of this reform process.

In 2016, the Bank engaged the services of AFRITAC West II, the West Africa regional technical assistance arm of the IMF, as part of a project to improve the formulation and implementation of monetary policy. In this regard, a team of experts conducted a scoping mission in August 2016 that marked the beginning of fruitful years of collaboration between the two institutions in this effort. Subsequent technical assistance missions helped build the technical capabilities of the staff of the ERD in forecasting, economic analysis, and reporting that culminated in the establishment of a modelling and forecasting unit at the ERD. It also prepared the foundation and the adoption of a Forecasting and Policy Analysis System (FPAS).

The FPAS infrastructure, which includes a modern data management system, nowcasting and near-term forecasting tool kits and a medium-term semi-structural Quarterly Projection Model (QPM) is now central in the decision-making process at MPC meetings. Plans are now to strengthen the forecasting capabilities of the models, and their utilization and integration into the monetary policy decision-making process. In the absence of a quarterly GDP[1], the development of the Composite Index of Economic Activity (CIEA) remains a critical input that continues to serve as a reliable indicator of economic activity at high frequency. These efforts greatly enhanced the MPC process.

[1] *The Gambia Bureau of Statistics (GBoS) produces GDP only on annual basis with a year lag. Efforts are advanced to start producing the numbers on quarterly basis.*

Currently, the focus is on strengthening monetary policy communication. The ERD is working closely with the management of the Bank to develop a communication strategy that includes the establishment of a communication department. Meanwhile, the MPC continues to publish press statements, minutes of meetings and monetary policy report that summarizes deliberations and assessments of the Committee that informed their decision. The ERD continues to collaborate with AFRITAC West II to improve these publications.

Despite these gains, the Bank is cognizant of gaps in the quest towards a fully-fledged forward-looking monetary policy strategy. This includes, among other things, the fact that monetary policy transmission remains weak. In this regard, the ERD is developing a white paper that seeks to provide a comprehensive medium-term strategy to modernize monetary policy implementation. To support this reform agenda is the Bank's research agenda that is also being developed by the Department. The research agenda will outline priority areas of research for the Bank for the next five years.

3.2.2 Monetary Policy Committee Meetings in 2021

The MPC held four quarterly meetings in 2021, amid challenging global and domestic economic environments. Based on its assessment of the growth and inflation outlook, the Committee decided to maintain the lax monetary policy stance adopted since the start of the pandemic in 2020. The key policy rate was unchanged as depicted in Table 4 above. Price pressures started to build up, especially in the second half of the year but were mainly arising from the supply side and were judged to be temporal. As a result, inflation was forecast to return to the long-run trend once the pandemic-related supply constraints dissipate. Meanwhile, economic growth was picking up but given the vulnerabilities it was assessed to be fragile and required continued policy support. These informed the Committee's decision to maintain the accommodative monetary policy stance throughout the year. It is noteworthy that inflation continued to accelerate beyond all expectations in 2022, due to the combined effects of the conflict in Ukraine that started in early 2022 and the lingering effects of the COVID-19 pandemic.

3.2.2.1 March Meeting

The first meeting of the year was held in March 2021. The Committee reviewed developments in the domestic and global economy and decided to maintain the policy rate at 10 percent.

The global economic environment continued to be shrouded by heightened uncertainties and the outlook was subject to significant downside risks as the virus continued to spread. Meanwhile, global inflation was projected to remain largely subdued.

On the domestic front, economic activity showed signs of recovery as indicated by the Bank's high-frequency economic indicators, but inflationary pressures also started to build up. Structural bottlenecks at the country's port, slight exchange rate depreciation and the one-off increase in the education price index after the reopening of schools added to the impact of global supply chain interruptions on domestic prices. Headline inflation accelerated to 6.4 percent in February 2021 from 5.4 percent in December 2020. The Committee, however, judged the price pressures to be transitory and that inflation was going to return to its long-run trend once temporal factors dissipate.

On the monetary front, actual reserve money demand was trending over its medium-term target, attributed to the increase in currency in circulation due to fiscal activities and the rise in inflation. Reserve money stood at 1.8 percent above the first-quarter target. Private sector credit started to recover from yearlong contraction due to the pandemic with an annual growth rate of 29.8 percent at end-February 2021.

Recovery in economic activity was projected to continue although significant vulnerabilities remained. The adverse impact of the pandemic on the balance of payments and the government fiscal operation exposed the fragility and vulnerabilities of the economy.

Consequently, the MPC judged that the recovery process still needed policy support and decided to maintain the expansionary monetary policy stance. The Committee maintained the MPR at 10 percent, the reserve requirement at 13 percent and the interest on the standing deposit and lending facilities at 3.0 percent and 11 percent, respectively

3.2.2.2 May Meeting

At its sitting in May 2021, the MPC maintained the accommodative policy stance by keeping the MPR at 10 percent. High uncertainty still surrounded the global economy, but the prospects had improved with strong policy support, especially in advanced economies and a promise of faster vaccine rollout in the second half of the year. The risks to the outlook remained significant, including the risk of an outbreak of highly transmissible variants of the virus and the effect of tighter financial conditions on emerging and developing economies. The outlook for inflation remained subdued but commodity prices were expected to firm up after record-low levels a year ago.

On the domestic economy, the Bank's Composite Index of Economic Activity (CIEA) points to stronger economic activity in 2021 than a year ago. The gradual relaxation of containment measures allowed the movement of persons, goods, and services. The lifting of travel restrictions allowed the resumption of tourism and related activities. As a result of the above and stronger level of economic activity in the fourth quarter of 2020 than anticipated, the CBG staff revised upwards its forecast for growth in 2021 by 0.5 percentage points to 4.1 percent. The risks to the outlook, however, remained high and uncertain, and tilted on the downside, given the unpredictability of the pandemic situation, the challenging fiscal situation (high level of public debt and limited fiscal space), and the vulnerability of local food production to erratic weather conditions.

Meanwhile, inflationary pressures were mounting as global commodity prices recovered. In addition, the one-off increase in the education price index had an upward effect on headline inflation. The education price index shot up following the reopening after the lifting of lockdowns. Annual inflation was 7.3 percent in April 2021, unchanged from March but higher than 5.6 percent in the corresponding period a year ago. However, most of these supply-side factors were judged to be transitory, and inflation was forecast to return to the Bank's implicit medium-term target of 5 percent in the near term. The exchange rate of the dalasi continued to be stable, supported by strong private remittance inflows.

The financial sector continued to be stable and resilient with strong fundamentals, evidenced by robust financial soundness indicators. The capital and liquidity ratios of banks were comfortably above the statutorily required levels and the asset quality improved significantly with an NPL of 3.4 percent of gross loans as at end-March 2021.

On monetary developments, reserve money, the Bank's operating target, was 1.8 percent above the target for the first quarter, suggesting substantial excess liquidity in the system, largely driven by fiscal activities. Private sector credit continued to expand in line with expectations with an annual growth rate of 8.4 percent at end-March 2021.

The MPC assessed that the level of inflation was within tolerable margins and that economic recovery was fragile and still needed policy support. As a result, the Committee decided to maintain the MPR at 10.0 percent. The reserve requirement ratio of commercial banks was also maintained at 13.0 percent and the standing deposit and lending facilities were also kept unchanged at 3.0 percent and 11.0 percent (MPR plus 1.0 percentage point).

3.2.2.3 September Meeting

The third MPC meeting of the year was held in September 2021. Following deliberations and an assessment of the economic outlook, the Committee decided that the monetary policy stance was appropriate and kept the MPR at 10 percent.

Global economic growth gathered momentum but there was divergence in favour of advanced economies in the pace of recovery, influenced by differences in the vaccine rollout and policy support. The risks to the outlook remained high and uncertain. Global inflation started to accelerate, driven by pandemic-related developments and demand-supply mismatches.

The pace of recovery in the Gambian economy also gathered strength and the outlook appeared promising. However, inflationary pressures were mounting, driven by rising global food and oil prices as well as cost-push effects of structural bottlenecks at the ports and base effect. Headline inflation accelerated to 8.2 percent in July 2021, from 7.6 percent in January 2021.

Reserve money continued to expand at a rapid pace. It grew by 31.1 percent (year-on-year) at end-June 2021 and stood at 4.3 percent above the target for the quarter. Private sector credit grew by 5.7 percent.

Taking the above factors into consideration, the Committee maintained that the stance of monetary policy was appropriate. Although inflation was rising, nurturing the fragile recovery from the pandemic induce economic growth stagnation gained policy priority. As a result, the MPC decided to keep the monetary policy rate and required reserve ratio of banks unchanged at 10.0 percent and 13 percent, respectively. In addition, the interest rate on the standing deposit facility and the standing lending facility was maintained at 3.0 percent and 11.0 percent (MPR plus 1 percentage point).

3.2.2.4 Meeting of November

The MPC held its final meeting of the year in November amid heightened uncertainty in the dynamics of the pandemic and the global supply chain situation. Although vaccine availability offered the promise of a speedy recovery in the global economy, the emergence of highly infectious variants of the COVID-19 virus and the slow pace of vaccine rollout in some regions posed a significant risk to the outlook. The increase in the risk factors made the IMF in October 2021 revise downwards its global growth forecast to 5.9 percent for 2021, 0.1

percentage points lower relative to the July forecast.

On the domestic front, the outlook for the economy remained positive and business confidence picked up, although the upcoming presidential elections and global economic environment were significant risks. The real GDP growth was projected at 4.9 percent for 2021 as economies opened and tourism and trade recovered.

However, domestic inflationary pressures continued to rise, mainly reflecting an increase in global food prices and the bottlenecks at the Banjul port. Headline inflation rose to 7.3 percent at end-October 2021, from 7.0 percent at end-September 2021 and 5.6 percent a year ago. However, The Committee judged that price pressures are transitory, and that inflation would return to its long trend when supply bottlenecks wane.

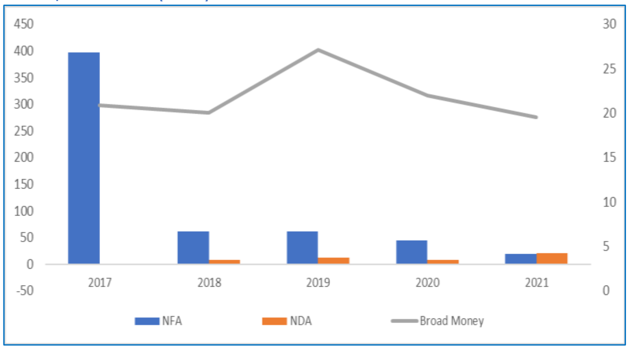
As a result, the Committee concluded that it was appropriate to continue to nurture economic recovery, which was considered fragile, by maintaining the accommodative monetary policy stance. The Committee decided to maintain the Policy rate (MPR) at 10 percent. The Committee also maintained all other instruments, including the required reserve ratio of commercial banks at 13 and the standing deposit and lending facilities at 3.0 percent and 11.0 percent (MPR plus 1 percentage point), respectively.

3.3 Analysis of Monetary Aggregates

3.3.1 Annual Money Supply Growth

Annual money supply growth moderated in 2021, driven by the decelerated growth in the net foreign asset (NFA) of both the Central Bank and commercial banks. The adverse effect of the pandemic shock on the balance of payments created supply constraints in the foreign exchange market that slowed the net foreign asset accumulation by both the Central Bank and commercial banks. As a result, the pace of liquidity expansion in the economy was driven by domestic credit with the expansion in fiscal activities and private sector credit.

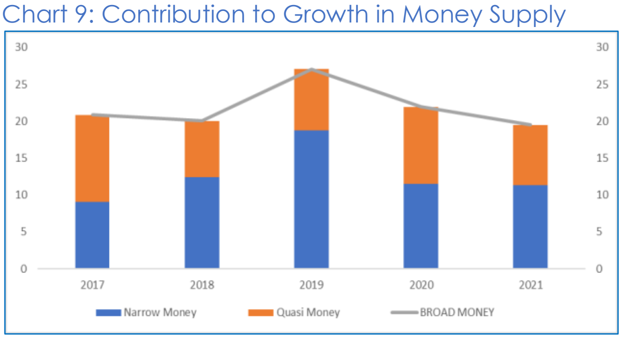
Chart 8: Money Supply Growth (RHS) (percent) & components (LHS)



Source: CBG

Annual money supply (Broad Money) growth decelerated to 19.5 percent at end-December 2021 compared to 22.0 percent recorded a year ago. Narrow money (M1), which is the sum of demand deposits and currency in circulation outside banks, grew by 20.4 percent (year-on-year) at end-December 2021, the same growth rate recorded a year ago. Of the components of narrow money, demand deposits increased by 23.7 percent, while currency outside banks grew at a slower pace of 14.1 percent during the period under review.

Chart 9: Contribution to Growth in Money Supply



Source: CBG

Annual growth in quasi-money moderated to 18.5 percent at end-December 2021 relative to 23.9 percent in the same period a year ago. Savings deposits expanded by 25.6 percent (year-on-year), but time deposits contracted markedly by 7.6 percent during the period under review.

3.3.1.1 Net Foreign Assets

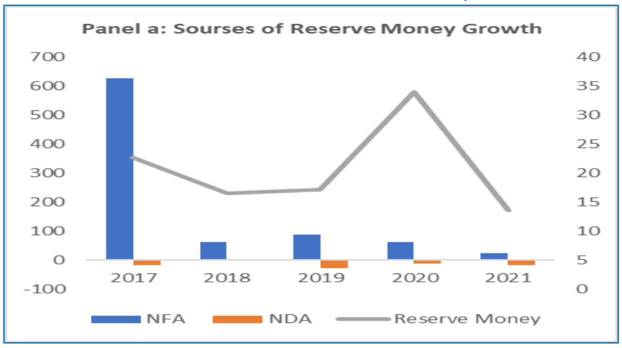
The strong net foreign assets (NFA) buildup seen in the past 4 years was moderated by the adverse impact of the pandemic on the balance of payments. Private remittance inflow remained robust but other traditional sources of foreign inflows such as tourism, re-export trade and official donor support declined markedly during the year. These developments moderated the growth in foreign assets relative to foreign liabilities. As a result, the pace of NFA buildup slowed in 2021 compared to 2020. The NFA of the banking system rose to D29.0 billion or 19.0 percent in 2021, lower than a growth rate of 45.0 percent a year ago.

As supply constraints built up in the foreign exchange market, the Central Bank limited its intervention to build the external reserve buffer as a deliberate policy to ensure the availability of foreign currency liquidity to market players. Chart 10 shows that the growth in the stock of NFA of the Bank has been decelerating since March 2021 as the growth in foreign liabilities outpaced the growth in foreign assets.

In 2021, foreign assets and gross external reserves of the Bank grew by 52.1 percent and 53.5 percent, slower than 53.0 percent and 57.3 percent, respectively. Meanwhile, foreign liabilities grew significantly by 124.5 percent during the year due to large disbursements from the IMF under the ECF program. The NFA of the Bank grew by 24.1 percent to stand at D17.1 billion in 2021, a lower growth rate than the 62.6 percent recorded in 2020.

Similarly, annual growth in the NFA of commercial banks of 12.3 percent in 2021 was lower than the 26.9 percent recorded in 2020. This is attributed to the marked increase in the foreign liabilities of banks by 68.8 percent, which more than offset the 18.6 percent increase in its foreign assets.

Chart 10: Contribution to Reserve Money Growth

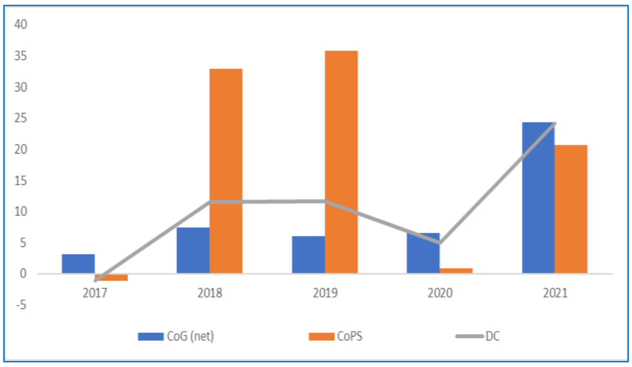


Source: CBG

3.3.1.2 Net Domestic Assets

The stock of net domestic assets (NDA) of the banking system was the main driver of liquidity expansion in 2021, supported by government borrowing and private sector credit growth. In the year to end-December 2021, the NDA of the banking system at D33.5 billion rose by 20.0 percent, attributed largely to an increase in government borrowing from the banking system to finance the wider fiscal deficit. Net claims on government increased significantly by 24.4 percent relative to a lower growth rate of 6.5 percent a year ago and accounted for 76.5 percent of total domestic credit.

Chart 11: Growth in Credit to Government & Private sector



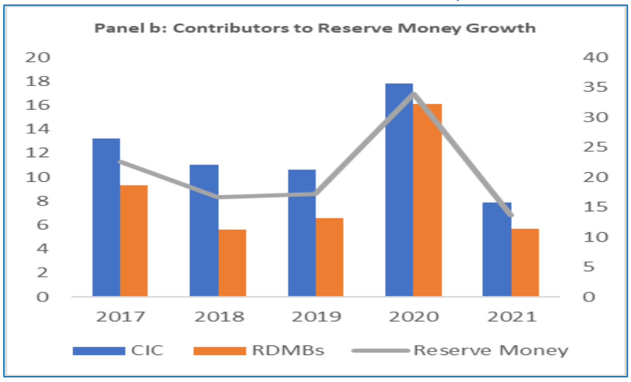
Source: CBG

Growth in private sector credit (gross loans net of provisioning) picked up significantly to 20.7 percent at end-December 2021, relative to the pandemic-induced slow growth of 0.8 percent at end-December 2020.

3.3.2 Reserve Money

Reserve money growth significantly slowed to 13.6 percent at end-December 2021, from 33.9 percent recorded in the corresponding period a year earlier. Amid rising inflation, the Central Bank limited the purchase of foreign currency and intensified open market operations in the later part of the year through the sales of CBG bills to reduce excess liquidity in the system.

Chart 12: Contribution to reserve money



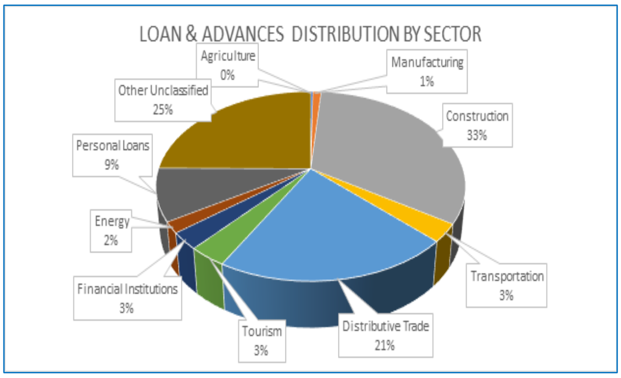
Source: CBG

The intensification of open market operations was also meant to offset the liquidity effect of the marked increase in CBG financing of the government deficit during the year, which was mainly through overdrafts in the main expenditure account. The Bank's net claims on government grew by 21.2 percent (year-on-year) as at end-December 2021, higher than negative 13.2 percent in 2020.

3.4 Distribution Of Commercial Bank Credit

Credit growth recovered in 2021 from the contraction in 2020 due to the effects of the pandemic. The stock of gross loans and advances extended by commercial banks to the various sectors of the economy grew by 26.5 percent to stand at D9.4 billion in 2021. Construction and distributive trade continued to attract the largest share of commercial bank credit with a combined share of 53.7 percent of total credit in 2021 (Table 5).

Chart 13: Distribution of Commercial Bank Credit



Source: CBG

Agriculture is the second largest contributor to GDP but continued to attract minimal credit from the financial system. This is attributed to the seasonal nature of production activity, which is largely dependent on rainfall, and the fact that it is dominated by smallholder farmers with limited financial knowledge. Lack of large-scale private sector investment and climate change-related effects are all contributing factors weighing on the agriculture sector. Outstanding credit to the sector contracted by 91.3 percent to D24.10 million in 2021 and accounted for a minuscule 0.3 percent of total credit.

Loans and advances to the fishing sector expanded by 172.6 percent, reflecting growing private sector involvement in the industry. However, it still accounted for less than a percent of total credit.

The manufacturing industry in the Gambia is still small, dominated by small-scale production by small businesses and startups. Recent years have witnessed a marked increase in start-ups by small and medium-sized businesses, which increased the credit allocated to the sector. It grew by 36 percent in 2021, after a contraction of 21.1 percent last year. Outstanding credit to the sector, however, still accounted for only 1.0 percent of total commercial bank loans and advances in 2021. Initiatives by the Government, the Central Bank, and other stakeholders to make credit accessible and affordable to MSMEs under the National Financial Inclusion Strategy hope to increase credit flow to the sector.

Credit allocated to the construction sector constituted the largest share of total loans and advances (33 percent) and it is growing rapidly, driven by the booming private sector real estate activity. In 2021, the stock of credit to the sector grew by 50.6 percent to D3.1 billion. Recent years have witnessed the proliferation of private real estate companies, mainly owned by Gambian returnees in the diaspora.

Distributive trade sector was the second largest recipient of commercial bank credit (21 percent) and it grew by 12.9 percent in 2021

Table 5: Outstanding Stock of Deposit Money Banks Private Sector Credit (Millions of GMD)

	Millions of GMD				Annual % Change	Percent share
Sectors	**2018**	**2019**	**2020**	**2021**	**2021**	**2021**
Agriculture	86.6	138.5	276.4	24.1	-91.3	0.3
Production	20.7	12.6	3.2	4.4	36.6	0
Processing	-	2.1	2.7	0.9	-66.5	0
Marketing	65.9	123.8	270.5	18.8	-93.1	0.2
Fishing	7.2	6.3	2.1	5.9	176.2	0.1
Manufacturing	23.5	90.8	71.7	97.4	36	1
Construction	1091.1	1454.5	2041.4	3074.3	50.6	32.8
Companies & Corporations	1046.7	1292.1	1783.5	2786.4	56.2	29.8
Individuals & Partnerships	44.4	162.4	257.9	287.9	11.6	3.1
Transportation	360.9	555.6	565	283.6	-49.8	3
Companies & Corporations	323.6	525.2	535.5	263.2	-50.8	2.8
Individuals & Partnerships	37.3	30.4	29.5	20.4	-30.8	0.2
Distributive Trade	1726.6	1684.9	1733.6	1957.4	12.9	20.9
Companies & Corporations	1686.4	1409.5	1376.1	1594.6	15.9	17
Individuals & Partnerships	40.2	275.5	357.5	362.8	1.5	3.9
Tourism	595.8	408.5	416	316	-24	3.4
For Premises	490.1	199.3	223.2	202.9	-9.1	2.2
For Capital equipment	-	12.9	9.8	15.3	55.3	0.2
For working Capital	105.7	196.3	183	97.8	-46.5	1
Financial Institutions	178.5	356.9	190.3	264	38.7	2.8
Energy	66.2	107.6	104.9	175	66.8	1.9
Personal Loans	463.2	560.7	569.9	833.8	46.3	8.9
Other Unclassified	905.6	1986	1430.9	2329.7	62.8	24.9
Total Outstanding	5505.2	7350.3	7402.2	9361.2	26.5	100

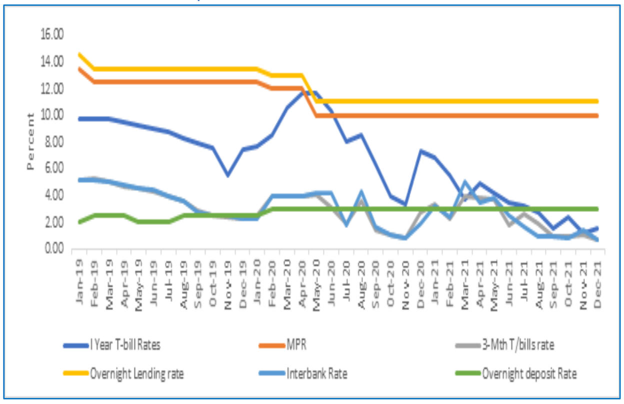
Source: CBG

3.5 Interest Rates Developments

Interest rates were relatively subdued in 2021, reflecting in large part the lax monetary policy stance of the Central bank (Chart 14). The MPC maintained an accommodative monetary policy stance in 2021 to support recovery. The MPC maintained both the monetary policy rate and statutory reserve requirement for commercial banks at 10 percent and 13 percent, respectively (See Section 3.2).

The accommodative monetary policy stance and the high level of excess liquidity within the banking systems helped maintain a low-interest rate environment in the money market in 2021. The weighted average yield on short-term government treasury bills declined from 4.2 percent in 2020 to 2.1 percent in 2021. Average treasury bond yields also declined, albeit slightly, from 9.6 percent to 9.4 percent. The average interbank lending rate also declined from 1.9 percent in December 2020 to 0.7 percent at end-December 2021.

Chart 14: Development in Selected Interest Rates



Source: CBG

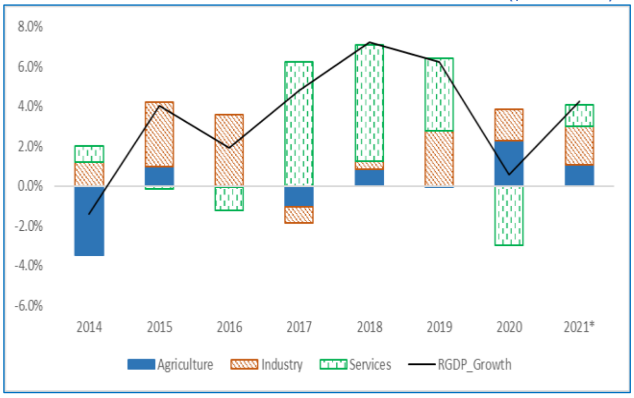
The minimum and maximum interest rates on savings deposits declined from 0.3 percent and 3.0 percent at end-December 2020 to 0.25 percent and 2.8 percent in December 2021. Similarly, the average minimum and maximum rates on the term deposits (3-months, 6-months and 12-month deposits) also declined respectively to 0.2 percent and 6.1 percent in 2021, from 0.3 percent and 7.1 percent in December 2020. Commercial banks' minimum lending rate was unchanged at 10 percent at end-December 2021 from a year ago, while the maximum lending rate fell from 28 percent to 19 percent during the same period.

3.6 Real Sector developments

3.6.1 Real GDP Growth

The Gambian economy, in large part, weathered the negative effects of the pandemic and the prospects are positive. The economy avoided recession in 2020 and registered stronger growth in 2021, despite repeated waves of the COVID-19 virus outbreak. The Gambia Bureau of Statistics (GBoS) revised upward real GDP growth for 2020 to 0.6 percent from a projected contraction of 0.2 percent. Major upward revisions were in the services sector, including transportation (11.8 percentage points), education (10.1 percentage points), professional activities (6.7 percentage points) and other services (36.5 percentage points). Livestock and mining and quarrying sectors were also revised upward by 15.3 and 5.6 percentage points, respectively.

Chart 15: Contribution to Real GDP Growth (percent)



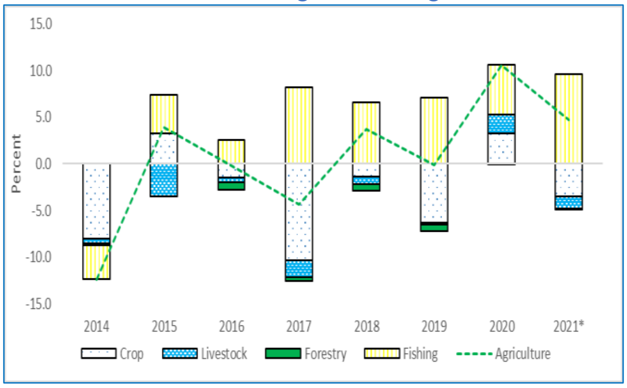
Source: GBOS, CBG staff calculations

The GBoS estimated a real GDP growth of 4.3 percent in 2021, supported by fishing and aquaculture, construction, and moderate growth in services. On the demand side, economic growth was supported by household consumption and private construction that were financed largely by steady private remittance inflows and government investment.

3.6.1.1 Agricultural Sector

The agriculture sector is one of the key vulnerable sectors of the economy to climate-related developments. Extreme weather conditions (frequent droughts and floods) are driving down crop and livestock yields.

Chart 16: Contribution to growth in agric. sector



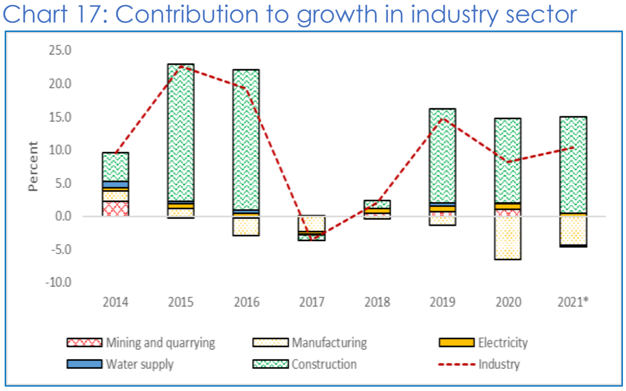
Source: GBOS, CBG staff calculations

The sector expanded by only 4.7 percent in real terms in 2021, compared to an estimated real growth rate of 10.6 percent in 2020. Crop and livestock production declined by 9.1 percent and 9.6 percent, respectively. On the other hand, fishing and aquaculture emerged as drivers of the sector with a significant increase in its contribution to growth.

3.6.1.2 Industry Sector

The industry sector is estimated to have grown by 10.4 percent relative to 8.2 percent in 2020, driven mainly by the increase in private construction-related activities.

Chart 17: Contribution to growth in industry sector



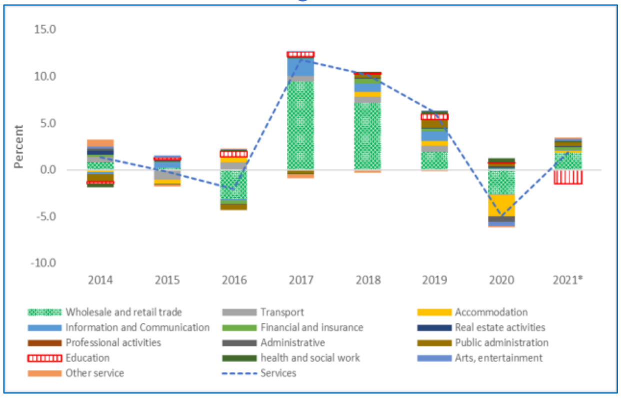
Source: GBOS, CBG staff calculations

Manufacturing, which is mainly on a small scale, contracted by 29.7 percent in 2021 relative to 29.6 percent growth a year ago. Mining and quarrying, water supply and related activities contracted during the year.

3.6.1.3 Services Sector

The services sector picked up in 2021 following the gradual lifting of pandemic-related restrictions. The sector registered a moderate growth of 1.9 percent in 2021, after contracting by 5.0 percent in 2020.

Chart 18: Contribution to growth in service sector



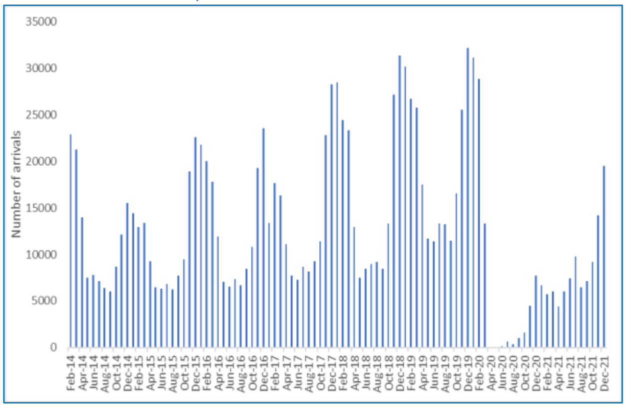
Source: GBOS, CBG staff calculations

Growth in the sector was supported by the improvement in wholesale and retail trade, accommodation, public administration, finance, and insurance activities. Tourism activity showed signs of recovery in the first half of the year with a modest increase in the number of visitors following the easing of international travel and other pandemic-related restrictions. However, the recovery was disrupted by the outbreak of the highly transmissible Omicron variant of the coronavirus (see Section 3.6.1.4).

3.6.1.4 Tourism Industry

With progress in vaccine availability, subsequent relaxation of travel restrictions and pickup in external demand, the tourism sector started to recover. Some hotels and other entertainment centers that were closed throughout 2020 started to reopen for business but were mostly operating well below half capacity. However, the outbreak of the Omicron variant of the coronavirus in the later part of the year led to delays and cancellation of flight and hotel bookings.

Chart 19: Monthly Numbers of Tourist Arrivals



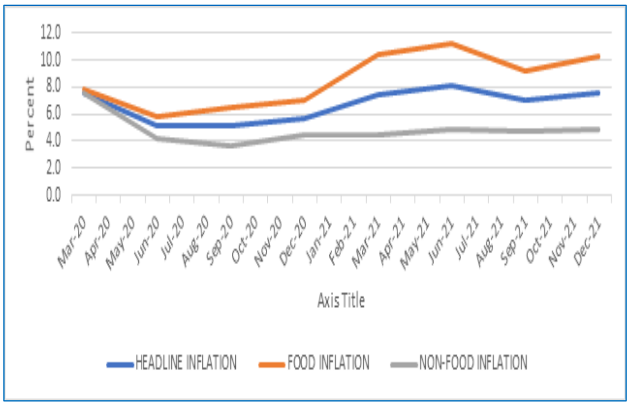
Source: Gambia Tourism Board (GTB)

Arrival numbers grew by 6.8 percent (year-on-year) in 2021 after a massive pandemic-induced contraction of 59.3 percent in 2020 (Chart 19). The recovery, however, was sluggish and fragile, and the outlook remained uncertain amid heightened global geopolitical tensions and the unpredictable pandemic situation. Rising inflation also increased the cost of operation in the hospitality industry that was already enduring the negative impact of the long period of lockdowns and restrictions.

3.7 Price Developments

Price pressures emerged in the second half of 2021 that drifted headline inflation away from the Central Bank's implicit medium-term target towards double digits. The acceleration in inflation was driven by a combination of a pickup in domestic demand, a one-off increase in the education price index, structural bottlenecks at the port of Banjul and higher global commodity prices. The reopening of schools after periods of lockdown came with an increased cost that pushed up the education price index in October 2021. In addition to the high cost of freight and ship handling charges, and the passthrough effect of the slight exchange rate depreciation, structural challenges at the port of Banjul caused delays that drove up the cost of imports that were passed through to consumers.

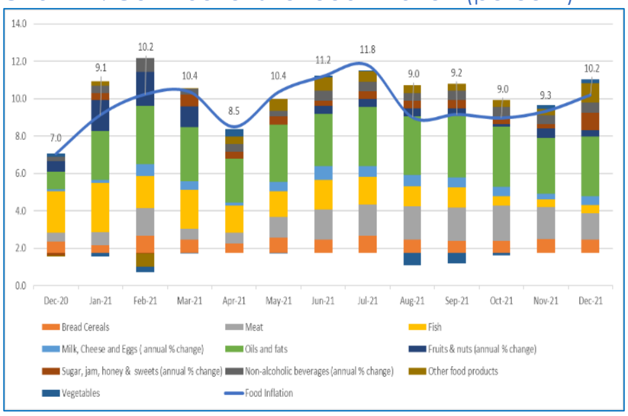
Chart 20: Consumer Price Inflation



Source: GBoS and CBG staff calculations

Data from the GBoS showed that headline inflation measured by the change in consumer price index (CPI) accelerated to 7.6 percent in December 2021, from 5.7 percent in the corresponding period in 2020. The rise in inflation was broad-based as both food and non-food inflation picked up during the year. Annual average inflation also accelerated to 7.4 percent in 2021 from 5.9 percent in 2020.

Chart 21: Contributions to food inflation (percent)

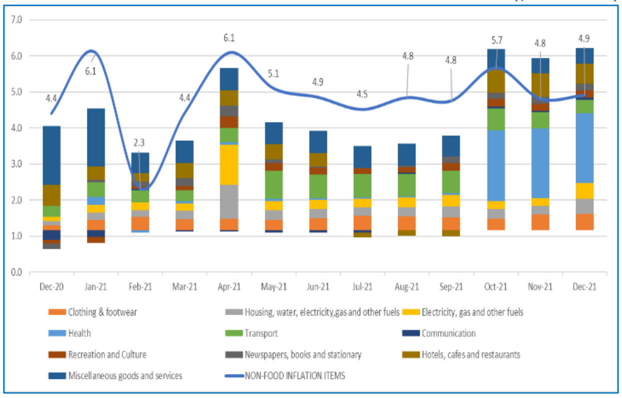


Source: GBoS, CBG staff calculation

Food inflation, which is the main driver of headline inflation, accelerated to 10.2 percent in December 2021, from 7.0 percent in December 2020. The price indices of all sub-components of the food basket grew during the review period except for fish, fruits, and nuts. Consumer price inflation for bread cereals, which accounts for 28.8 percent of the food basket, accelerated to 8.3 percent in December 2021, higher than 7.0 percent in December 2020. All other sub-categories of inflation accelerated in 2021.

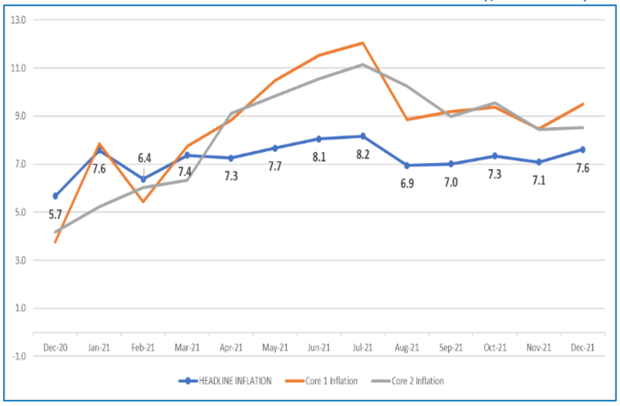
Non-food inflation rose to 4.9 percent in December 2021 from 4.4 percent in the same period last year. Consumer price inflation for all items in the non-food category increased during the year, except for hotels, cafes, and restaurants, and miscellaneous goods and services.

Chart 22: Contribution to Non-food inflation (percent)



Source: GBoS, CBG staff calculation

Chart 23: CBG core measures of inflation (percent)



Source: CBG, CBG staff calculation

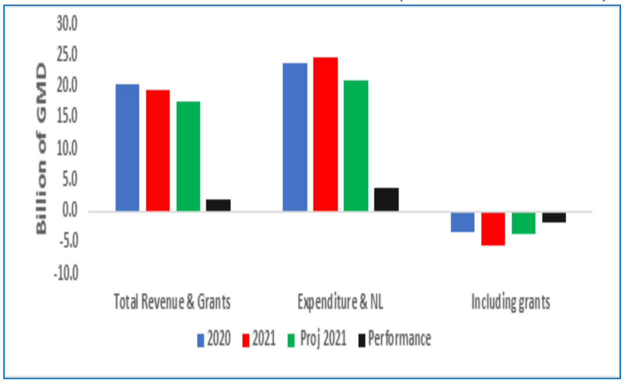
Underlying inflation accelerated during the year, evidenced by the increase in all core measures of inflation. The Bank's core measure of inflation that excludes the price effects of energy and utility items (Core 1) accelerated to 9.5 percent at the end of December 2021, from a low of 3.8 percent in the same period in 2020. The core measure of inflation that further strips out prices of volatile items (Core 2), also jumped to 8.5 percent in the review period from 4.2 percent in the same period a year ago.

3.8 Government Fiscal Operations

3.8.1 Fiscal Policy

The fiscal outturn for 2021 was weaker than projected, due to a shortfall in tax collection and budget support. The budget deficit widened in 2021 as growth in expenditure continued to outpace revenue collection.

Chart 24: Overview of Fiscal Data (in Billions of GMD)



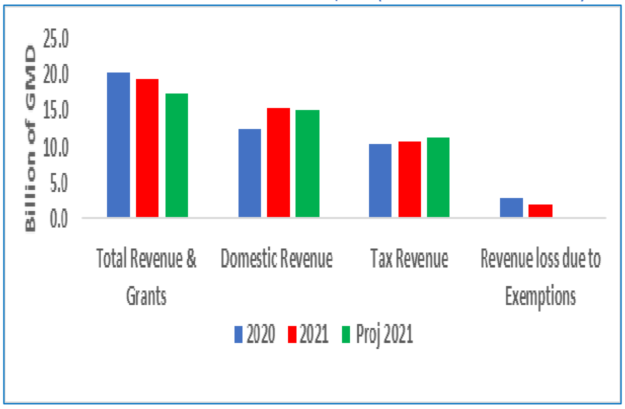
Source: MOFEA, CBG staff calculations

Revenue performance declined due to lower-than-anticipated collection from international trade taxes and delay or cancellation of grant disbursements. Meanwhile, spending on wages and salaries, debt service payments and spending on goods and services pushed up total expenditures. This created a wider financing gap and a wider overall budget deficit.

3.8.1.1 Revenue Performance

Revenue outturn declined in 2021 due largely to the shortfall in collections from international trade taxes and grant receipts. Total revenue and grants mobilized during the year declined by 4.5 percent to stand at D19.4 billion (18.4 percent of GDP) in 2021, compared to D20.3 billion (21.7 percent of GDP) in the same period last year. Despite the drop in total revenue and grants mobilized, it was D1.9 billion higher than the amount projected for the year, owing to the higher-than-expected performance in other domestic tax categories.

Chart 25: Government Receipts (in Billions of GMD)



MOFEA, CBG staff calculations

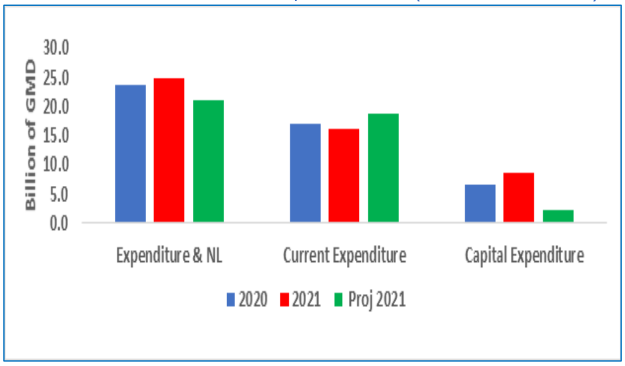
Revenue (excluding grants) collected was D0.3 billion higher than the projected amount. Domestic revenue rose by 24.0 percent to D15.3 billion (14.6 percent of GDP) in 2021 from D12.4 billion (13.2 percent of GDP) a year ago. Tax revenue fell short of the amount projected for the year by D0.6 billion. It, however, rose slightly by 4.9 percent to D10.8 billion (10.3 percent of GDP) in 2021, relative to D10.3 billion (11.1 percent of GDP) in 2020. The tax to GDP ratio at 10.3 percent in 2021, was 0.7 percentage points below the 2020 ratio.

Non-tax revenue, on the other hand, outperformed the amount projected for the year by D0.9 billion. It rose remarkably by 121.2 percent to D4.5 billion (4.3 percent of GDP) in 2021, from D2.0 billion (2.2 percent of GDP) in 2020. Total grants disbursed in the form of program grants declined significantly by 76.7 percent to D1.2 billion in the review period, from D5.3 billion in the preceding year. Revenue loss due to exemptions declined by 29.4 percent to D2.1 billion (2.0 percent of GDP) in the twelve months of 2021, compared to D2.9 billion (3.1 percent of GDP) registered in the same period last year.

3.8.1.2 Expenditure and Net Lending

Despite the decline in revenue, government spending exceeded the projected amount by D3.6 billion, which was financed in large part by domestic borrowing. Total expenditure and net lending in 2021 increased by 4.6 percent to D24.7 billion (23.6 percent of GDP), from D23.6 billion (25.3 percent of GDP) in 2020, on account of a 29.4 percent increase in capital expenditure. Most of the government spending was on recurrent expenditure, which accounted for 65.4 percent of total expenditure and net lending.

Chart 26: Government Expenditure (Billions of GMD)



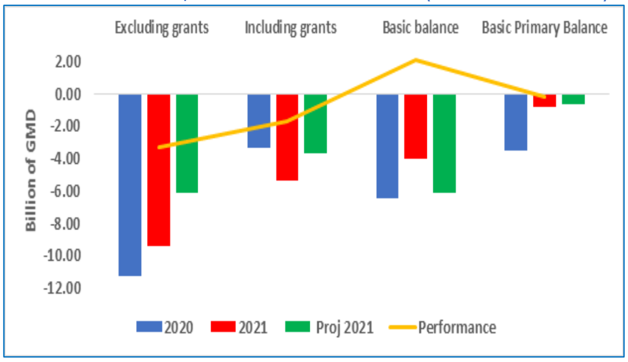
Source: MOFEA, CBG staff calculation

Recurrent expenditure decreased to D16.2 billion (15.4 percent of GDP) in 2021 compared to D17.0 billion (18.3 percent of GDP) in 2020, on account of a decrease in other charges (subsidies and transfers).
Capital expenditure more than tripled the projected amount by D6.2 billion after increasing by 29.4 percent to D8.5 billion (8.1 percent of GDP), relative to D6.6 billion (7.1 percent of GDP) in 2020. The expansion in capital expenditure for the year was financed mainly from domestic resources (80.1 percent of the total), following the decline in foreign financing.

3.8.1.3 Budget Balance

The overall budget deficit (including grants) worsened to D5.4 billion (5.1 percent of GDP) in 2021, compared to a deficit of D3.4 billion (3.6 percent of GDP) in 2020. On the contrary, the budget deficit (excluding grants) narrowed to D9.4 billion (8.9 percent of GDP), relative to a deficit of D11.3 billion (12.1 percent of GDP) a year earlier. The improvement in the overall deficit (excluding grants) was mainly due to the fall in transfers and subsidies.

Chart 27: Fiscal performance in 2021 (Billions of GMD)



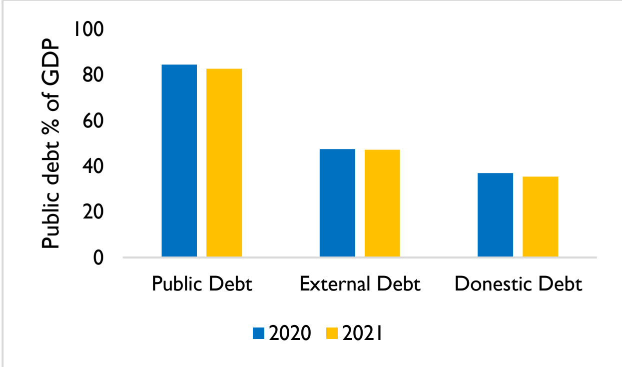
Source: MOFEA, CBG staff calculations

The deficit in the basic balance narrowed from D6.4 billion (6.9 percent of GDP) in 2020, to D4.0 billion (3.8 percent of GDP) in 2021. Furthermore, the deficit in the primary balance also improved to D0.8 billion (0.8 percent of GDP) in 2021, from D3.5 billion (3.7 percent of GDP) in 2020.

3.9 Public Debt

The Gambia's public debt remains elevated, owing to fiscal challenges, and the risk of debt distress remains high for both the external and overall public debt. A joint debt sustainability analysis (DSA) by the World Bank and IMF concluded that The Gambia's overall and external risk rating remains high although the public debt continued to be deemed sustainable. Outstanding public debt stood at D86.7 billion in 2021, compared to D78.9 billion in 2020. Nominal debt to GDP ratio was 82.7 percent in 2021, slightly lower than 84.5 percent a year ago. External debt accounted for more than half (57.1 percent) of the overall public debt stock in 2021.

Chart 28: Public Debt of The Gambia % of GDP

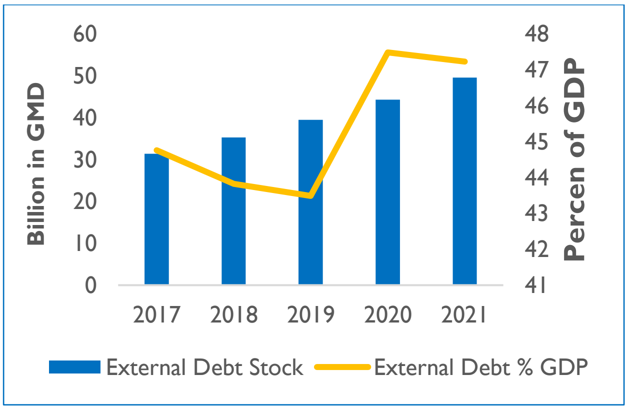


Source: MOFEA, CBG staff calculations

3.9.1 External Debt

The external debt stock stood at D49.6 billion in 2021, higher than D44.3 billion in 2020, representing an increase of 11.8 percent. The nominal external debt stock to GDP ratio, on the other hand, decreased to 47.2 percent in 2021 from 47.5 percent in 2020. In terms of currency composition, about 58 percent of the outstanding external debt was denominated in United States dollars.

Chart 29: External Debt in Billions of GMD and % of GDP



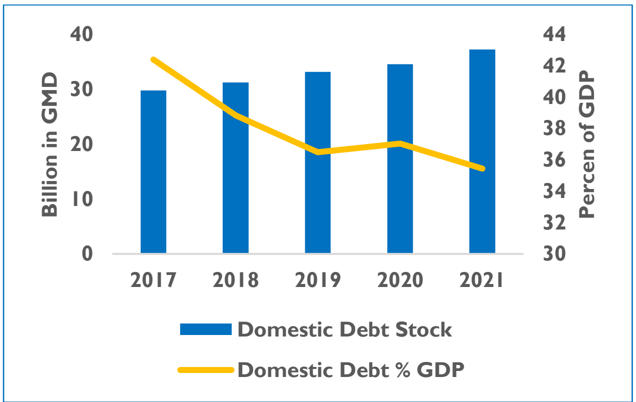
Source: MoFEA , CBG staff calculations

Multilateral debt formed the bulk of the external debt stock (66 percent) with Islamic Development Bank (IsDB) as the leading multilateral creditor, followed by International Development Association (IDA). Bilateral creditors accounted for the remaining 34 percent of the portfolio, of which, the Saudi Fund for Development was the leading creditor, followed by the Kuwaiti Fund for Arab Economic Development.

3.9.2 Domestic Debt

The public domestic debt is relatively stable (Chart 29), but the maturity profile indicates that refinancing and interest risks remain elevated. The stock of outstanding domestic debt increased from D34.6 billion (37.0 percent of GDP) in 2020 to D37.2 billion (35.4 percent of GDP) in 2021. The stock continued to be concentrated in the short end of the maturity curve, accounting for 59.3 percent with medium and long-term debt representing 13.6 percent and 27.0 percent, respectively. Commercial banks continued to be the majority holders of domestic debt, accounting for 81.5 percent of the stock, with the remaining share held by non-banks.

Chart 30: Stock of Domestic Debt



Source: CBG

Table 1 shows the composition of domestic debt. The share of short-term debt declined from 59.3 percent in 2020 to 54.0 percent in 2021, in line with the government's medium-term debt management strategy. The government increased the issuance of medium to long-term domestic debt instruments and limited the issuance of short-term debt to lengthen the maturity profile and reduce rollover and refinancing risks.

Table 6: Composition of Domestic Debt (in Millions of GMD) at face value

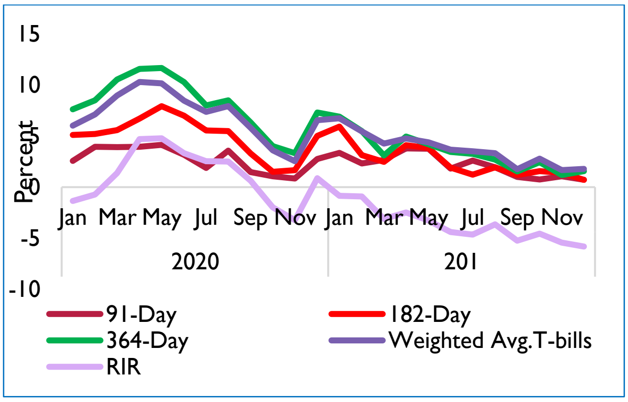
Instruments	2018	2019	2020	2021
T-Bills & SAS	17384.7	19386.4	20504.5	20071.3
T-bonds	2456.7	2956.7	3861.3	7529.8
Nawec Bond	1325.1	1084.1	843.2	602.3
7%-30 Yr Bond	10060.6	9701.3	9341.9	8982.6
Total Dom Debt	31227	33128.5	34550.9	37186
Dom Debt annual growth	5.3	6.1	4.3	7.6
Percent debt stock				
T-Bills & SAS	55.7	58.5	59.3	54
T-bonds	7.9	8.9	11.2	20.2
Nawec Bond	4.2	3.3	2.4	1.6
7%-30 Yr Bond	32.2	29.3	27	24.2
Short-term	55.7	58.5	59.3	54
Medium-term	12.1	12.2	13.6	21.9
Long-term	32.2	29.3	27	24.2

Source: CBG

3.9.2.1 Security Yields

High excess liquidity in the system sustained the low-interest rate environment in the money market throughout the year under review. The yields on all short-dated government securities followed a downward trend (Chart 31). The weighted average treasury bill rate declined from 4.2 percent at end-December 2020 to 2.1 percent at end-December 2021. This has resulted in negative real interest rates throughout the year, given rising inflation.

Chart 31: Short-term yields (monthly averages)



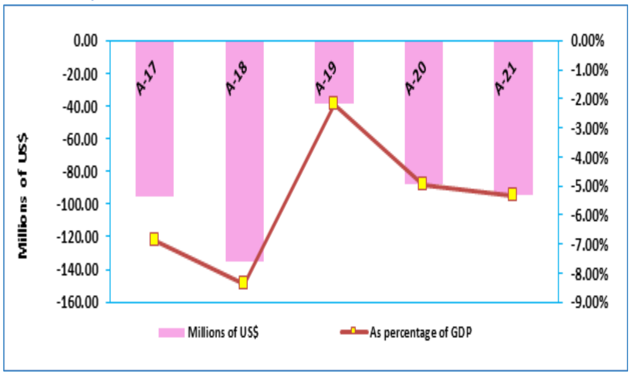
Source: CBG

3.10 External Sector Developments

3.10.1 Balance of Payments

The COVID-19 pandemic adversely affected The Gambia's balance of payments (BOP) position. Exports decreased for the second consecutive year since the start of the pandemic. Cross-border trade activity stalled, owing to pandemic-related restrictions and adverse regional political developments, including the regional sanctions on major destination countries for re-exported goods. In addition, the loss of competitiveness to neighboring countries in the re-export business is another major factor that continues to challenge the country's performance in cross-border trade. The lingering structural challenges at the country's only port, including limited operational capacity, continue to affect productivity and efficiency.

Chart 32: Current Account Deficits Worsened (year-on-year)



Source: CBG

Meanwhile, tourism activity picked up slightly in 2021, but the recovery was disrupted by repeated waves of COVID-19 outbreaks. Official inflows from budget support from development partners declined in 2021 compared to prior years, due to challenges related to meeting conditionalities attached to the disbursement of such funds. Remittances, on the other hand, increase beyond expectations. A confluence of these factors deteriorated the trade and current account balances.

On the positive side, capital transfers and the general SDR allocation helped offset the deterioration in the current account that enabled the Central Bank to maintain a comfortable level of external reserves.

3.10.1.1 Current Account

The current account deficit deteriorated to US$94.1 million (4.6 percent of GDP) in 2021 from a deficit of US$86.6 million (4.5 percent of GDP) in 2020. Tourism activity showed promising signs of recovery in 2021 following the gradual relaxation of pandemic-related travel restrictions but was disrupted by the outbreak of the Omicron variant of the coronavirus in the later part of the year. As a result, income from tourism which forms the largest share of the services account and a major component of the current account, declined in 2021. Current transfers also decreased during the year, due to the decline in workers' remittances in 2021, associated with the increased usage of the informal mode of remitting funds.

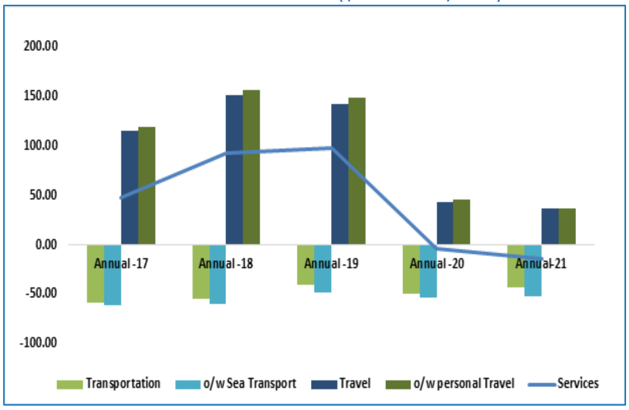
Chart 33: Merchandise Trade Widened (year-on-year)

Source: CBG

Total imports declined due to the base effect following the unprecedented increase in the importation of medical equipment at the start of the pandemic in 2020, resulting in an improvement in the goods account balance. Total imports (FOB) amounted to US$467.6 million (22.9 percent of GDP), compared to US$581.8 million in the same period in 2020 (30.7 percent of GDP). The major imported items during the year were food and medical equipment. Exports (FOB) decreased to US$18.1 million in 2021 from US$70.1 million in 2020. Major products exported during the review period were cereals and oil seeds and fruits, accounting for 25.76 percent of total exports. Consequently, the goods account balance improved to an estimated deficit of US$449.5 million (22.0 percent of GDP) in 2021, compared to a deficit of US$511.7 million (27.0 percent of GDP) in 2020.

The services account balance worsened to a deficit of US$13.9 million in 2021, from a deficit of US$3.5 million a year ago, on the back of a decrease in income from travel. Tourism activity, which forms the largest component of the services account, registered moderate growth.

Chart 34: Services Narrowed (year-on-year)



Source: CBG

Current transfers, mainly in the form of worker's remittances continued to subdue the effect of the large trade deficit on the current account balance, albeit a slight decline in the review period. Current transfer (net) amounted to US$417.3 million in 2021, compared to a net inflow of US$455.0 million in 2020. Net inflow of workers' remittances over the review period amounted to US$399.7 million compared to a net inflow of US$400.1 million in 2020, representing a marginal decrease of 0.11 percent.

3.10.1.2 Capital and Financial Account

Some capital transfers, mainly project grants, and the general SDR allocation somewhat helped mitigate the impact of the deterioration in the current account and enabled the Central Bank to maintain a comfortable level of external reserve buffer. In addition, there was a net inflow in the financial account during the year, dominated by foreign direct investment and other investments.

The capital account registered a net inflow of US$22.2 million in 2021, lower than the US$95.2 million recorded in 2020. The financial account balance also recorded a net inflow of US$110.4 million during the year, higher than a net inflow of US$95.3 million in 2020. Change in the reserve assets increased to a surplus of US$189.5 million from a surplus of US$128.2 million.

3.10.1.3 International Reserves

The gross official reserves stood at US$530.4 million at end-December 2021 compared to US$352.0 million at end-December 2020. This was adequate to provide 8.8 months of import cover at end-December 2021 compared to 5.9 months of import cover at end-December 2020.

3.11 Foreign Exchange Market Developments

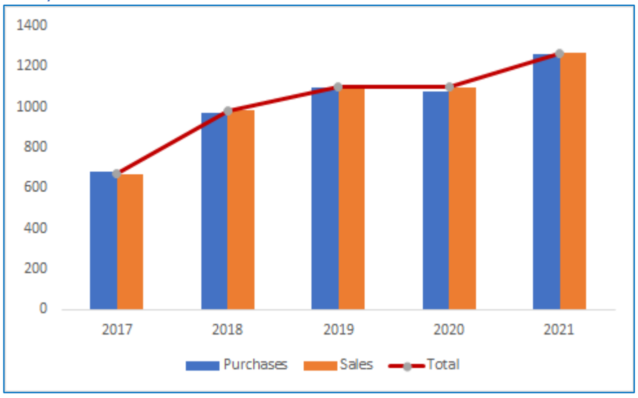
3.11.1 Exchange Rate Developments

The foreign exchange market was relatively stable in 2021, despite supply challenges posed by the COVID-19 pandemic. Private remittance inflows remained robust and were the main source of foreign exchange liquidity during the year (see Section 3.11.1.1). Contributions to foreign exchange liquidity conditions from other traditional sources of foreign exchange such as tourism receipts, re-export trade and official inflows from donor support were weaker than expected. Some capital transfers and the general SDR allocation from the IMF also helped improve the supply conditions.

Meanwhile, demand pressures largely came from the high import bill, especially energy and food.

The volume of transactions in the foreign exchange market, measured by aggregate purchases and sales of foreign currency increased to $2.5 billion in 2021, from US$2.2 billion a year earlier. Purchase of foreign currency, indicative of supply conditions, increased by 17.7 percent (year-on-year) to US$1.3 billion, while sales of foreign currency increased by 15.2 percent (year-on-year) to US$1.3 billion in 2021.

Chart 35: Activity Volume in the FX Market (Millions of USD)



Source: CBG

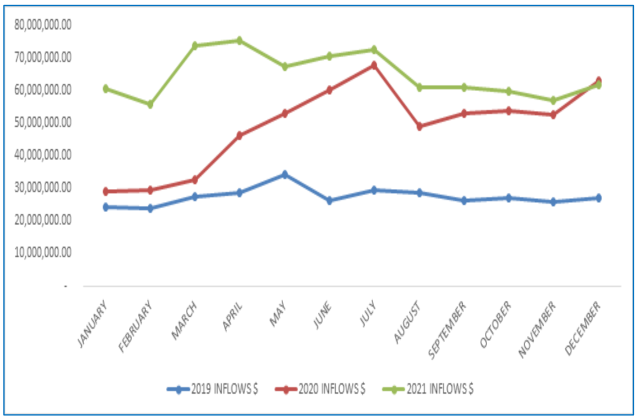
The exchange rate of the dalasi remained relatively stable in 2021, despite the pandemic shock, benefiting mainly from robust remittance inflows, capital transfers and SDR allocation from the IMF. The dalasi appreciated against the US dollar and the euro by 0.2 percent and 1.1 percent but depreciated against the British pound and CFA franc by 1.6 percent and 7.1 percent in 2021, respectively. In nominal effective terms, the dalasi depreciated by 3.1 percent, but appreciated in real effective terms by 0.1 percent.

3.11.1.1 Remittances

Private remittances continued to be a reliable source of foreign financing for The Gambia. Relative to the size of the economy, the country is among the highest recipients of remittance inflows in sub-Saharan Africa. It has surpassed other traditional sources of foreign exchange such as tourism, re-export trade and donor support.

Private remittance inflows defied expectations in 2020 and 2021. Despite the unprecedented global recession triggered by the pandemic, diaspora remittance inflows remained resilient. A total of US$589.8 million (32.3 percent of GDP) was remitted to The Gambia in 2020, 78.8 percent higher than the amount recorded in 2019. In 2021, the amount increased further by 31.6 percent to US$776.7 billion, equivalent to 38.1 percent of GDP (Chart 36).

Chart 36: Remittance Inflows in Millions of USD



Source: CBG

A combination of factors explains this behaviour. Migrant workers often work at essential sectors that ensured a steady stream of income during the pandemic. In addition, migrants that benefited from financial support meant to mitigate the socioeconomic impact of the pandemic in advanced economies sent part of the money to support their families, or to increase their investments and savings. Another crucial factor is the increased use of digital payment methods compared to the more expensive traditional wire transfer. The Central Bank registered a total of 49 new money transfer operators (MTOs) from the start of the pandemic to end-2021. Most of those would otherwise have been operating in the parallel market. This has led to a marked improvement in data collection both in terms of methodology and coverage. Border closures and other travel restrictions due to the pandemic shut down the informal money transfer channels, forcing transfers through the official channels, and enabling data to be captured more accurately.

DEVELOPMENTS IN BANK AND NON-BANK FINANCIAL INSTITUTIONS

4 DEVELOPMENTS IN BANK AND NON-BANK FINANCIAL INSTITUTIONS

4.1 Overview of The Gambia's Financial System

Financial institutions in the Gambia are supervised and regulated by the Central Bank of The Gambia, except for pension funds, and the savings and credit arm of the post office. The financial sector is dominated by banks which accounted for about 95 percent of the industry's assets as at end-2021, followed by deposit-taking non-bank financial institutions (3 percent). Insurance companies and foreign exchange bureaus account for the remaining 2 percent.

The financial sector weathered the adverse impact of the pandemic, and the system continued to be stable, underpinned by strong fundamentals. Banks and other deposit-taking non-bank financial institutions continued to maintain adequate capital and liquidity buffers to withstand shocks. In the outlook, prudent regulatory oversight in an environment characterized by high uncertainty and improving financial market infrastructure would continue to support and safeguard the stability of the financial system.

4.2 The Banking Sector

The banking sector in The Gambia is composed of 12 banks with 80 branches and 128 automated teller machines (ATMs) spread across the country. The landscape is relatively concentrated with the 3 largest banks accounting for more than half (52.5 percent) of the industry's total assets as at end-2021. One medium-sized bank held 12.8 percent and the remaining 8 smaller banks had 34.7 percent of the assets of the industry. The fundamentals of the sector continued to be strong with robust financial soundness indicators.

The asset base of the banking industry expanded during the year, benefiting from higher investments in government securities, placements, and private-sector credit. Total assets stood at D73.0 billion as at end-December 2021, representing an increase of 24.1 percent from a year ago. Other assets as well as acceptances, endorsements and guarantees were also major contributors to asset growth. Table... presents a summary of the consolidated balance sheet of commercial banks.

Banks maintained a decent capital buffer throughout the year, despite the pandemic shock, thanks largely to improved asset quality and retained earnings. Total capital and reserves grew by 6.1 percent to D7.5 billion at end-December 2021. All the banks were above the regulatory minimum capital requirement.

Customer deposits continued to be the main source of funding for banks, accounting for 69.8 percent of total funding in 2021. Total deposit liabilities grew by 20.8 percent to stand at D51.0 billion at end-December 2021.

Table 7: Consolidated assets of commercial banks (millions of GMD)

	2018	2019		2020		2021	
	Level	Level	Annual % change	Level	Annual % change	Level	Annual % change
Cash-in-hand	2057.6	3211	56.1	4236.3	31.9	3538.9	-16.5
Bal. due from other banks	9508.8	11545.7	21.4	16061.7	39.1	20814.2	29.6
Cheque & items in transit	91.4	20.2	-77.9	529.1	2519.3	-34.1	-106.4
Gov't sector investment	15786.2	18351.6	16.3	20741.7	13	25912.7	24.9
Investment acc. securities	367.3	483.7	31.7	559.2	15.6	421	-24.7
Bills purchased& discounted	0	53	-	41.2	-22.3	56.9	38.1
Loans and advances	5377.3	7151.4	33	7105.7	-0.6	9045.3	27.3
Fixed assets	1916.9	1963	2.4	2155.2	9.8	2531.8	17.5
Acceptance, endorsement & guarantees	7541.4	6664.9	-11.6	5882.3	-11.7	8701.6	47.9
Other assets	989.6	989.6	0	1507.8	52.4	2056.7	36.4
Total assets	43636.6	50862.9	16.6	58820.1	15.6	73045	24.2

Source: CBG

Table 8: Consolidated liabilities of commercial banks (millions of GMD)

	2018	2019		2020		2021	
	Level	Level	Annual % change	Level	Annual % change	Level	Annual % change
Capital & reserves	5859	6214.8	6.1	7083.4	14	7517.3	6.1
Long term borrowing	437.7	213	-51.3	123.4	-42.1	146.6	18.8
Balance due to other banks	17.9	321.3	1695	283.5	-11.8	985.2	247.5
Deposit	27176.3	35031.3	28.9	42216.2	20.5	51007	20.8
Other borrowings	115.3	220.3	91.1	915.7	315.7	1155.1	26.1
Acceptance, endorsement & guarantee	7541.4	6664.9	-11.6	5882.3	-11.7	8701.6	47.9
Other liabilities	2488.9	2197.3	-11.7	2315.6	5.4	3546.1	53.1
Total Liabilities	43636.6	50862.9	16.6	58820.1	15.6	13402.8	-77.2

Source: CBG

4.2.1 Financial Soundness Indicators

4.2.1.1 Capital Adequacy Ratio (CAR)

Banks in The Gambia entered the pandemic crisis on a strong footing with an adequate capital buffer that helped withstand the shock. Two years into the pandemic, the banking industry maintained a robust capital position. The aggregate risk-weighted capital adequacy ratio of the industry stood at 30.6 percent as at end-December 2021 and all banks were well above the 10 percent minimum prudential requirement.

4.2.1.2 Asset Quality

Asset quality of the industry improved in 2021, owing to progress in recoveries, write-offs, and pickup in credit growth. The overall non-performing loan (NPL) declined to 5.2 percent of gross loans in December 2021, from 6.4 percent a year ago. Banks continued to make adequate provisioning for the NPLs, albeit decline in the level of provisioning by 5.7 percentage points to 81.0 percent.

4.2.1.3 Credit Concentration

Credit concentration risk remains, with building and construction accounting for up to 33 percent of the industry's gross loans and advances. Rapid credit growth in the construction sector is attributed to the rapid expansion of real estate activity in recent years. Wholesale and retail trade comprised 21 percent of the gross loan and advances, and other sectors shared the remaining 45 percent. See Section 3.4 for the sectoral distribution of commercial bank credit.

4.2.1.4 Earnings and Profitability

The banking sector remained profitable in 2021. Profitability increased by 14.3 percent during the year. The Return on Assets (ROA) and Return on Equity ratios for the banking industry stood at 1.8 percent and 16.4 percent as at end-December 2021, compared to 1.9 percent and 15.2 percent the previous year, respectively.

4.2.1.5 Liquidity

The banking industry has enjoyed ample liquidity in 2021, supported by growing investments in government securities. Liquid asset ratio of the industry stood at 110.8 percent, compared to 93.5 in December 2020. With a regulatory benchmark of 30 percent, all banks were above the minimum liquidity requirement of 30 percent.

4.2.2 Strengthening Prudential and Regulatory Framework

To safeguard the health and stability of the financial system, while ensuring a continued flow of credit in a period characterized by high uncertainty, the Bank maintained the mitigation measures that were instituted at the start of the pandemic. The required reserves ratio of commercial banks, which was brought down in May 2020, was kept at the same level (13 percent) throughout the year. The maintenance period, which was increased to two weeks to aid liquidity management, was also maintained. To strengthen resilience, supervisory surveillance was enhanced to ensure the preservation of capital and liquidity. Banks were also encouraged to strengthen their vital governance frameworks and business models.

Following the Financial Sector Stability Review (FSSR) conducted in collaboration with a technical assistance team from the IMF in 2019, the Bank is currently in the process of implementing the key recommendations from the exercise. The Bank acquired from the IMF a Resident Technical Assistant to help in the implementation. Based on the recommendations, the Bank is currently embarking on the following activities and reforms:

- A stress testing exercise to evaluate the stability of commercial banks. A stress testing framework has been developed to provide guidance on the process. In December 2021, the Bank concluded the stress testing exercise using the Chihak model and found the existence of concentration risk, but the industry remains solvent even with a 400 percent shock on asset quality. Currently, the results are being interpreted with caution and not at this stage triggering any policy reaction as more work needs to be done to improve the model.
- Enhancing legal framework – A taskforce was constituted to review and amend The Banking Act 2009 in line with Basel Core Principles and the Model Banking Act issued by the West African Monetary Institute (WAMI) to promote regional integration.
- Three new guidelines have been developed such as Corporate Governance, Outsourcing and Risk Management in preparation for the adoption of Risk Based Supervision.
- In collaboration with AFRITAC West 2 and IMF, a roadmap has been developed for the migration to Basel II/III and implementation is currently ongoing.

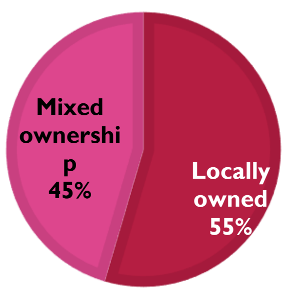
Following the enactment of the Capital Markets and Securities Act 2021, the Bank is at an advanced stage of establishment of the capital market in The Gambia. The Bank has engaged all the relevant stakeholders and has been collaborating with the Ministry of Finance and Economic Affairs to ensure a successful launching of the project.

Meanwhile, existing financial infrastructure, including the VRegCOSS 2.0, the Electronic Data Rendition System, Collateral Registry, and Credit Reference Bureau, continue to function smoothly and aid financial intermediation.

4.3 Insurance Industry

The insurance industry in The Gambia is small. It accounted for only about 1 percent of the total assets of the financial sector in 2021. The industry consists of 11 insurance companies, including 2 Takaful or Islamic insurance operators. Of the total number of insurance companies, 9 underwrite general insurance or short-term business (non-life), whilst the remaining 2 underwrite life or long-term insurance. As at end-2021, 9 insurance brokerage firms existed in the industry with over 135 agents operating as intermediaries in the market. A network of around 40 branch offices is spread across the administrative regions of the country.

Chart 37: Ownership structure of insurance industry



Source: CBG

The industry continued to be regulated and supervised by the Central Bank, but plans are at an advanced stage to establish an independent supervisory authority. The industry continues to be regulated and governed by the Insurance Act 2003, the Insurance Regulations 2005, and the Insurance Amendment Act (2006), which caters for the operation of Takaful (Islamic Insurance). In terms of ownership, the industry is approximately 55 percent domestically owned, while the remaining 5 percent has mixed ownership (Chart 37).

4.3.1 Performance of Insurance Industry

The asset base of the industry expanded by 14.4 percent to D866 million in 2021, from D757 million in 2020. Similarly, liabilities grew by 6.9 percent to D248 million in 2021. As a result, net assets expanded by 12.5 percent to D351 million. Non-life short-term insurance activity constituted 75 percent of the industry's total assets, whilst life and long-term business accounted for the remaining 25 percent.

Total industry premium income expanded to D479 million in 2021. Non-life or general insurance business contributed the most (75 percent) to the overall industry income premium, while the remaining 25 percent came from life and long-term insurance businesses.

Takaful (Islamic Insurance) was first introduced in The Gambia in 2008 and a second Islamic insurer was licensed in 2021. That brought the total premium from Takaful business to D92 million in 2021 (19.2 percent of industry premium). Total claims incurred in 2021 stood at D116 million, representing a 17.2 percent growth from 2020.

Insurance penetration remains a challenge, mirroring the underdevelopment of the sector. The insurance penetration rate which is a measure of the contribution of the sector to GDP and expressed as a percentage of gross premium output/income to GDP remained low at 0.4 percent. Lack of awareness and low-income level are major contributing factors stunting the growth of insurance business in The Gambia.

4.3.2 Regulation and Supervision of Insurance Industry

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

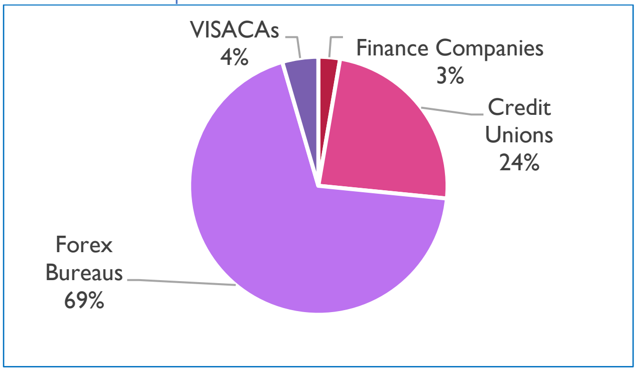
Meanwhile, the Bank continues to implement reforms that will strengthen the regulation and supervision of the insurance industry. The migration of the industry from GAAP reporting to IFRS was completed in 2021. The ongoing reforms also include migration from compliance to risk-based supervision and mandatory group life insurance.

4.4 Other Non-Bank Financial Institutions Sector

The non-bank financial sector continues to play a pivotal role in the socioeconomic development of the country by providing financial services to rural communities, low-income and vulnerable segments of the population. The sector is a key player in the implementation of the National Financial Inclusion Strategy, the objective of which is to increase the rate of financial inclusion to 70 percent by 2025.

The sector comprises a broad array of institutions such as Finance Companies (FCs), Credit Unions (CUs), Village Savings and Credit Associations (VISACAs), Mobile Money Operators (MMOs), Foreign Exchange Bureaus and Money Transfer Operators (MTOs). In terms of asset, capital and deposit sizes, the microfinance sector is significantly smaller compared to banks but has been a fast-growing industry.

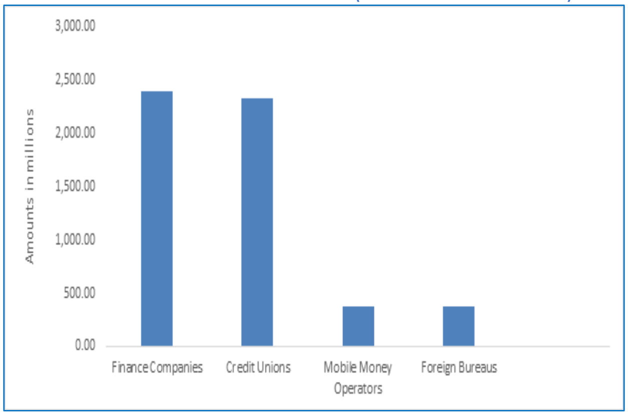
Chart 38: Composition of micro-finance sector



Source: CBG

As at end-2021, the Bank had 224 deposit-taking non-bank financial institutions (NBFIs) under its supervisory and regulatory purview. Finance Companies (FCs) accounted for 3 percent of the total number of institutions but controlled the largest share (52 percent) of the assets of deposit-taking microfinance institutions (Chart 38 and Chart 39). Foreign exchange bureaus form the largest number but do not take deposits nor do they engage in other forms of financial intermediation such as extending loans.

Chart 39: Distribution of Assets (in millions of GMD)



Source: BG

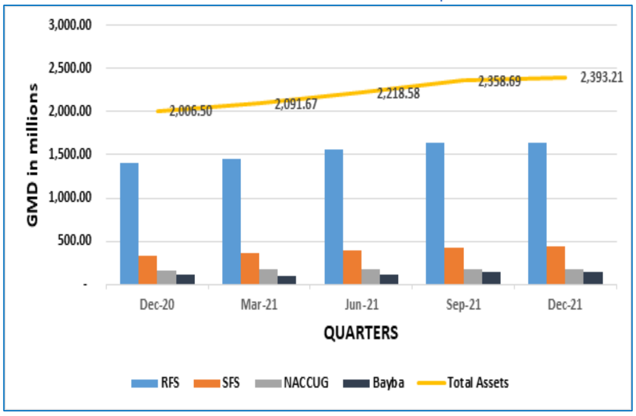
Given the nature of their business model and customer base (households and MSMEs), the NBFIs sector was particularly hard-hit by the COVID-19 pandemic. Although profitability declined in past two years, the sector was generally resilient and the fundamentals remained intact, with adequate capital and liquidity buffers.

4.4.1 Finance Companies

The Finance Companies (FCs) are leading the NBFIs sector both in terms of asset base and deposit size. The pandemic shock weighed on the profitability of FCs given the negative impact of the shock on household income. Nonetheless, the capital base of the 6 FCs grew by 2 percent to stand at D378.1 million in 2021, from D372.5 million in December 2020. All the FCs met the minimum capital requirement of D50 million during the review period. The risk-weighted capital adequacy ratio stood at 29.0 percent and the liquidity ratio at 77.0 percent in 2021.

Asset size of FCs expanded to D2.4 billion at end-December 2021, from D2.0 billion at end-December 2020, representing an annual upsurge of 18.9 percent. The growth was largely driven by gross loans, cash and bank balances.

Chart 40: Total Assets of Finance Companies, FCs



Source: CBG

The assets of the FCs are mainly concentrated in gross loans and investments in government treasury bills. Like commercial banks, customer deposits continue to provide stable and low-cost funding for FCs. It constitutes the largest source of funding, accounting for 74 percent of total liabilities. Despite the pandemic, FCs increased their deposit base by 21.4 percent to D1.7 billion at end-December 2021, from D1.4 billion at end-December 2020. Similarly, gross loans extended during the year increased by a remarkable 75.6 percent to stand at D615.02 million at end-December 2021. Asset quality also improved with NPLs dropping to 7.0 percent of gross loans at end-December 2021, from 11.0 percent in the same period in 2020.

4.4.2 Credit Unions

Credit Unions (CUs) are member-owned financial cooperatives that are controlled and operated by their members. They generally provide financial services to its members, including deposit accounts, provision of loans, and other financial services. A total number of 51 CUs operated in The Gambia with a total membership of 89,220 as at end-2021.

Total assets of the CUs expanded by 4.9 percent or GMD 111.3 million to D2.4 billion at end-December 2021. A substantial portion of the assets, however, were held by the 12 largest CUs that accounted for 92 percent of the total industry assets. Total deposits grew by 21.0 percent to D1.9 billion at end-December 2021, from D1.5 billion at end-December 2020. Total loans also grew by 24 percent to D1.4 billion at end-December 2021 from D1.2 billion at end-December 2020. Meanwhile, 89 percent of the total industry loans are controlled by the twelve largest credit unions.

4.4.3 Village Savings and Credit Associations (VISACAs)

The Village Savings and Credit Associations (VISACAs) are grassroots rudimentary financial institutions that are rural, community-owned and managed. VISACAs in the past years have been challenged by governance, managerial and capacity issues that threatened their viability and sustainability. In 2021, there were only 10 partially operating VISACAs in the country.

They provide limited financial services, due to a low level of capital. Weak governance and managerial controls lead to high non-performing loans and a low rate of loan recovery.

4.4.4 Mobile Money Financial Services

Mobile money is gradually transforming the landscape of financial inclusion in The Gambia. The market is still small but growing rapidly in terms of customer base and usage (see Section 5.1.3.1). It is making financial transactions simple, affordable, and secure. Currently, there are only two licensed Mobile Money Operators (MMOs) in The Gambia, namely Afrimobile Money and QMoney Financial Services.

The total number of active customers grew by 94 percent to 57,604 at end-December 2021, from 29,728 at end-December 2020. The total electronic value held in agents' wallets declined by 4 percent to D29.3 million at end-December 2021, from D30.6 million at end-December 2020. The value of cash-in transactions dropped significantly by 21 percent to D55.5 million at end-December 2021, compared to D70.1 million at end-December 2020. The decline in cash-in transactions and the total electronic value held in agents' wallets is attributed mainly to the lack of interoperability and the stiff competition posed by the internet banking applications of commercial banks.

4.4.5 Foreign Exchange Bureaus

At end-December 2021, 153 licensed foreign exchange bureaus were operating in The Gambia, an increase from 144 in 2020. The total number of branches increased to 880 branches in 2021, from 795 a year ago. Foreign exchange bureaus only engage in providing foreign exchange services and are not allowed to take deposits, extend loans, or engage in any form of banking business. The total assets of the industry stood at D378 million at end-December 2021, compared to D287 million at end-December 2020.

4.4.6 Financial Inclusion

The CBG in collaboration with stakeholders launched the National Financial Inclusion Strategy (NFIS) 2021 – 2025 in January 2021. The objective is to increase the rate of financial inclusion to 70 percent by 2025. To achieve this, five thematic areas have been identified that will anchor the implementation of the strategy.

- Access, quality, and usage.
- Enabling financial infrastructure.
- Financial innovation and digital financial services.
- Financial education and literacy.
- Consumer protection and empowerment.

4.4.7 Supervision and Regulation of NBFIs

With supervision and assistance from the Bank, two FCs successfully migrated from the Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS). They are now required to prepare and report their financial statements in line with IFRS standards. The move was part of efforts to strengthen the supervision and regulation of these institutions given that they are becoming systematically significant. Similar assistance is being accorded to the remaining FCs to facilitate their migration.

In another development, the Bank granted a license to 2 new Islamic microfinance institutions to commence operations in 2021. This took the number of FCs to 5 currently operating in the Gambia.

The Bank issued a directive in December 2021 to the FCs and forex bureaus requiring them to disclose their fees and charges. The objective of this was to enhance consumer protection.

In September 2021, the Bank changed the name of the Microfinance Department to Non-Bank Financial Institutions Supervision Department and handed an extended mandate to supervise foreign exchange bureaus, money transfer operators and Fintech.

OPERATIONS AND ADMINISTRATION OF THE BANK

5 OPERATIONS AND ADMINISTRATION OF THE BANK

5.1 Payment Systems Developments

The payment systems infrastructure continues to provide a secure and efficient settlement platform. The increased awareness of the system and developments in information technology has increased its usage with sprouting innovative services such as mobile money and gradual movement towards cashless electronic payment modes.

The Bank uses the T24 platform to process government and project salaries while high-value funds transfers are processed through the Real Time Gross Settlement System (RTGS).

The Accountant General's Department (AGD) in collaboration with the Central Bank has successfully implemented the Electronic Fund Transfer (EFT) for vendors and some other payments, which enhances the same-day settlement of beneficiary accounts. This resulted in the elimination of paper instructions, improving the security and efficiency of service delivery.

5.1.1 Transactions through the ACP/ACH and RTGS

The usage of cheques has declined in recent years both in terms of volume and value, as the public adopts electronic payment methods (Table 9). The volume of cheques processed through ACP/ACH dropped to 112,576 in 2021, a decline of 13.9 percent from 2020. In value terms, usage dropped from D3.4 billion in 2020 to D3.0 billion in 2021. On the other hand, the total volume of direct credit transactions increased from 742,794 in 2020 to 865,749 in 2021, an increase of 16.6 percent.

Table 9: Transactions through the ACP/ACH system 2020-2021

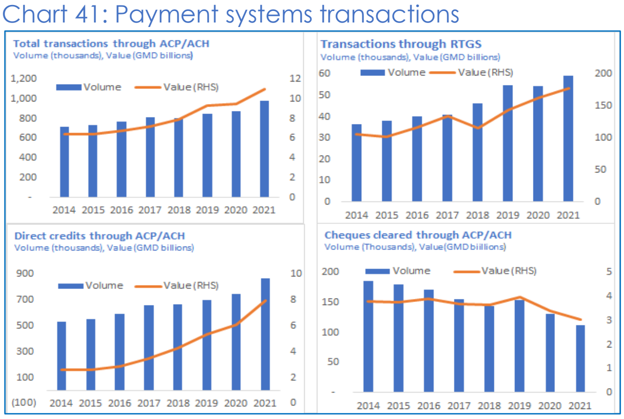
Instrument Type	2020		2021		2020-2021 (%Δ)	
	Volume	Value (Millions, GMD)	Volume	Value (Millions, GMD)	Volume	Value
Direct Credits	742, 794	6,084.79	865,749	7,966.82	16.55	30.93
Cheques	130, 672	3,415.52	112,576	3,033.30	-13.85	- 11.19
Total transactions	873, 466	9,500.31	978, 325	11,000.12	2.7	19.74

Source: CBG

5.1.2 Real Time Gross Settlement System

The RTGS, which processes high-value fund transfers, has shown a slight increase in usage. The volume of transactions through the platform increased by 9.5 percent to 59,441 in 2021, compared to 54,291 in 2020. Total value of these transactions was D178.6 billion in 2021, higher than D163.7 billion in 2020.

Chart 41: Payment systems transactions



Source: CBG

5.1.3 GAMSWITCH

The GAMSWITCH platform, which is the national switch, recorded a total of 7,509,061 transactions, with a value of D5,239,450,338.48 during the year. This is higher than the transaction volume of 4,590,008 with a value of D1,650,306,120.82 in 2020. ATM usage through the national switch increased by 50.2 percent in 2021, accounting for 3.4 percent of all transactions.

The Bank is currently prioritizing the upgrade of the national switch and to extend it to all financial institutions and mobile money operators. The project, which is expected to be completed in 2022 is aimed at enhancing the capability of the system to enable interoperability and provide a variety of electronic payment solutions.

5.1.3.1 Mobile Money

With only two operators in the country, the use of mobile money is still low but growing rapidly (Table 10). Total number of active customers grew by 94 percent (year-on-year) to 57,604 in 2021. The total electronic value held in customers' wallets increased by 35 percent to D41.3 million in 2021. A major factor behind the rise in mobile money usage is the increased access to mobile phones. The penetration of mobile money has created opportunities for the expansion of financial services and has been the key driver of mobile money growth.

As stipulated in the National Financial Inclusion Strategy (2021–2025), enhancing money and digital payments are central to the Bank's plan to promote financial inclusion.

Table 10: Mobile Money Operator (MMO) Indicators

	Levels (GMD, 000)			Quarterly % Change	Yearly % Change
	Dec-20	Sep-21	Dec-21		
Total Number of Active Customers	29.7	56.4	57.6	2	94
Total electronic value held in agent wallet (GMD)	30,674.5	38,129.1	29,341.6	-23	-4
Total electronic value held in customers wallet (GMD)	30,674.5	43,835.9	41,298.6	-6	35
Total value of cash-in transactions (GMD)	70,117.7	58,696.4	55,527.6	-5	-21
Total value of cash-out transactions (GMD)	47,103.8	32,860.9	37,372.5	14	-21

Source: MMOs and CBG

5.1.3.2 Electronic Fund Transfer Project

The Electronic Fund Transfer Project was jointly implemented by the CBG and the Accountant General Department (AGD). The solution resulted in the automation of payment instructions from the AGD with a view to expediting payment processing, eliminating manual processes, thereby minimizing errors, enabling bulk payment processing, and reducing the use of cash.

5.1.3.3 Pan African Payment and Settlement System

The Pan African Payment and Settlement System (PAPSS) is a cross-border payment financial market infrastructure enabling payment transactions across Africa. It is an initiative of Afreximbank and it features cutting-edge technology that connects African Banks, payment service providers and other financial market intermediaries. The platform enables instant and secure payment solutions and provides an alternative to the traditional corresponding bank relationship in facilitating trade and other economic activities among African countries. In September 2021, Afreximbank announced the operational rollout of the platform after a successful pilot phase in the WAMZ countries with support from WAMI.

5.1.3.4 Financial Integrity

The CBG and the Financial Intelligence Unit (FIU) are continuing efforts to strengthen the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework. The CBG has recently established an AML/CFT unit in the Banking Supervision Department, aimed at conducting onsite and offsite examinations on banks and NBFS using a risk-based approach. The Unit comprises staff from the banking supervision, insurance, other financial institutions, and risk management departments. Capacity building is ongoing to enable the team, to develop guidelines and procedural manuals, and regulatory returns to conduct offsite monitoring and onsite examinations effectively.

5.2 Currency Management

5.2.1 Currency Issued

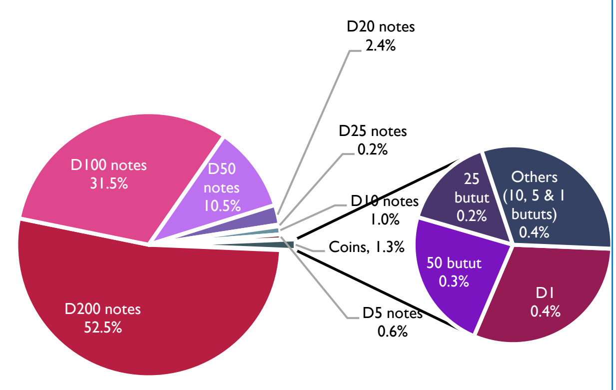
The Central Bank has the sole mandate to issue currency and is obliged to ensure an adequate supply of banknotes and coins to meet the demand of the population in The Gambia. Total currency in circulation rose by 13.3 percent to D12.3 billion in 2021, from D11.0 billion in 2020 (Chart 42). Banknotes accounted for 98.7 percent and the remaining 1.3 percent was in coins. The D200 denomination accounted for 52.6 percent of banknotes in circulation, followed by the D100 denomination (31.5 percent) and the D50 notes (10.5 percent). The D20 note accounted for 2.4 percent, the D25 denomination (0.2 percent), the D10 denomination (1.0 percent) and the D5 (0.6 percent). Of the amount of coins in circulation, the D1, 50 butut and 25 butut coins accounted for 0.4 percent, 0.3 percent, and 0.2 percent, while the remaining share of 0.4 percent was a combination of the 10 butut, 5 butut and 1 butut, respectively.

5.2.2 Commemorative Coins

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

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

Chart 42: Composition of currency in circulation



Source: CBG

5.2.3 Strengthening Currency Management

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

- Banknote counting and counterfeit machines were acquired.
- The Clean Note Policy of the Bank was also revised and submitted to the Bank's Board of Directors for approval.
- The Currency Department also installed an electronic ticketing system at the banking hall for customers for security and to facilitate transactions.
- The Board of Survey exercises which are conducted semi-annually were both successfully completed.

5.2.4 Reserve Management

The external reserves of the Bank continue to be managed in compliance with the existing policy frameworks and regulations. Negative interest rates in the Euro Zone and some supply constraints related to the less-than-expected performance in the traditional sources of foreign currency hampered reserved build-up during the year. Nonetheless, the level of international reserves remained adequate. Gross official reserves of the Bank stood at US$517.4

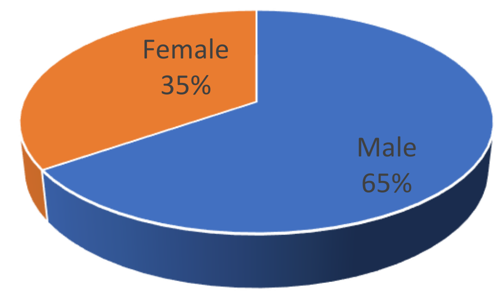
million, equivalent to over 7 months of imports of goods and services at end-2021.

5.3 Human Resource Activities

5.3.1 Staff Strength

The Bank remains committed to attracting and retaining a talented workforce. The staff strength of the Bank stood at 290, comprising 44 percent professional staff and 56 percent support and auxiliary staff.

Chart 43: Staff Composition by gender



Source: CBG

Table 11: Staff Composition by grade and gender

	2018			2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Managerial Staff	21	8	29	21	7	28	19	7	26	19	7	26
Middle Level Staff	68	37	105	68	37	105	68	38	106	81	45	126
Junior Staff	103	55	158	108	55	163	102	55	157	89	48	137
Total staff	192	100	292	197	99	296	189	100	289	189	100	289

Source: CBG

5.3.2 Capacity Building

Capacity development remains a priority for the Bank and provides continuous learning and development opportunities to its staff with a view to promoting a culture of high performance. In 2021, seven members of staff were awarded a one-year fellowship to pursue postgraduate degree programs in various fields. The Bank also continue to participate in short-term training programs offered by regional and multinational capacity-building institutes, including WAIFEM and IMF Institute, AFRITAC West II, and Africa Training Institute. Staff participated in both virtual and in-person training programs. Staff received training in areas such as macroeconomic management, financial stability, debt management, and information technology.

As part of the capacity development, the Bank sent staff on secondment at recognized regional and multilateral institutions. In 2021, one staff was sent on a one-year Special Appointee Program at the International Monetary Fund (IMF). He returned to the Bank after the successful completion of the program and adding value to the work of the Bank. In 2021, four other staff returned after successful completion of their secondment at the WAIFEM and WAMI, and one of them, Dr. Paul Mendy, is now serving as the Second Deputy Governor of the Bank. As at end-2021, seven staff of the Bank are on secondment at WAMI and WAIFEM.

5.4 Risk Management

Risk management remains central to the work of the Bank. This function is carried out by the Risk Management Department. The risk management policy documents were recently revised to accommodate the new structure of the Bank and incorporate updates of the revised risk management standards (ISO 31000: 2018 and COSO: 2017). This is to ensure risk management is understood and effectively practiced in the Bank to pursue value creation and protection through reducing uncertainty, improving the likelihood of successful outcomes for decision-making, and improving compliance.

Integrating risk management into the Bank's governance, strategies, operations, and culture is key. Risk Coordinators of all departments were trained in the new risk management approach and a Risk Universe was developed to include all the business functions of the Bank for assessment.

To plan for business continuity, RMD catalogued the business processes of all departments and potential disruptions were identified and the possible impacts of these disruptions are being analyzed. With these, the Bank's resilience can be determined and plans for possible business disruptions can be developed and tested to ensure quick recovery from incidents.

5.5 Internal Audit

_In 2021, the IAD, in consultation with Senior Management prepared an annual work plan based on its Audit Universe that guided the activities of the Department. The work plan was approved by the Audit Committee. The Department successfully audited 10 departments within the Bank during the year and 14 reports were issued with lists of recommendations. However, the implementation of some of the recommendations were delayed due to the ongoing restructuring of the Bank.

Other assignments carried out by the Department were "Observer Status" at the receipt of printed Bank notes and the confirmation and destruction of old worn out and mutilated notes. Due to the expansion of the Bank in terms of the number of departments and auditable areas, an Audit Committee Meetings Calendar was prepared by the Department and subsequently approved by the Committee to be effective in 2022.

5.5.1 Improving ICT Infrastructure

Cognizant of the urgent need to mitigate risks associated with its ICT infrastructure, the Bank through the ICT Department engaged the services of Deloitte Ghana & DT Associates to review and assess its current IT infrastructure and its suitability to deliver modern, accessible, and secure services and systems to relevant stakeholders. The report of the consultancy has been submitted to management and recommendations are being implemented

ADMINISTRATION AND GENERAL SERVICES

6 ADMINISTRATION AND GENERAL SERVICES

6.1 Administrative Matters

6.1.1 Corporate Social Responsibility

The Bank continues its active participation in the discharge of its corporate social responsibility through the provision of financial assistance in the areas of health, education, sports, and other worthwhile social events that are of national interest.

During the period under review, the Bank refurbished the water system infrastructure at the Kanifing Hospital and the Maternity Ward at the Fajikunda General Hospital. The Bank continued the practice of allocating in its annual budget for the Edward Francis Small Teaching Hospital to assist in the provision of medical items and other critical medical equipment.

6.1.2 Decentralization Program

The Central Bank in its drive to decentralize some of its operations outside Banjul has acquired some critical assets for the provision of effective and efficient service delivery to The Gambian economy and the financial sector. During the period under review, the Bank acquired a property along Bertil Harding Highway from the Gambia Government for a proposed Financial Centre. The property would undergo extensive renovation where all the supervisory departments would be housed. Meanwhile, the Bank also secured a property along Kairaba Avenue on rent that will temporarily house the supervisory departments to make room for planned refurbishment works at the main building in Banjul. Plans are also in place to build branches in rural areas. In addition to the two properties in Soma and MansaKonko, arrangements are being worked out to acquire land in Basse where the branches would be built.

6.1.3 Staff Health and Wellbeing

To ensure a healthy and productive workforce, the Bank continued to operate the medical scheme for staff and their dependents. To enhance the well-being of staff, the Bank registered with recognized health and fitness centers that will allow free membership for all the staff.

6.1.4 Pandemic Management

In 2021, the Bank continued to enforce COVID-19 protocols as dictated by the guidelines of the Ministry of Health (MoH), including physical distancing and wearing of a mask. All visitors and employees were required to go through a temperature screening control at the entrance. Regular disinfection of offices and premises was conducted. Hand sanitizers and other sanitary items were provided at strategic locations within the Bank. In collaboration with the MoH, the Bank also organized mass testing and vaccination events within the Bank and staff were encouraged to get vaccinated.

6.1.5 Famara Jatta Football Tournament

The Bank organized the annual inter-banks football tournament, named after the Late Governor Famara Jatta in 2021. The aim of the tournament is to bring together all the commercial banks and the Central Bank to interact outside the formal setting. The 2021 edition was won by Guarantee Trust Bank.

6.2 External Relations

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

6.2.1 Regional Integration

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

The CBG has also shown a strong commitment to the Africa Monetary Cooperation Program (AMCP). The Bank has in 2021 actively participated in meetings, events and activities organized by the Association of African Central Banks (AACB). At the 43rd meeting of the Assembly of Governors held virtually on August 20, 2022, the Honorable Governor of the Bank, Mr. Buah Saidy, was elected Vice Chairman of the Association to serve for a period from August 2021 to August 2022. The decision paved way for the first-ever meeting of the Association to be hosted in Banjul and the first in-person meeting since the outbreak of the COVID-19 pandemic. The Honorable Governor will assume Chairmanship at the meeting for the next year.

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

6.2.2 Multilateral Institutions

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

In 2021, the IMF completed three reviews of The Gambia's economic program supported under the Extended Credit Facility (ECF) arrangement. The 3-year program for SDR 35 million (US$47.1 million) was approved by the IMF Executive Board in March 2020. Access was augmented to SDR 55.0 million following the successful completion of the first review in January 2021. The program aims to cement macroeconomic stability and progress on structural reforms achieved under the Staff Monitored Program (SMP) that was completed in 2020. It also seeks to maintain the momentum in reducing debt vulnerabilities and deliver on key commitments in the National Development Plan 2018–2021, with a focus on inclusive growth and poverty reduction.

The IMF recognized the Gambian authorities' prudent response to the pandemic as well as the progress made in the advancement of economic management and structural reforms under the program. The successful completion of the review missions resulted in the disbursement under the program of a total of US$49.4 million in 2021 (US$28.0 million in January, US$14.4 million in May and US$7.0 million in November) to help meet the country's financing needs and support social spending and the post-pandemic recovery. That brought the total disbursement under the program since its approval in March 2020 to US$55.1 million.

The Gambia enjoyed significant financial and technical support in several areas from the World Bank and African Development Bank during the year. The CBG participated in both the Annual and Spring meetings of the IMF and World Bank.

STATISTICAL TABLES

7 STATISTICAL TABLES

Table 12: Monetary Survey (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Net Foreign Assets	**1,302.0**	**6,463.5**	**10,407.0**	**16,783.5**	**24,329.54**	**28,952.97**
Monetary Authorities	**-530.5**	**2,787.1**	**4,514.0**	**8,473.8**	**13,781.01**	**17,104.90**
Foreign Assets	2,980.0	7,245.8	8,680.2	12,494.4	19,119.63	29,089.51
Foreign Liabilities	-3,510.5	-4,458.7	-4,166.3	-4,020.6	-5,338.62	-11,984.62
Commercial Banks	**1,832.6**	**3,676.4**	**5,893.0**	**8,309.7**	**10,548.53**	**11,848.07**
Net Domestic Assets	**21,957.3**	**21,648.1**	**23,337.8**	**26,091.4**	**27,958.35**	**33,540.86**
Domestic Credit	**25,738.6**	**25,514.0**	**28,389.6**	**31,693.4**	**33,276.82**	**40,566.30**
Claims on Gov't, net	20,345.8	19,331.3	21,327.6	22,636.1	25,416.90	30,877.34
Claims on Public Ent.	1,055.0	1,896.7	1,365.6	1,327.9	67.81	280.54
Claims on Private Sector	4,332.9	4,281.0	5,691.5	7,729.4	7,792.11	9,408.42
Claims on OFIs	4.9	4.9	4.9	0.0	0.01	0.0
Other items, net	**-3,781.3**	**-3,865.9**	**-5,051.8**	**-5,602.1**	**-5,318.47**	**-7,025.44**
o/w: Revaluation acc.	*917.6*	*366.2*	*969.6*	*927.6*	*656.78*	*801.81*
Broad Money	**23,259.4**	**28,111.5**	**33,744.8**	**42,874.9**	**52,287.89**	**62,493.83**
Narrow Money	12,270.4	14,378.3	17,863.4	24,195.9	29,140.61	35,072.83
Quasi-money	10,989.0	13,733.2	15,881.4	18,679.0	23,147.28	27,421.00

Source: CBG

Table 13: Summary Account of The Central Bank (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Net Foreign Assets	**-530.5**	**2,787.1**	**4,514.0**	**8,473.8**	**13,781.01**	**17,104.90**
Net International Reserves	*867.7*	*4,440.8*	*5,657.5*	*9,642.6*	*15,054.35*	*22,499.94*
Foreign Assets	**2,980.0**	**7,245.8**	**8,680.2**	**12,494.4**	**19,119.63**	**29,089.51**
International Reserves	*2,628.3*	*6,892.6*	*7,775.2*	*11,559.8*	*18,178.96*	*27,902.98*
Foreign Liabilities	**3,510.5**	**4,458.7**	**4,166.3**	**4,020.6**	**5,338.62**	**11,984.62**
Other Liabilities	0.2	0.2	0.2	0.2	0.2	7.47
IMF - ESAF	1,760.4	2,451.6	2,117.6	1,917.0	3,124.44	5,395.58
SDR Allocations	1,750.0	2,006.9	2,048.5	2,103.5	2,214.01	6,581.57
Net Domestic Assets	**8,825.7**	**7,380.2**	**7,335.0**	**5,413.9**	**4,813.8**	**4,019.37**
Domestic Credit	**9,051.1**	**7,347.0**	**7,807.5**	**6,786.4**	**5,939.6**	**5,758.71**
Claims on Gov't (Net)	8,952.6	7,236.4	7,725.9	6,667.6	5,785.8	7,013.96
Gross Claims	12,486.2	11,538.7	11,248.2	10,923.7	11,621.2	13,616.00
(Less) Gov't Deposits	3,533.5	4,302.3	3,522.3	4,256.1	5,835.4	6,602.05
Claims on Private Sector	93.5	105.7	106.8	118.8	153.8	164.76
DMBs Claims on CBG	0.00	0.00	-30.00	0.00	0.00	-1420.00
Claims on OFIs	4.9	4.9	4.9	0.0	0.0	0.0
Other Items (Net)	**-225.4**	**33.2**	**-472.6**	**-1,372.5**	**-1,125.8**	**-1,739.34**
Revaluation Acc.	917.6	366.2	969.6	927.6	656.8	801.81
Reserve Money	**8,295.2**	**10,167.3**	**11,848.9**	**13,887.7**	**18,594.8**	**21,124.26**
Currency in circulation	5,089.6	6,186.5	7,303.9	8,556.5	11,028.8	12,495.21
Reserves of com. banks	3,205.6	3,980.8	4,545.1	5,331.2	7,566.0	8,629.06

Source: CBG

Table 14: Summary Accounts of Commercial Banks (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Net Foreign Assets	**1,832.6**	**3,676.4**	**5,893.0**	**8,309.7**	**10,548.5**	**11,848.07**
Foreign assets	3,445.5	4,429.2	6,464.0	8,914.1	11,871.0	14078.56
Foreign liabilities	1,612.9	752.7	571.0	604.4	1,322.4	2,230.49
Net Domestic Assets	**16,701.3**	**18,763.6**	**21,283.3**	**26,721.6**	**31,667.6**	**39,158.94**
Domestic credit	**16,687.5**	**18,110.1**	**20,552.0**	**24,907.0**	**27,337.2**	**33,387.59**
Claims on gov't, net	11,393.1	13,730.6	14,803.0	17,205.5	19,631.1	23,863.39
Gross claims	11,393.1	13,730.6	14,803.0	17,205.5	19,631.1	23,863.39
Government bonds	0.0	1,198.3	1,198.7	1,606.0	2,240.4	7,059.80
NAWEC Bonds		1,692.5	1,201.3	1,237.0	1,874.2	587.47
Treasury bills	11,393.1	10,839.8	12,403.0	14,362.5	15,516.5	16,216.11
Claims on public entities	1,055.0	204.2	164.3	90.9	67.8	280.54
Claims on private sector	4,239.4	4,175.3	5,584.8	7,610.6	7,638.3	9,243.66
Claims on CBG	0.00	0.00	30.00	0.00	0.00	1420.00
Reserves	3,569.6	4,495.7	5,310.5	6,044.1	8,523.1	11,057.45
Currency	364.1	515.0	735.4	713.0	957.1	1008.39
Deposits at central bank	3,205.6	3,980.8	4,545.1	5,331.2	7,566.0	8,629.06
Other items (net)	**-3,555.9**	**-3,842.2**	**-4,609.2**	**-4,229.5**	**-4,192.7**	**-5,286.10**
Net claims on other banks	1,245.9	3.9	23.9	145.8	49.3	1,596.81
Total deposit liabilities	**18,533.8**	**22,440.0**	**27,176.3**	**35,031.4**	**42,216.2**	**51,007.01**
Demand deposits	7,544.8	8,706.8	11,295.0	16,352.4	19,068.9	23,586.01
Savings deposits	7,779.3	10,531.9	12,389.1	14,755.9	18,190.0	22,839.35
Time deposits	3,209.8	3,201.4	3,492.2	3,923.1	4,957.3	4,581.65

Source: CBG

Table 15: Components of Money Supply (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Total Money Supply	**23,259.4**	**28,111.5**	**33,744.8**	**42,874.9**	**52,287.9**	**62,493.83**
Money	**12,270.4**	**14,378.3**	**17,863.4**	**24,195.9**	**29,140.6**	**35,072.83**
Currency outside banks	4,725.5	5,671.5	6,568.4	7,843.5	10,071.7	11,486.82
Demand deposits	7,544.8	8,706.8	11,295.0	16,352.4	19,068.9	23,586.01
Private Sector	7,076.2	8,058.7	9,953.1	15,700.6	17,771.3	21,378.81
Official entities	468.6	648.1	1,341.8	651.8	1,297.6	2,207.20
Quasi-money	**10,989.0**	**13,733.2**	**15,881.4**	**18,679.0**	**23,147.3**	**27,421.00**
Savings deposits	7,779.2	10,531.9	12,389.1	14,755.9	18,190.0	22,839.35
Private Sector	7,541.4	10,250.0	12,216.5	14,408.3	17,979.7	22,629.69
Official entities	237.9	281.9	172.6	347.5	210.3	209.66
Time deposits	3,209.8	3,201.4	3,492.2	3,923.1	4,957.3	4,581.65
Private Sector	2,837.8	2,829.9	3,174.6	3,545.8	4,375.2	4,025.00
Official entities	371.9	371.5	317.6	377.4	582.1	556.66

Source: CBG

Table 16: Commercial Banks Loans and Advances to Major Economic Sectors (in millions of GMD)

Sectors	2016	2017	2018	2019	2020	2021
Agriculture	289.91	394.09	86.61	138.48	276.43	24.10
Fishing	0.49	4.11	7.24	6.29	2.14	5.92
Construction	436.52	554.15	1,091.08	1,454.53	2,041.42	3,074.31
Transportation	403.13	343.02	360.89	555.55	565.02	283.63
Distributive Trade	1,299.10	1,284.19	1,726.60	1,684.94	1,733.58	1,957.37
Tourism	109.04	217.68	595.83	408.48	416.00	315.98
Personal Loans	484.89	401.65	463.18	560.68	569.87	833.78
Energy	76.15	80.83	66.23	107.62	104.93	175.05
Manufacturing	29.18	28.46	23.46	90.84	71.65	97.45
Financial Inst.	94.35	127.42	178.5	356.90	190.28	263.97
Other	952.84	748.19	905.58	1,986.02	1,430.91	2,329.67
Total	**4,052.07**	**4,183.9**	**5,505.2**	**7,350.32**	**7,402.24**	**9,361.24**

Source: CBG

Table 17: Assets of Commercial Banks (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Gambian Notes & Coins	**364.1**	**515.0**	**735.4**	**713.0**	**957.1**	**1,008.39**
Total Foreign Currency	**405.1**	**845.8**	**1322.2**	**2498.0**	**3279.2**	**2,530.47**
CFA Franc	1.2	1.3	1.9	54.1	39.8	5.17
Other Foreign Currency	403.9	844.6	1320.3	2443.9	3239.4	2,525.30
Balances with Banks	**2884.0**	**3858.2**	**4459.3**	**5150.8**	**8000.0**	**10,332.05**
Central Bank	2866.6	3850.4	4435.4	5004.9	7950.7	8,735.23
Banks Locally	17.5	7.8	23.9	145.8	49.3	1,596.81
Balances with Banks Abroad	**2954.0**	**3158.3**	**4621.0**	**5011.1**	**7128.5**	**11,548.09**
Head Office & Branches	712.6	1068.3	1153.8	1576.3	2335.2	6,437.66
Other Banks Abroad	2241.4	2090.0	3467.2	3434.9	4793.3	5,110.43
Bills Purchased & Discounted	**128.8**	**61.9**	**0.0**	**53.0**	**41.2**	**56.90**
Loans & Advances	**3783.1**	**3960.2**	**5381.7**	**6989.8**	**7105.8**	**9,045.29**
Public Sector	298.1	204.2	164.3	90.9	67.8	280.54
Private Sector	3485.0	3756.0	5217.4	6898.9	7073.9	8,764.75
Investments	**15797.1**	**15493.2**	**16673.5**	**20239.3**	**22763.1**	**25,233.71**
Government Treasury Bills	13096.0	11820.1	13385.3	15507.6	16626.0	17,164.42
Others	625.5	357.3	367.3	483.7	559.2	422.01
Foreign Investments	86.4	425.1	520.8	1405.0	1463.3	0
Government Bond	0.0	1198.3	1198.7	1606.0	2240.4	7,059.80
Interbank Placement	1232.3	0.0	0.0	0.0	0.0	0
Public Sector Bond	756.9	1692.5	1201.3	1237.0	1874.2	587.47
Fixed Assets	**1921.2**	**1904.0**	**2141.8**	**1963.0**	**2155.2**	**2,531.80**
Accepts, Endots & Guarantees	**3145.1**	**6582.4**	**7541.4**	**6664.9**	**5882.3**	**8,701.62**
Other Assets	**1228.2**	**1445.3**	**1030.9**	**1418.5**	**1507.8**	**2,070.66**
Total Assets	**32610.6**	**37824.3**	**43907.2**	**50876.3**	**58820.1**	**73,058.96**
Net Balance	**29465.6**	**31241.9**	**36365.8**	**44211.4**	**52937.8**	**64,357.34**

Source: CBG

Table 18: Liabilities of Commercial Banks (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Capital & Reserves	**4,747.6**	**5,253.2**	**5,871.2**	**6,228.1**	**7,083.4**	**7,517.27**
Demand Deposits	**7,544.8**	**8,706.8**	**11,295.0**	**16,352.4**	**19,068.9**	**23,586.01**
Residents	6,924.3	7,447.4	8,723.5	14,067.4	16,126.8	20,852.60
Non-Residents	152.0	611.3	1,229.6	1,633.2	1,644.5	526.21
Government Entities	468.6	648.1	1,341.8	651.7	1,297.6	2,207.20
Savings Deposits	**7,779.2**	**10,531.9**	**12,389.1**	**14,755.9**	**18,190.0**	**22,839.35**
Residents	6,982.0	9,780.8	11,664.1	13,710.4	17080.6	21,054.34
Non-Residents	559.3	469.2	552.5	697.9	899.1	1,575.34
Government Entities	237.9	281.9	172.6	347.5	210.3	209.66
Time Deposits	**3,209.8**	**3,201.4**	**3,492.2**	**3,923.1**	**4,957.3**	**4,581.65**
Residents	2,777.3	2,651.4	2,964.8	3,330.4	4,035.9	3,778.96
Non-Residents	60.6	178.5	209.8	215.4	339.4	246.04
Government Entities	371.9	371.5	317.6	377.4	582.1	556.66
Total Deposits	**18,533.8**	**22,440.0**	**27,176.3**	**35,031.3**	**42,216.2**	**51,007.01**
Balances Held For	**67.5**	**166.8**	**66.0**	**321.3**	**283.5**	**985.23**
Head Office & Branches	45.5	73.4	48.0	155.0	184.2	314.13
Other Banks Abroad	18.1	89.6	17.9	166.3	99.3	671.11
Central Bank	0.0	0.0	0.0	0.0	0.0	0.0
Banks Locally	3.9	3.9	0.0	0.0	0.0	0.0
Borrowings From	**2,503.9**	**589.8**	**505.0**	**220.28**	**1,039**	**1,301.72**
Central Bank	0.0	0.0	0.0	150.0	0.0	0.0
Other Banks Locally	954.6	0.0	0.0	0.2	0.2	56.46
Head Office & Branches	853.0	354.8	317.4	70.1	391.2	122.94
Other Banks Abroad	696.4	0.0	0.0	0.0	647.8	975.69
Other Sources	0.0	235.0	187.6	90.9	0.0	146.63
Accpts, Endots & Guarantees	**3,145.1**	**6,582.4**	**7,541.4**	**6,664.9**	**5,882.3**	**8,701.62**
Other Liabilities	**3,612.8**	**2,792.1**	**2,747.3**	**2,197.3**	**2,315.6**	**3,546.12**
Total Liabilities	**32,610.6**	**37,824.3**	**43,907.2**	**50,876.3**	**58,820.1**	**73,059.96**
Net Balance	**29,465.6**	**31,241.9**	**36,365.8**	**44,211.4**	**52,937.8**	**64,357.34**

Source: CBG

Table 19: Distribution of Outstanding Treasury Bills in Discounted Value (in millions of GMD)

			Banks			Non-Banks		Total T/Bills
End of period		Central Bank	Commercial Banks	**Total**	Public Entities	Private Sector	**Total**	
2019	January	0.00	12,531.86	12,531.86	241.52	3,545.09	3,786.6	16,318.47
	February	0.00	12,882.90	12,882.90	241.52	3,574.01	3,815.5	16,698.43
	March	0.00	12,993.26	12,993.26	241.52	3,640.09	3,881.6	16,874.87
	April	0.00	13,346.54	13,346.54	203.99	3,508.66	3,712.7	17,059.19
	May	0.00	13,161.96	13,161.96	0.00	3,639.50	3,639.5	16,801.47
	June	0.00	13,570.39	13,570.39	0.00	3,600.85	3,600.9	17,171.24
	July	0.00	13,945.53	13,945.53	0.00	3,541.52	3,541.5	17,487.05
	August	0.00	13,980.76	13,980.76	0.00	3,507.36	3,507.4	17,488.12
	September	0.00	14,503.43	14,503.43	0.00	3,703.84	3,703.8	18,207.27
	October	0.00	14,615.83	14,615.83	0.00	3,615.52	3,615.5	18,231.35
	November	0.00	14,261.70	14,261.70	0.00	3,587.80	3,587.8	17,849.50
	December	0.00	14,362.52	14,362.52	0.00	3,615.83	3,615.8	17,978.35
2020	January	0.00	14,096.38	14,096.38	0.00	3,597.76	3,597.8	17,694.14
	February	0.00	14,209.47	14,209.47	0.00	3,627.60	3,627.6	17,837.07
	March	0.00	14,772.59	14,772.59	0.00	3,664.09	3,664.1	18,436.68
	April	0.00	14,825.04	14,825.04	0.00	3,842.6	3,842.64	18,667.68
	May	0.00	14,936.33	14,936.33	0.00	3,854.4	3,854.39	18,790.72
	June	0.00	15,112.54	15,112.54	0.00	3,862.3	3,862.30	18,974.84
	July	0.00	14,972.32	14,972.32	0.00	3,836.2	3,836.21	18,808.53
	August	0.00	14,737.22	14,737.22	0.00	3,902.6	3,902.63	18,639.85
	September	0.00	15,314.36	15,314.36	0.00	3,760.4	3,760.42	19,074.78
	October	0.00	15,809.75	15,809.75	0.00	3,812.4	3,812.36	19,622.11
	November	0.00	15,971.94	15,971.94	0.00	3,630.3	3,630.34	19,602.28
	December	0.00	15,516.46	15,516.46	0.00	3,547.5	3,547.54	19,064.00
2021	January	0.00	15,741.52	15,741.52	0.00	3,562.20	3,562.20	19,303.72
	February	0.00	16,042.96	16,042.96	0.00	3,615.03	3,615.03	19,657.99
	March	0.00	15,476.97	15,476.97	0.00	3,556.43	3,556.43	19,033.40
	April	0.00	15,828.23	15,828.23	0.00	3,558.16	3,558.16	19,386.39
	May	0.00	16,093.28	16,093.28	0.00	3,505.07	3,505.07	19,598.35
	June	0.00	15,985.89	15,985.89	0.00	3,686.44	3,686.44	19,672.33
	July	0.00	16,088.78	16,088.78	0.00	3,490.35	3,490.35	19,579.13
	August	0.00	16,300.59	16,300.59	0.00	3,438.52	3,438.52	19,739.11
	September	0.00	15,935.34	15,935.34	0.00	3,371.33	3,371.33	19,306.67
	October	0.00	15,658.76	15,658.76	0.00	3,216.69	3,216.69	18,875.45
	November	0.00	16,147.03	16,147.03	0.00	3,252.06	3,252.06	19,399.09
	December	144.86	16,216.11	16,360.98	0.00	3,011.34	3,011.34	19,372.32

Source: CBG

Table 20: Structure of interest rates (in percent per annum)

	2020				2021			
	Mar	**Jun**	**Sept**	**Dec**	**Mar**	**Jun**	**Sept**	**Dec**
COMMERCIAL BANKS								
Lending Rates								
Agriculture	12 - 28	12 - 28	12 - 28	10 - 28	10 - 21	10 - 19	10 - 19	10 - 19
Manufacture	12 - 25	12 - 25	12 - 25	10 - 25	10 - 21	10 - 19	10 - 19	10 - 19
Building	12 - 28	12 - 28	12 - 28	10 - 28	10 - 21	10 - 19	10 - 19	10 - 19
Trading	12 - 28	12 - 28	12 - 28	10 - 28	10 - 21	10 - 19	10 - 19	10 - 19
Tourism	12 - 25	12 - 25	12 - 25	10 - 25	10 - 21	10 - 19	10 - 19	10 - 19
Other	12 - 28	12 - 28	12 - 28	10 - 28	10 - 21	10 - 19	10 - 19	10 - 19
Deposit Rates								
Short-Term Deposit A/C	0.25-4.0	0.25-4.0	0.25-4.0	0.25-4.0	0.0-2.50	0.25-2.5	0.0-2.5	0.0-2.5
Savings Bank Account	0.50-8.0	0.50-8.0	0.50-8.0	0.30-3.0	0.25-2.8	0.25-2.8	0.25-2.8	0.25-2.8
Time Deposits								
3 Months	1.3-7.21	1.3-7.21	0.31-7.21	0.25 -5.0	0.25-4.8	0.25-4.8	0.01-4.8	0.15 -4.8
6 Months	1.5-12.0	1.5-12.0	0.41-12.0	0.5 -6.2	0.45-5.5	0.45-5.5	0.19-5.5	0.25 -5.5
9 Months	1.5-12.0	1.5-12.0	1.5-12.0	0.5 - 6.0	0.5-6.11	0.5-5.0	0.25-5.0	0.25 -5.0
12 Months & Over	1.5-16.0	1.5-16.0	0.51-16.0	0.5 - 10.0	0.5-8.0	0.5-8.0	0.09-8.0	0.1-8.0
GOVERNMENT								
Treasury Bills	11.4	9.4	4.8	8.4	4.6	3.7	2.1	4.3
CENTRAL BANK								
Monetary Policy Rate	12	10	10	10	10	10	10	10

Source: CBG

Table 21: (A): End-of-Period mid-Market Exchange Rates (GMD per unit of foreign currency)

	Period	GBP	USD	CHF	SEK (100)	CFA (5,000)	Euro
2019	January	64.82	49.29	49.71	571.25	403.59	56.99
	February	65.12	49.40	49.35	533.04	419.11	56.79
	March	65.16	49.42	49.37	535.98	421.35	56.30
	April	64.32	49.28	49.06	525.26	419.11	55.80
	May	63.20	49.50	49.19	521.52	419.66	56.05
	June	63.24	49.80	50.74	532.82	414.65	56.89
	July	62.72	49.94	50.42	523.98	422.97	56.19
	August	61.78	50.02	51.17	520.77	419.62	56.49
	September	62.55	50.77	51.61	533.02	420.13	56.44
	October	65.57	50.88	50.50	551.85	406.38	56.89
	November	65.30	50.89	51.00	525.22	422.17	56.68
	December	66.86	51.10	51.04	535.18	418.46	57.08
2020	January	65.90	51.27	50.60	522.91	423.92	56.32
	February	65.36	50.65	51.69	525.45	420.02	55.82
	March	62.91	51.10	52.00	500.00	402.50	56.45
	April	63.67	51.13	48.94	445.43	412.91	56.50
	May	62.60	51.69	49.00	480.00	419.18	56.39
	June	63.47	51.73	52.06	476.97	412.15	57.80
	July	65.18	51.96	55.25	447.92	424.27	58.89
	August	66.66	51.69	48.60	470.00	431.23	59.95
	September	66.39	51.85	49.00	469.32	423.31	60.01
	October	66.57	51.91	49.31	480.00	444.27	62.27
	November	66.63	51.78	50.43	483.57	431.46	60.07
	December	68.52	51.64	50.88	490.00	440.93	61.92
2021	January	68.97	51.73	53.00	480.31	442.53	61.24
	February	70.52	51.16	50.13	480.00	444.91	61.65
	March	69.27	51.09	50.68	467.37	445.02	60.71
	April	69.61	51.16	53.91	473.33	439.27	61.44
	May	71.32	51.08	53.49	511.21	468.07	61.87
	June	70.40	51.01	52.71	486.90	445.34	61.05
	July	70.75	51.14	54.33	577.50	460.09	60.70
	August	70.06	51.23	53.73	549.34	448.38	60.95
	September	70.93	51.55	54.70	492.53	455.84	60.80
	October	70.68	52.23	55.09	565.32	447.70	60.62
	November	69.97	52.44	55.17	590.06	463.60	60.62
	December	70.07	52.61	55.57	552.06	478.14	60.57

Source: CBG

Table 22: (B): Period Average mid-Market Exchange Rates (GMD per unit of foreign currency)

	Period	GBP	USD	CHF	SEK (100)	CFA (5,000)	Euro
2019	January	63.68	49.48	49.25	548.72	419.59	56.94
	February	64.31	49.50	49.38	538.89	421.80	56.59
	March	65.01	49.59	49.24	533.36	420.34	56.44
	April	64.50	49.54	49.44	534.58	417.97	55.70
	May	64.27	49.50	49.02	518.28	418.91	55.89
	June	63.41	49.72	49.63	527.21	420.37	56.42
	July	62.71	49.94	50.79	531.95	419.43	56.57
	August	61.54	50.17	51.15	522.35	422.00	56.28
	September	62.28	50.28	51.48	524.51	421.43	56.49
	October	63.86	50.83	51.54	525.88	416.78	56.55
	November	65.48	51.08	51.25	524.47	421.95	56.82
	December	66.64	51.12	51.54	531.18	421.37	57.00
2020	January	66.01	51.13	51.17	532.87	421.98	56.78
	February	65.68	50.93	51.58	523.11	422.10	55.99
	March	64.18	50.94	52.40	525.75	420.18	56.87
	April	63.98	51.14	50.10	467.32	418.11	56.26
	May	62.93	51.45	51.17	488.37	417.99	56.36
	June	63.88	51.60	52.09	490.87	417.12	57.29
	July	64.05	51.81	51.27	473.24	421.01	58.01
	August	66.47	51.84	50.42	471.41	423.32	59.54
	September	66.44	51.81	50.21	474.05	425.61	60.24
	October	66.81	51.85	51.23	512.39	427.13	60.33
	November	66.74	51.81	51.76	487.86	435.11	60.38
	December	67.54	51.72	52.24	493.78	437.20	61.29
2021	January	68.24	51.44	52.16	495.25	439.25	61.75
	February	69.23	51.36	51.57	481.26	443.10	61.64
	March	69.92	51.19	52.56	478.42	443.99	61.16
	April	69.54	51.14	52.25	508.21	444.70	60.65
	May	70.85	51.09	53.86	544.43	455.44	61.70
	June	71.10	51.07	53.09	514.50	455.66	61.74
	July	70.29	51.12	53.71	528.78	457.69	60.75
	August	70.48	51.10	53.98	532.40	456.38	60.38
	September	70.61	51.48	54.38	570.76	445.69	60.86
	October	70.55	51.96	55.45	596.48	451.17	60.76
	November	70.52	52.25	55.85	631.26	455.35	60.37
	December	69.81	52.61	56.09	578.45	454.85	60.52

Source: CBG

Table 23: (A): Monthly Volume of Transactions in the Domestic Foreign Exchange Market

Millions of GMD & USD equivalent	Purchases GMD	USD Equivalent	Sales GMD	USD Equivalent	Total in GMD	Total in USD
Jan-19	6,205.8	132.3	6,291.3	129.4	12,497.1	261.8
Feb-19	4,463.6	90.7	4,671.5	93.6	9,135.1	184.3
Mar-19	4,810.7	97.5	4,735.4	94.9	9,546.1	192.4
Apr-19	4,987.6	101.3	5,001.1	100.4	9,988.7	201.7
May-19	4,196.4	85.0	4,091.1	81.9	8,287.5	166.9
Jun-19	3,511.6	71.4	3,649.3	73.0	7,161.0	144.4
Jul-19	4,390.9	88.6	4,473.7	89.2	8,864.6	177.8
Aug-19	3,388.4	67.7	3,482.0	68.9	6,870.4	136.5
Sep-19	3,286.8	65.3	3,197.1	62.6	6,484.0	127.9
Oct-19	4,964.4	98.3	5,125.9	100.2	10,090.3	198.4
Nov-19	4,459.4	87.9	4,655.9	90.9	9,115.3	178.8
Dec-19	5,762.4	113.7	5,835.1	113.8	11,597.4	227.6
Jan-20	4,603.5	90.7	4,584.2	89.3	9,187.7	180.0
Feb-20	4,602.7	90.6	5,068.1	98.9	9,670.8	189.5
Mar-20	5,674.7	111.3	5,682.0	110.6	11,356.7	222.0
Apr-20	3,179.2	62.4	3,250.9	62.7	6,430.0	125.2
May-20	4,391.7	86.0	4,693.2	90.4	9,084.8	176.4
Jun-20	3,932.9	76.8	4,061.8	78.0	7,994.7	154.9
Jul-20	5,654.8	110.4	5,618.9	107.9	11,273.7	218.3
Aug-20	3,939.1	77.0	4,322.4	83.3	8,261.6	160.3
Sep-20	5,169.2	100.9	5,390.2	103.8	10,559.4	204.6
Oct-20	4,258.6	82.8	4,508.4	86.6	8,767.1	169.4
Nov-20	4,308.4	84.2	4,490.8	86.5	8,799.2	170.7
Dec-20	5,208.7	101.8	5,255.4	101.4	10,464.1	203.2
Jan-21	4,641.56	90.91	4,668.02	90.40	9,309.58	181.30
Feb-21	4301.06	82.12	3,854.68	74.46	8,155.74	156.58
Mar-21	6,692.70	131.55	7,390.18	143.58	14,082.88	275.14
Apr-21	5,780.69	114.06	5,567.57	108.77	11,348.27	222.82
May-21	5,357.68	105.55	5,197.04	101.42	10,554.72	206.97
Jun-21	5,572.56	109.63	5,755.86	112.19	11,328.42	221.81
Jul-21	6,613.22	130.02	6,961.78	135.51	13,575.00	265.53
Aug-21	4,602.93	90.55	4,938.98	96.05	9,541.91	186.60
Sep-21	5,935.77	116.03	5886.57	113.50	11,822.34	229.53
Oct-21	4,844.82	93.90	4,640.92	88.54	9,485.74	182.44
Nov-21	5,054.68	96.68	5,245.67	99.28	10,300.35	195.96
Dec-21	5,456.69	104.04	5,469.16	102.43	10,925.85	206.47

Source: CBG

Table 24: (B): Monthly Volume of Transactions in the Domestic Foreign Exchange Market

Millions of GMD	Purchases		Sales		Total
	Banks	Bureaux	Banks	Bureaux	
Jan-19	4,659.9	1,545.9	4,676.0	1,615.3	12,497.1
Feb-19	3,344.0	1,119.6	3,535.3	1,136.2	9,135.1
Mar-19	4,021.6	789.1	3,742.2	993.2	9,546.1
Apr-19	3,700.6	1,287.0	3,840.7	1,160.4	9,988.7
May-19	3,119.6	1,076.8	3,276.7	814.4	8,287.5
Jun-19	2,804.7	706.9	2,968.1	681.3	7,161.0
Jul-19	3,428.0	962.9	3,497.9	975.8	8,864.6
Aug-19	2,757.4	631.0	2,694.3	787.7	6,870.4
Sep-19	2,367.7	919.2	2,393.4	803.7	6,484.0
Oct-19	3,733.0	1,231.4	3,877.1	1,248.8	10,090.3
Nov-19	3,498.0	961.4	3,719.0	936.9	9,115.3
Dec-19	4,403.4	1,359.0	4,564.7	1,270.4	11,597.4
Jan-20	3,674.6	928.9	3,625.5	958.7	9,187.7
Feb-20	3,434.4	1,168.3	3,990.1	1,078.0	9,670.8
Mar-20	4,470.0	1,204.7	4,433.6	1,248.4	11,356.7
Apr-20	2,645.0	534.2	2,630.2	620.6	6,430.0
May-20	3,708.8	682.9	3,550.1	1,143.0	9,084.8
Jun-20	3,203.9	729.0	3,241.7	820.1	7,994.7
Jul-20	4,647.6	1,007.2	4,432.4	1,186.5	11,273.7
Aug-20	3,390.7	548.4	3,530.9	791.6	8,261.6
Sep-20	4,452.7	716.5	4,448.2	942.0	10,559.4
Oct-20	3,724.1	534.5	3,787.9	720.5	8,767.1
Nov-20	3,811.9	496.4	3,738.8	752.0	8,799.2
Dec-20	4,671.4	537.4	4,640.4	615.0	10,464.1
Jan-21	4,080.79	560.78	4,110.11	557.91	9,309.58
Feb-21	3,764.88	536.18	3,361.50	493.18	8,155.74
Mar-21	5,858.59	834.11	6,548.40	841.78	14,082.88
Apr-21	5,130.55	650.15	4,879.51	688.06	11,348.27
May-21	4,799.61	558.07	4,654.87	542.17	10,554.72
Jun-21	4,932.92	639.65	5,153.25	602.61	11,328.42
Jul-21	5,817.17	796.06	6,084.05	877.73	13,575.00
Aug-21	4,067.53	535.40	4,280.30	658.68	9,541.91
Sep-21	5,265.12	670.65	5,124.19	762.38	11,822.34
Oct-21	4,262.60	582.22	4,086.99	553.93	9,485.74
Nov-21	4,404.88	649.80	4,729.28	516.39	10,300.35
Dec-21	4,740.93	715.76	4,751.91	717.24	10,925.85

Source: CBG

Table 25: National Consumer Price Index (January 2020=100)

		FOOD AND NON-ALCOHOLIC BEVERAGES	NON-FOOD PRODUCTS AND SERVICES	CLOTHING & FOOTWEAR	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	FURNISHINGS, HOUSEHOLD EQUIPMENT, ETC	HEALTH	TRANSPORT	COMMUNICATIONS	RECREATION AND CULTURE	Newspapers, books and stationery	Education	HOTELS, CAFES AND RESTAURANTS	MISCELLANEOUS GOODS AND SERVICES	ALL ITEM INDEX	Year on Year inflation (12 month rate)
2018	JANUARY	87.26	88.46	87.09	88.72	89.80	100.92	95.45	62.09	93.82	99.10	98.49	84.38	84.55	**87.81**	**6.4**
	FEBRUARY	87.67	88.90	87.91	89.36	90.00	100.92	95.45	62.09	93.82	99.10	98.49	84.83	85.24	**88.23**	**6.4**
	MARCH	88.16	89.25	88.56	89.78	90.36	100.98	95.53	62.10	93.86	99.10	98.74	85.46	85.62	**88.67**	**6.5**
	APRIL	88.67	89.70	88.71	90.23	91.12	101.24	95.98	62.10	94.44	99.68	98.86	85.91	86.34	**89.16**	**6.6**
	MAY	89.07	90.06	89.26	91.00	91.38	101.31	96.38	62.11	94.46	99.69	98.98	86.63	86.72	**89.55**	**6.5**
	JUNE	89.57	90.52	89.73	91.34	91.48	101.34	96.62	62.11	95.35	100.82	98.98	87.41	87.29	**90.03**	**6.5**
	JULY	90.10	90.89	90.31	91.66	91.60	101.56	97.00	62.11	95.37	100.82	98.98	88.98	87.94	**90.51**	**6.6**
	AUGUST	90.69	91.51	91.23	92.15	92.08	101.65	97.00	62.11	95.64	101.10	98.98	89.49	89.02	**91.11**	**6.7**
	SEPTEMBER	91.02	91.79	91.53	92.41	92.44	101.72	97.57	62.11	95.76	101.12	98.98	90.25	89.41	**91.42**	**6.6**
	OCTOBER	91.41	92.29	91.97	92.90	93.05	101.77	98.25	62.11	96.12	101.54	98.98	90.94	90.22	**91.85**	**6.5**
	NOVEMBER	91.70	92.64	92.53	93.22	93.45	101.78	98.62	62.11	96.20	101.54	98.98	90.94	90.67	**92.16**	**6.6**
	DECEMBER	92.28	93.33	93.31	93.76	93.74	102.07	98.73	62.11	97.01	102.52	98.98	91.84	91.90	**92.78**	**6.4**
2019	JANUARY	92.66	93.66	93.97	94.48	93.95	102.07	98.48	62.12	97.08	102.52	98.98	92.29	92.21	**93.14**	**6.1**
	FEBRUARY	93.23	94.10	94.62	94.66	94.44	102.24	98.83	62.12	97.74	103.35	98.98	92.80	92.52	**93.67**	**6.2**
	MARCH	93.65	94.57	95.42	94.94	94.86	102.27	98.95	62.12	97.79	103.35	98.98	93.52	93.29	**94.11**	**6.1**
	APRIL	94.16	97.50	96.20	95.59	95.56	102.40	99.21	99.46	98.65	104.35	99.17	94.22	93.71	**95.32**	**6.9**
	May	95.09	97.89	96.87	95.77	95.95	102.48	99.35	99.54	98.86	104.46	99.22	94.69	94.20	**96.23**	**7.5**
	June	95.56	98.22	97.02	96.37	96.24	102.70	99.34	99.69	99.12	104.67	99.28	95.35	94.80	**96.65**	**7.3**
	July	96.10	98.57	97.39	96.54	96.37	102.76	99.36	99.70	99.28	104.69	99.34	96.19	95.62	**97.12**	**7.3**
	August	96.89	99.10	98.23	97.41	96.64	102.85	99.50	99.73	99.33	104.70	99.64	96.83	96.41	**97.81**	**7.4**
	September	97.53	99.44	98.55	97.81	96.80	103.13	99.65	99.76	99.39	104.72	99.87	97.40	97.20	**98.35**	**7.6**
	October	98.05	99.71	98.80	98.31	97.00	103.23	99.70	99.83	99.49	104.78	99.96	98.04	97.67	**98.78**	**7.5**
	November	98.63	100.05	99.15	98.75	97.24	103.38	99.76	99.91	99.67	104.86	99.97	98.66	98.30	**99.28**	**7.7**
	December	99.33	100.55	99.72	99.37	97.60	103.56	99.87	100.00	100.00	105.14	100.00	99.35	99.12	**99.91**	**7.7**
2020	JANUARY	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	**100.00**	**7.4**
	FEBRUARY	98.83	103.46	103.74	100.24	100.99	104.81	101.12	100.40	96.37	99.01	100.00	102.13	116.17	**101.02**	**7.8**
	MARCH	100.83	101.72	99.48	100.24	99.56	102.57	101.89	96.75	95.75	97.93	100.00	99.02	115.87	**101.25**	**7.6**
	APRIL	100.63	100.71	99.12	90.07	101.77	102.57	102.63	97.27	92.75	96.67	100.00	99.51	115.90	**100.67**	**5.6**
	MAY	100.97	101.92	101.66	99.71	102.15	102.69	98.03	97.29	94.22	99.63	100.00	99.51	115.90	**101.42**	**5.4**
	JUNE	100.96	102.35	102.15	99.98	101.82	102.83	99.64	97.31	95.18	100.81	100.00	99.73	115.96	**101.61**	**5.1**
	JULY	101.07	102.62	101.66	100.38	102.43	102.97	99.72	97.45	95.54	101.35	100.00	107.81	116.03	**101.80**	**4.8**
	AUGUST	103.71	102.47	102.01	100.15	101.82	103.06	101.41	95.49	96.23	101.35	100.00	107.67	116.05	**103.12**	**5.4**
	SEPTEMBER	103.73	103.11	102.87	100.53	101.35	103.18	102.20	96.77	96.47	101.35	100.00	107.36	116.42	**103.44**	**5.2**
	OCTOBER	104.54	104.01	102.36	101.09	104.18	103.33	102.55	95.68	96.66	101.35	100.00	108.90	124.14	**104.29**	**5.6**
	NOVEMBER	105.04	104.93	102.40	101.21	104.61	103.56	104.97	96.18	97.92	102.48	185.35	109.03	126.77	**105.00**	**5.8**
	DECEMBER	106.06	104.97	103.46	101.26	104.75	103.64	104.97	95.36	98.13	102.67	185.35	109.58	126.82	**105.57**	**5.7**
2021	JANUARY	108.88	106.08	103.94	103.69	104.62	103.64	106.94	96.76	97.23	101.12	185.35	106.41	127.70	**107.57**	**7.6**
	FEBRUARY	108.84	105.87	103.92	103.61	104.65	103.64	106.94	95.82	97.37	101.37	185.35	106.41	127.41	**107.46**	**6.4**
	MARCH	110.91	106.21	105.32	104.21	104.08	103.85	107.02	96.02	97.68	101.51	185.35	106.41	128.07	**108.71**	**7.4**
	APRIL	108.96	106.84	104.82	104.50	104.12	103.85	109.78	96.53	97.88	101.58	185.35	106.64	128.27	**107.98**	**7.3**
	MAY	111.02	107.12	106.09	104.21	104.13	103.85	110.89	96.02	97.89	101.35	185.35	106.41	128.07	**109.19**	**7.7**
	JUNE	111.99	107.31	106.16	104.32	103.81	103.85	110.89	96.19	98.01	101.64	185.35	106.07	128.07	**109.80**	**8.1**
	JULY	112.65	107.25	105.95	104.44	103.74	103.81	110.84	96.17	97.95	101.64	185.35	105.36	127.99	**110.12**	**8.2**
	AUGUST	112.80	107.43	105.73	104.57	103.42	103.87	112.06	96.17	98.58	102.40	185.35	104.94	128.02	**110.29**	**6.9**
	SEPTEMBER	113.05	108.01	106.04	105.68	103.54	104.10	113.15	96.67	100.16	104.34	185.35	104.32	128.05	**110.69**	**7.0**
	OCTOBER	113.74	109.91	107.36	105.54	103.58	138.14	113.15	96.53	100.32	104.34	185.35	120.91	136.12	**111.95**	**7.3**
	NOVEMBER	114.60	109.98	107.61	105.34	103.84	138.14	113.15	96.55	101.41	105.84	232.27	121.03	136.19	**112.45**	**7.1**
	DECEMBER	116.65	110.13	107.47	108.58	103.82	138.14	111.48	96.56	101.48	105.84	232.27	120.19	136.27	**113.60**	**7.6**

Source: GBoS

Table 26: (A): Gross Domestic Product at Constant Prices (base year = 2013)

Industry (in millions of Dalasi)	2016	2017	2018	2019	2020	2021*
GDP market price	**51,732.66**	**54,227.53**	**58,150.83**	**61,769.00**	**62,134.36**	**64,784.70**
Agriculture, forestry & fishing	**11,785.26**	**11,269.16**	**11,685.14**	**11,672.05**	**12,908.21**	**13,512.64**
Crop	6,566.63	5,352.14	5,201.52	4,467.41	4,851.16	4,407.75
Livestock	1,954.38	1,741.49	1,643.58	1,616.07	1,852.13	1,673.48
Forestry & logging	461.75989	408.00922	333.72318	252.71615	247.25	236.53
Fishing & aquaculture	2,802.48	3,767.53	4,506.31	5,335.86	5,957.67	7,194.88
Industry	**9,423.80**	**9,089.47**	**9,273.81**	**10,643.67**	**11,518.69**	**12,717.07**
Mining & quarrying	231.924	243.23588	279.37922	342.16962	448.11	445.77
Manufacturing	2,734.26	2,519.16	2,488.81	2,359.97	1,660.57	1,166.64
Electricity, gas, etc	572.32685	529.87356	601.03424	682.4321	781.69	836.40
Water supply, sewerage, etc.	435.17013	424.85176	426.35153	465.58378	473.06	445.00
Construction	5,450.12	5,372.35	5,478.23	6,793.52	8,155.25	9,823.26
Services	**26,997.34**	**30,164.90**	**33,216.98**	**35,258.90**	**33,509.13**	**34,139.70**
Wholesale & retail trade; repairs	14,984.58	17,533.52	19,686.98	20,305.11	19,392.02	19,996.33
Transport & storage	1,798.03	1,957.39	2,159.90	2,389.03	2,345.36	2,337.18
Accommodation & food services	880.73145	870.96991	1,033.84	1,208.90	418.17	502.72
Information & Communication	1,814.47	2,321.44	2,578.98	2,929.04	2,977.27	2,996.16
Financial & insurance activities	1,184.65	1,197.95	1,352.32	1,453.64	1,478.84	1,575.29
Real estate activities	1,253.13	1,286.27	1,323.58	1,345.70	1,389.90	1,423.10
Professional, scientific & tech. activities	118.17387	99.902543	93.658565	92.594944	89.62	95.21
Admin & support service activities	660.97098	657.73833	632.90812	611.8053	385.70	405.42
Public admin &defence; social security	1,360.72	1,292.97	1,428.46	1,718.40	1,852.26	1,964.00
Education	1,343.69	1,485.98	1,517.80	1,717.32	1,752.33	1,246.43
Human health & social work activities	370.03763	337.9747	355.72519	455.86944	597.81	648.73
Arts, entertainment & recreation	357.79238	366.05939	363.27986	380.03469	241.81	323.22
Other service activities	870.36249	756.74621	689.5624	651.45169	588.05	625.92
GDP basic price (Gross Value Added)	**48,206.39**	**50,523.53**	**54,175.93**	**57,574.62**	**57,936.02**	**60.369.41**
Taxes less subsidies on products	3,526.27	3,703.99	3,974.90	4,194.38	4,198.34	4,415.28
GDP growth rate	1.94%	4.82%	7.23%	6.22%	0.6%	4.3%
Agriculture	-0.23%	-4.38%	3.69%	-0.11%	10.6%	4.7%
Industry	19.22%	-3.55%	2.03%	14.77%	8.2%	10.4%
Services	-2.08%	11.73%	10.12%	6.15%	-5.0%	1.9%

Source: GBoS

2021* Provisional data

Table 27: (B): Gross Domestic Product at Current Prices (base year = 2013)

Industry (in millions of Dalasi)	2016	2017	2018	2019	2020	2021*
GDP market price	**64389.94**	**70142.19**	**80445.80**	**90793.76**	**93,329.81**	**104,946.66**
Agriculture, forestry & fishing	**14076.53**	**14731.19**	**15985.86**	**18162.43**	**19,826.99**	**23,527.72**
Crop	7130.32	6525.69	6565.26	6195.27	6,729.39	7,666.58
Livestock	2957.40	2936.86	2979.24	3134.60	3,735.50	3,899.98
Forestry & logging	581.26	585.76	590.31	594.88	599.50	604.15
Fishing & aquaculture	3407.55	4682.87	5851.06	8237.67	8,762.59	11,357.01
Industry	**13480.42**	**12550.37**	**13925.51**	**15691.52**	**15,729.51**	**17,933.34**
Mining & quarrying	238.89	324.12	369.80	459.78	499.17	544.77
Manufacturing	3596.99	3134.86	3423.34	3438.52	2,439.07	1,963.24
Electricity, gas, etc	638.76	584.59	1177.21	1404.90	1602.36	1,712.26
Water supply, sewerage, etc	478.91	467.55	463.69	506.36	514.49	483.98
Construction	8526.87	8039.24	8491.46	9881.97	10,674.43	13,229.09
Services	**31421.02**	**37473.71**	**44167.77**	**49731.58**	**50,354.89**	**55,998.37**
Wholesale & retail trade; repairs	18169.20	22902.45	27340.19	30302.76	30,616.41	33,915.33
Transport & storage	2073.52	2295.48	2597.48	2965.79	2,945.81	3,212.71
Accommodation & food services	1074.57	1154.29	1434.73	1870.39	695.41	883.02
Information & Communication	1821.55	2320.36	2548.62	2906.13	3,168.31	3,118.97
Financial & insurance activities	1164.43	1417.06	2449.72	2759.73	3,344.42	3,917.66
Real estate activities	1337.18	1424.66	1504.92	1599.00	1,917.75	2,015.27
Professional, scientific & tech activities	135.88	122.14	121.31	115.07	132.74	128.55
Admin & support services	755.36	844.33	823.00	860.97	565.32	623.51
Public admin &defence; social security	1651.12	1694.96	1994.68	2570.30	2,934.85	3,341.25
Education	1364.57	1507.41	1540.21	1756.99	2,061.17	2,512.98
Human health & social work	486.32	448.75	476.96	623.50	817.07	968.00
Arts, entertainment & recreation	387.61	420.04	450.60	491.42	300.11	411.52
Other service activities	999.70	921.78	885.35	909.55	855.52	949.59
GDP basic price (Gross Value Added)	**58977.97**	**64755.27**	**74079.15**	**83585.53**	**85,911.39**	**97,459.42**
Taxes less subsidies on products	5411.97	5386.92	6366.65	7208.23	7418.42	7,487.24
Population estimates	2,020,414	2,083,429	2,147,677	2,213,134	2,279.88	2,348.04
GDP per Capita (GMD)	31,870	33,667	37,457	41,025	40.94	44.70
GDP per Capita (USD)	727	722	757	807	802	867

Source: GBoS

2021* Provisional data

Table 28: (A): Government Revenues (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Revenue and grants	8,354.3	13,327.8	10,683.7	16,635.1	20,226.17	17,761.63
Domestic Revenue	7,646.7	7,723.2	8,779.9	11,801.5	12,358.68	15,330.91
Tax Revenue	7,014.4	7,099.3	8,103.5	9,954.4	10,832.94	10.832.94
Direct Tax	1,811.8	1,932.3	2,013.3	2,624.8	3,254.03	3,254.03
Personal	758.3	770.8	785.5	962.5	1,093.28	1,093.28
Corporate	944.8	994.5	1,069.2	1,507.4	1,922.13	1,922.13
Capital Gains	44.5	67.7	66.0	103.3	164.81	164.81
Payroll	42.9	53.6	43.5	51.4	73.81	73.81
Other	21.3	45.7	49.2	0.3	-	-
Indirect Tax	5,202.6	5,167.0	6,090.2	7,329.6	7,522.27	7,578.92
Tax on goods & services	1,700.0	1,702.9	2,123.7	2,585.2	2,453.51	2,378.85
Stamp Duties	33.3	42.0	52.9	52.5	52.57	51.29
Excise Duties	732.9	716.9	851.5	1,094.5	923.32	958.95
Domestic Sales Tax	0.0	471.4	587.8	0.0	0.0	0.00
Value Added Tax	893.8	880.2	1,147.2	1,369.3	1,425.34	1,327.22
Other taxes on production	40.0	63.7	72.2	68.8	52.29	41.39
Tax on International Trade	3,502.6	3,464.1	3,966.5	4,744.4	5,068.76	5,200.07
Duty	2,125.9	1,980.5	2,092.2	2,497.3	2,588.06	2,802.93
Sales tax on imports	1,376.7	1,483.6	1,874.3	2,247.1	2,480.70	2,397.13
Nontax Revenue	632.3	623.9	676.4	1,847.1	2,033.03	4,497.96
Grants	707.6	5,604.7	1,903.8	4,833.6	7,907.49	2,430.73

Source: MoFEA

Table 29: (B): Government Revenues (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Expenditure and Net Lending	12,472.6	16,995.3	14,618.2	19,320.3	23,635.73	24,636.64
Current expenditure	9,860.4	9,786.0	10,381.5	12,840.6	17,035.71	16,176.84
Personnel emoluments	2,100.3	2,234.5	2,818.8	3,954.9	4,055.28	4,593.16
Other charges	4,498.9	4,170.8	5,086.0	6,042.8	10,013.54	8,365.92
O/w: Goods and services	2,746.7	2,372.1	2,931.1	3,374.8	5,013.94	3,985.07
Subsidies and transfers	1,752.2	1,798.8	2,155.0	2,667.9	4,999.60	4,380.84
Interest payments	3,261.3	3,380.6	2,476.6	2,842.9	2,966.89	3,217.76
External	456.0	241.2	419.5	370.5	548.02	709.32
Domestic	2,805.3	3,139.4	2,057.1	2,472.4	2,418.87	2,508.44
Capital expenditure	2,588.7	7,194.3	4,199.1	6,479.8	6,600.02	8,459.80
Externally financed	1,954.0	6,403.0	3,493.5	5,500.3	4,837.47	5,285.96
Loans	1,246.4	3,808.0	2,235.3	3,457.0	2,214.01	3,360.07
Grants	707.6	2,595.0	1,258.2	2,043.3	2,623.46	1,925.89
Glf capital	634.7	791.3	705.6	979.5	1,762.55	3,173.84
Net lending	23.5	15.0	37.6	0.0	0	0

Source: MoFEA

Table 30: (C): Fiscal deficit (in millions of GMD)

	2016	2017	2018	2019	2020	2021
Excluding grants	-4,846.2	-9,272.2	-5,838.3	-7,518.8	-11,277.1	-9,305.7
Including grants	-4,141.8	-3,667.5	-3,934.5	-2,685.2	-3,369.6	-6,875.0
Basic balance	-2,895.4	-2,869.2	-2,344.8	-2,018.6	-6,439.6	-4,019.8
Basic Primary Balance	-365.8	511.4	131.8	824.4	-3,472.7	-802.0
Statistical Discrepancy	-8,281.8	-7,252.1	-9,026.8	280.8	664.0	-1,617.7
Financing	4,139.9	3,584.6	5,092.3	2,404.4	2,705.5	8,492.7
External (net)	471.4	5,045.3	2,900.7	2,305.1	1,024.6	4,046.1
Borrowing	1,246.4	6,044.0	2,235.3	3,457.0	2,214.0	4,770.7
Project	1,246.4	3,808.0	2,235.3	3,457.0	2,214.0	3,360.1
Amortization	-775.0	-998.7	665.4	-1,151.8	-1189.4	-724.6
Domestic	3,668.6	-1,460.8	2,191.6	99.3	1,681.0	4,446.6
Borrowing	4,175.7	-1,116.1	3,038.4	1,179.7	2,269.3	4,962.8
Bank	3,687.9	-1,071.3	2,053.1	1,308.9	2,780.5	5,460.4
Nonbank	487.8	-44.8	985.3	-129.1	-511.2	-497.7
Change in Arrears (- decrease)	-507.2	-344.6	-846.8	-1,080.4	-588.3	-516.2

Source: MoFEA

Table 31: Air-chartered tourist arrivals

	2016	2017	2018	2019	2020	2021
January	21,789	13,399	28305	30176	31,142	6,699
February	19,991	17,659	24416	26752	28,862	5,722
March	17,787	16,339	23326	25796	13,343	5,980
April	11,923	11,110	12968	17540	0	4,409
May	7,032	7,733	7501	11668	40	6,006
June	6,510	7,263	8432	11399	153	7,380
July	7,323	8,660	8981	13328	640	9,746
August	6,650	8,163	9230	13274	360	6,476
September	8,431	9,244	8479	11439	984	7,147
October	10,837	11,385	13309	16586	1,561	9,210
November	19,305	22,807	27153	25543	4,456	14,175
December	23,549	28,313	31370	32209	7,691	19,510
Total	**161,127**	**162,075**	**203,470**	**235,710**	**89,232**	**102460**

Source: Gambia Tourism Board

Table 32: Balance of Payments (in millions of USD)

	2016	2017	2018	2019	2020	2021
Current account	-76.1	-95.2	-135.0	-38.8	-86.6	-94.1
Goods and services	-185.2	-282.5	-329.1	-279.8	-515.3	-590.8
Goods	-219.3	-330.6	-421.4	-378.0	-511.8	-575.7
Exports	91.2	139.4	157.7	154.5	70.1	31.7
o/w: Re-exports	62.7	109.7	135.1	124.3	55.9	15.3
Imports (f.o.b.)	310.5	470.0	579.1	532.5	581.8	607.4
Services	34.1	48.1	92.2	98.2	-3.5	-15.1
Exports	96.2	138.7	204.8	205.7	105.6	103.6
Imports	62.1	90.7	112.6	107.6	109.2	118.9
Income	-27.8	-30.2	-18.8	-17.6	-26.2	-50.5
Compensation of employees	-8.9	-11.5	-1.0	-1.7	-2.0	-9.3
Investment income	-18.8	-18.7	-17.8	-15.9	-24.3	-41.1
Current transfers	136.8	217.5	213.0	258.6	400.1	529.6
o/w: Workers' remittances	136.8	153.5	194.1	258.6	400.1	529.6
Capital account	18.5	55.7	55.9	69.4	95.2	22.2
o/w: debt forgiveness	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-92.4	-64.0	-60.8	-6.3	-95.3	-117.0
Direct investment	-71.5	-64.5	-84.8	-76.4	-193.1	-255.6
Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	21.1	-73.3	3.2	-2.0	-30.4	-51.0
Errors and omissions	-35.1	-17.9	18.9	-38.2	-103.9	-45.1
Overall balance	-150.1	-103.5	-139.9	24.2	-112.8	
Change in reserve assets	-42.4	80.3	21.4	70.7	128.1	189.5

Source: CBG