



CENTRAL BANK OF THE GAMBIA

Monetary Policy Report

September 2021

The Central Bank of The Gambia Monetary Policy Report provides a summary of presentations at the Monetary Policy Committee (MPC) meetings. It entails recent macroeconomic developments that informed the decision of the Committee in setting the policy rate. The objective is to keep the public informed of the monetary policy process.

Preface

The Central Bank of The Gambia Monetary Policy Report summarizes developments in key macroeconomic sectors that informed the decision of the Monetary Policy Committee (MPC). The objective is to keep the public informed of the decision-making process in fulfilment of the Bank's reporting obligation and to improve the accountability and transparency of the conduct of monetary policy.

Monetary Policy in The Gambia

The mandate of the Central Bank of The Gambia (CBG) is to achieve and maintain price and financial sector stability as well as create an enabling environment for sustainable economic growth. The Bank continues to operate a monetary targeting framework. Targets for key monetary aggregates are set in line with the Bank's medium-term inflation objective of 5 percent. In addition, the MPC meets to set the monetary policy rate (MPR) to signal the policy stance of the Bank.

Monetary Policy Committee

The Monetary Policy Committee (MPC) was established by the CBG Act (2005) as the apex monetary policy decision-making committee of the Bank. The membership comprises the Governor (Chairman), the two Deputy Governors, heads of Banking, Financial Supervision, and Economic Research Departments of the Bank, and three persons appointed by the Minister of Finance and Economic Affairs. The MPC meets every quarter to review developments in the international and domestic economy and set the monetary policy rate. This signals the policy stance of the Bank. The decision-making process is by consensus. The Chairman communicates the decision of the Committee in a press release and a press conference. The press release and the minutes of each meeting are posted on the Bank's website.

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Executive Summary

The Monetary Policy Committee of the Central Bank of The Gambia met on September 7 and 8, 2021 and decided to maintain the monetary policy rate at 10 percent. The meeting was attended by all the members of the Committee except one.

The IMF latest World Economic Outlook (WEO) of July 2021 projected the global economy to grow at 6.0 percent in 2021 and 4.9 percent in 2022. The July 2021 WEO for 2021 is unchanged from the April 2021 WEO, however, the growth for emerging markets and developing economies were revised downward especially the Emerging Asia while advanced economies were revised upward for 2021. These revisions show development in Covid-19 pandemic and changes in policy support. The 0.5 percentage point improvement for 2022 global growth was mainly from the forecast upgrade of advanced economies, mainly the United States, showing the anticipated bill of extra fiscal stimulus in the second half of 2021 and the improvement in the health environment in the advanced economies.

Global financial conditions continued to be accommodative and helpful to the economic recovery process. Financial conditions in advanced economies, in particular US, have eased since the April WEO. The main driver of the financial easing were rising equity valuations, tighter credit spreads, and rapidly climbing housing prices. However, in most emerging economies, the monetary policy contraction has reduced the gains in the rising asset prices.

Inflation in most economies increased in 2021. Global inflation is projected to edge up to 3.5 percent this year in contrast to 3.2 percent in 2020. This increase is caused by induced aggregate demand, supply chain bottlenecks, and base effects (i.e lower inflation in 2020). The US's consumer prices increased to 5.4 percent at end-June 2021 while UK's inflation rate at 2.5 percent was above the target by 0.5 percentage point. The increase in the global food prices induced upsurge in inflation in the emerging markets, and developing economies. The currency depreciation in emerging markets and developing countries are also contributing factors to the rise in food prices.

On the domestic front, the Gambia Bureau of Statistics (GBoS) projected real GDP growth to contract by 0.2 percent in 2020, lower than the 6.2 percent growth recorded in 2019. Growth estimates by the IMF for 2022 is put at 4.9 percent while the Bank's Composite Index of Economic Activity (CIEA) projects the economy to grow by 1.6 percent.

The deficit in the current account balance improved in the second quarter of 2021 compared to the corresponding period a year ago due to improvement in the services account balance

associated with strong personal transfers (remittances) and increase in personal travels. The goods account balance however deteriorated during the review period on account of increase in imports.

The domestic currency experienced modest pressure during the review period despite the increase in remittance inflows and increase in activity volume of foreign exchange transactions. The increase in the demand side of activity volume surpass the increase in the supply side of activity volume resulting to excess demand of foreign exchange in the market and thus the pressure on the exchange rate.

According to the preliminary numbers from the fiscal authority, the budget deficit (including grants) for the first half of 2021 widened compared to the corresponding period in 2020. Conversely, the deficit in the fiscal balance (excluding grants) shrunk during the review period. Although expenditure and net lending declined during the period, revenue and grants short fall outweighed the decline in government spending accounted for the worsening deficit.

The financial indicators revealed that the banking industry remains fundamentally sound and stable. The industry recorded healthy capital positions and liquidity well above the prudential limits with moderate profit margins. The non-performing loan ratio also declined to lower single digit.

The Non-Bank financial sector (microfinance institutions and mobile money financial services) a vehicle of financial intermediation to those who could not access the conventional banking services due to bank requirements and perceived risk of this segment of the population is making in-roads. The Microfinance Institutions (MFIs) recorded growth in terms of number of institutions, assets, capital and deposits. The number of financial companies increased to six at end-June 2021 relative to existing four in the same period a year ago. Similarly, the total value of transactions for both cash-ins and cash-outs for mobile money transactions increased. On the other hand, loans that are source of income for the FCs decreased for the review quarter relative to the preceding quarter but expanded year-on-year while NPLs of the industry was in double digit, well above the prudential requirement.

The domestic debts stock marginally rose for the first eight (8) months of 2021 compared to the same period in 2020. This marginal increase was achieved through government's efforts in implementing the debt management strategy. In addition, government strategy of smoothing and re-profiling the market, resulted to shift from short dated bills to long dated instruments with maturities of three (3) years and above. Security yields continues to decline

reflecting government's conscious effort of adhering to borrowing limits and available liquidity that could not find its way to government debt.

Money supply growth accelerated at end-June 2021 relative to the corresponding period a year ago mainly on account of the increase in net foreign assets of the banking system. The expansion in broad money was also supported by increase in both narrow and quasi money. Private and public sector credit is gradually picking up as the economy continues to recover from the impact of the pandemic. Reserve money growth, on the other hand, surged in line with expectations, but, within target.

Headline inflation peaked in July 2021 driven by food and non-food inflation. The near-term forecast suggests that underlying inflationary pressures are easing premised on a continued recovery in global food prices and anticipated good harvest in The Gambia.

The near-term prospects for the domestic economy remains positive as signs of recovery begin to manifest through pick in economic activities and tourism numbers. The increase number of vaccine roll mirroring the change in vaccine hesitancy due to negative propaganda could impact positively on the outlook. Uncertainties about the virus and emergene of new strains could weigh down on the recovery prospects.

On th basis of the foregoing developments, the Committee deemed the current monetary policy stance to be appropriate and decided to maintain the Monetary Policy Rate and required reserve rate at 10.0 percent and 13 percent repsectively. The interest rate on the standing deposit facility and the standing lending facility were also kept unchanged at 3.0 percent and 11.0 percent (MPR plus 1 percentage point).

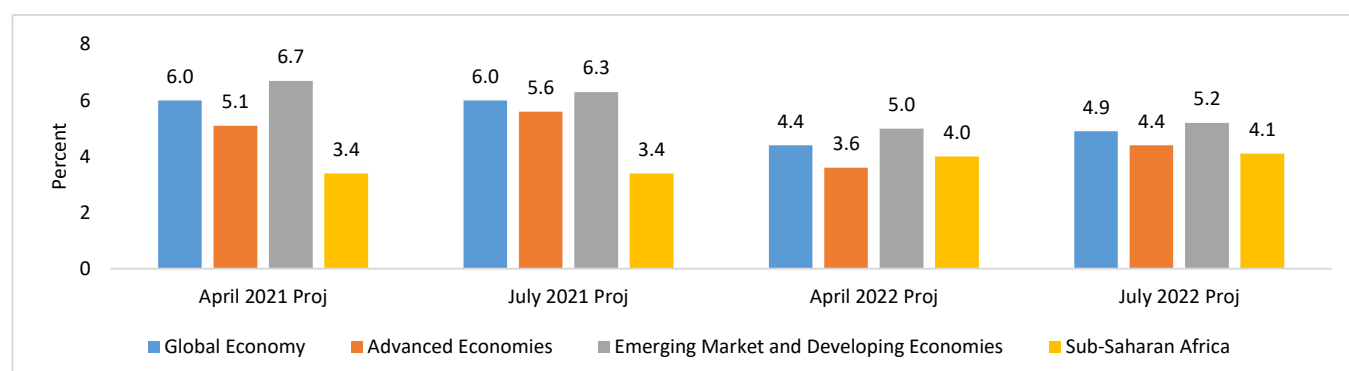
The next Monetary Policy Committee meeting is slated for Wednesday, November 24, 2021 to be followed by the announcement of the policy decision on Thursday, November 25, 2021.

World Economic Outlook

The recovery of the global economy continues with diverging trends among nations due to varying degrees of policy measures and access to COVID-19 vaccines. The outlook is however shrouded by the uncertainties caused by the Covid-19 pandemic. Global inflationary pressure is building amid ease in financial conditions due to policy support from most Central Banks.

In the July 2021 WEO, the International Monetary Fund (IMF) projected global economic growth at 6.0 percent for 2021, unchanged from the projections in April 2021. This reflects the counter effect of an upwards growth revision in advanced economies to 5.6 percent (due to strong policy supports and access to vaccines) and the downward revisions of the growth prospects for emerging markets and developing economies to 6.3 percent (due to the growth markdown for emerging Asia economies). In Sub-Saharan Africa, the projection remain unchanged at 3.4 percent in 2021. Although, there were positive surprises in some economies such as South Africa, this was however offsets by downward revisions in others countries within the region.

FIGURE 1: Global Output Growth, April 2021 Vs July 2020 WEO Projections



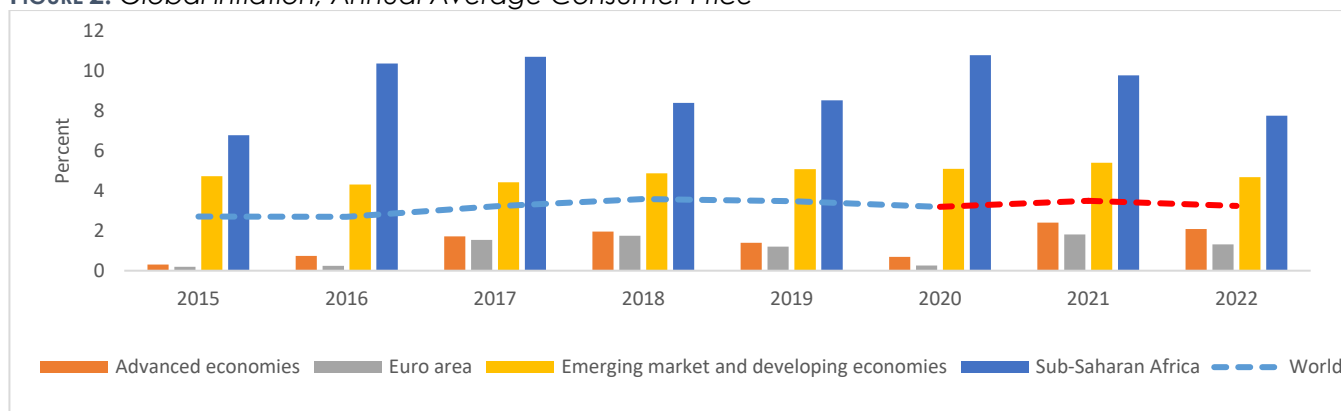
Source: IMF, World Economic Outlook, July 2021, CBG staff calculations

In 2022, the Fund forecast global economic growth at 4.9 percent up by 0.5 percentage points relative to the forecast in April 2021. This mirrors the cumulative effect of an upward growth revision in all the regions; advanced economies 0.8 percentage points, emerging markets and developing economies 0.2 percentage points and Sub-Saharan Africa (SSA) 0.1 percentage points respectively.

Financial conditions in both advanced and developing economies remain accommodative in support of the emerging recovery. However, global average inflation is projected to edged up to 3.5 percent in 2021, 0.3 percentage points higher than the record in 2020. The pick up in global prices reflects the increase in aggregate demand as Covid-19 pandemic and supply

chain bottlenecks eased. In 2022, inflation is expected return to its pre-pandemic level though risks to the outlook remain high.

FIGURE 2: Global inflation, Annual Average Consumer Price



Source: IMF WEO Database, July 2021

Domestic Economy

Real Sector

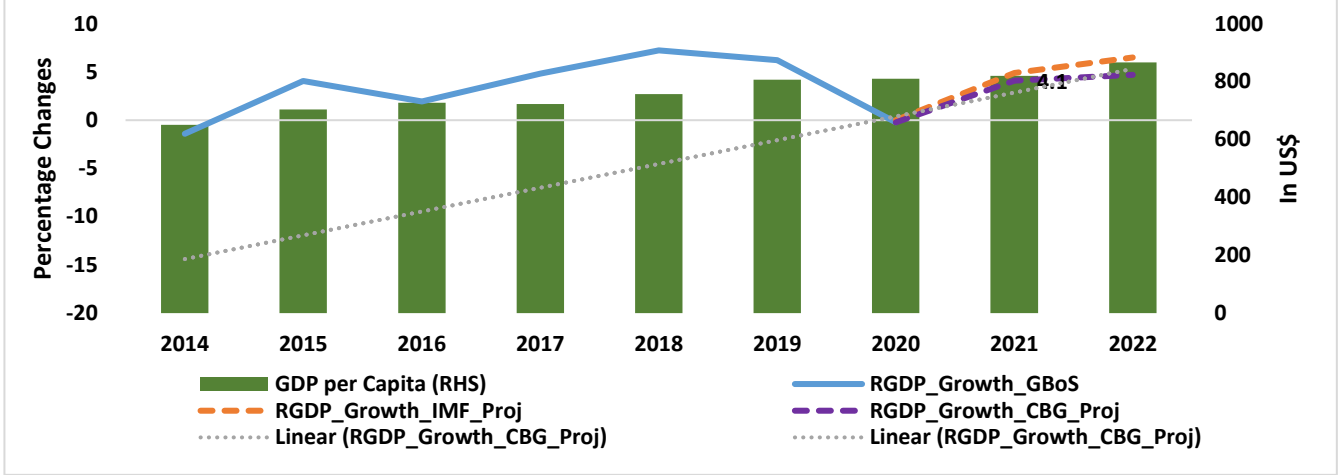
The domestic economy is gradually recovering owing to the strong domestic policy support in response to the pandemic. The momentum is expected to continue in the near term predicated on improving conditions of the global economy.

Reflecting the impact of the COVID-19 pandemic, the Gambia Bureau of Statistics (GBoS) estimated a contraction in real GDP growth by 0.2 percent in 2020 from a growth record of 6.2 percent in 2019. In 2021, domestic economy is expected to rebound as conditions related to the pandemic continue to improve. The central bank of the Gambia lead indicators (CIEA) points to fast recovery. Similarly, the IMF forecast the economy to grow by 4.9 percent in 2021 predicated on a successful vaccine roll out and gradual recovery of the tourism sector.

The agricultural sector remains highly vulnerable due to its entire dependence on rainfall which have been erratic over the years due to climate change. Productivity in the sector in 2021 is expected to remain robust as average rainfall in the country is good. Prospects in the service sector in 2021 will depend on the rebound of Activities in transportation, accommodation, professional services, administration, education, Art, Entertainment and Recreation which significantly contracted during the pandemic. The tourism sector is showing signs of recovery relative to the same period last year due to the roll-out of COVID-19 vaccines and recommencement of international travels. The number of tourist arrival since the first quarter of

2021 started picking-up. However, the outlook for the sector remains fragile due to uncertainties surrounding the pandemic.

FIGURE 3: Real Gross Domestic Product (RGDP) growth and GDP per capita



Source: GBOS, CBG, IMF

Activities in the industry sector were much resilient to the pandemic relative to the other sectors. This is reflected in the increase in activities for Mining & quarrying (25.4 percent), electricity supply (14.5 percent), water supply, sewerage & waste management (1.6 percent), and construction (20.0 percent). In 2021, the sector is expected to accelerate on this trend as the economy gradually returns to normalcy.

FIGURE 4: Arrival Number of Tourist in The Gambia



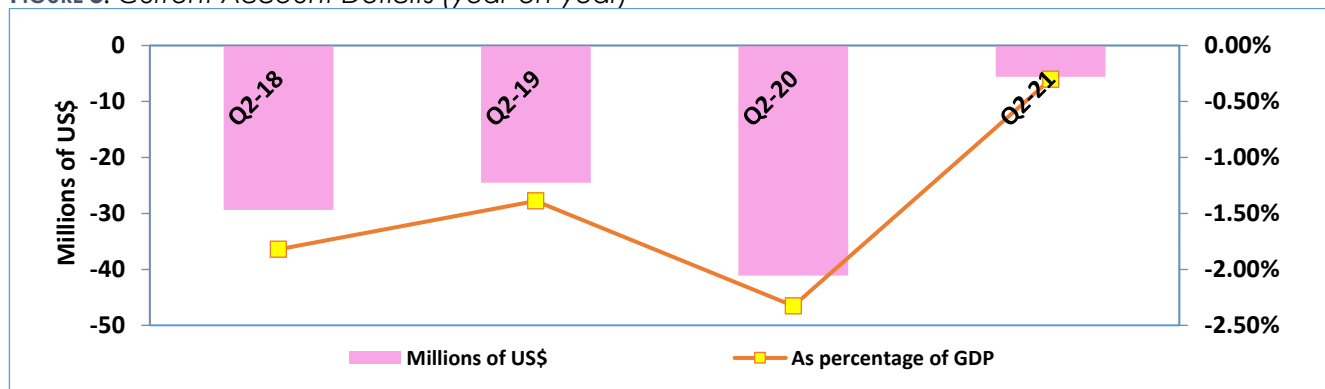
Source: Gambia Tourism Board (GTB)

Balance of Payment Development

The current account balance in the first six months of 2021, improved due to the gradual recovery in tourism, and the strong inflow of remittances.

The current account balance improved to a deficit of US\$5.56 million (0.30 percent of GDP) in the first half of 2021 from a deficit of US\$41.13 million (2.33 percent of GDP) in the corresponding period a year ago. This was supported by strong transfers (Remittances inflows in particular).

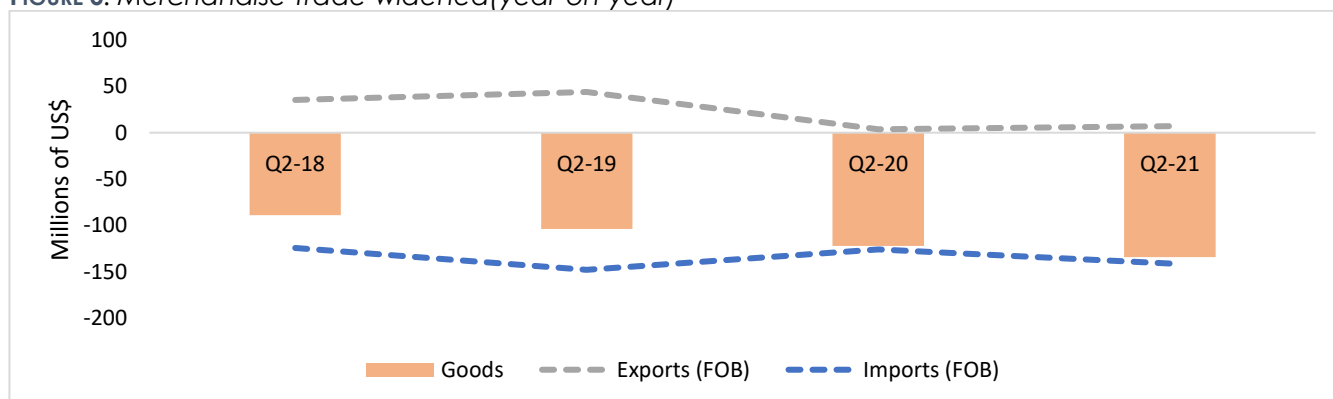
FIGURE 5: Current Account Deficits (year-on-year)



Source: CBG

The goods account balance is estimated at a deficit of US\$134.42 million (7.31 percent of GDP) in the first half of 2021 compared to a deficit of US\$122.38 million (6.92 percent of GDP) in the corresponding period in 2020. The deterioration in the goods accounts mainly reflects high importation of goods during the period relative to a year ago.

FIGURE 6: Merchandise Trade widened (year-on-year)

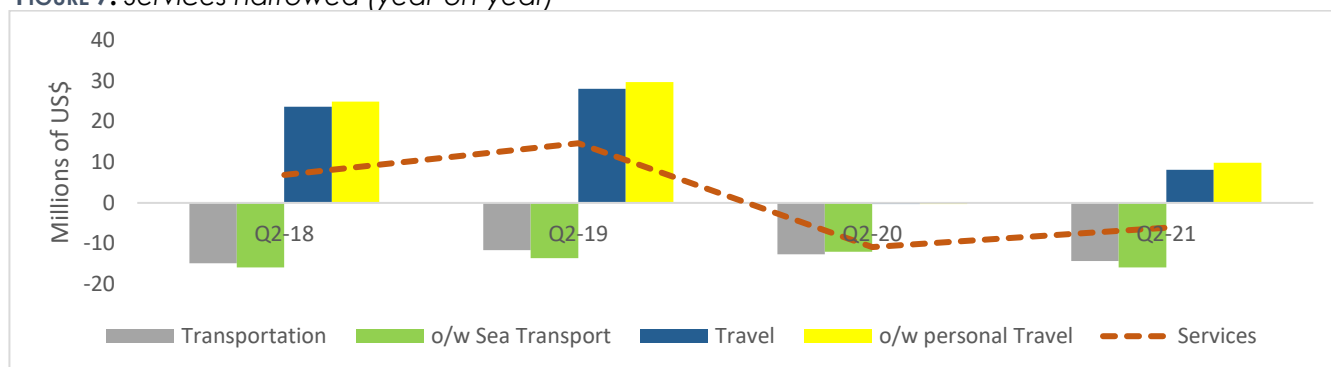


Source: CBG

Total imports (FOB) amounted to US\$141.45 million, higher than US\$126.08 million in the same period in 2020 while exports (FOB) increased to US\$7.03 million in the first half of 2021 from US\$3.69 million in the corresponding period of 2020.

The services account balance, however, improved slightly to a deficit of US\$6.07 million, or by 44.08 percent in the first half of 2021 from a deficit of US\$10.85 million in the same period a year ago. This improvement in the service account balance was due to an increase in personal travels by 36.23 percent to US\$9.83 million, indicating a slight recovery in the tourism sector as evidenced by increase in air-chartered tourist arrivals by 91.20 percent in the first half of 2021.

FIGURE 7: Services narrowed (year-on-year)



Source: CBG

Current transfers (net), over the review period amounted to US\$154.31 million compared to a net inflow of US\$95.91 million in the same period in 2020. Workers' remittances (net), over the review period amounted to US\$146.25 million compared to a net inflow of US\$95.91 million in the same period in 2020, representing an increase of 52.49 percent.

The capital and financial account registered a deficit of US\$52.87 million in the first half of 2021 compared to a deficit of US\$28.75 million a year ago, reflecting deterioration in the financial account. The financial account balance worsened to a deficit of US\$64.75 million in the first half of 2021 from a deficit of US\$61.21 million in the corresponding period a year ago, mainly reflecting the decline in direct investment and other investment.

Gross official reserves as at end-June 2021 stood at US\$318.76 million (6.98 months of import cover) compared to US\$404.94 million (6.55 months of import cover) at end-March 2021. As of August 30, 2021, it stood at US\$340.18 million, representing 734 months of import cover.

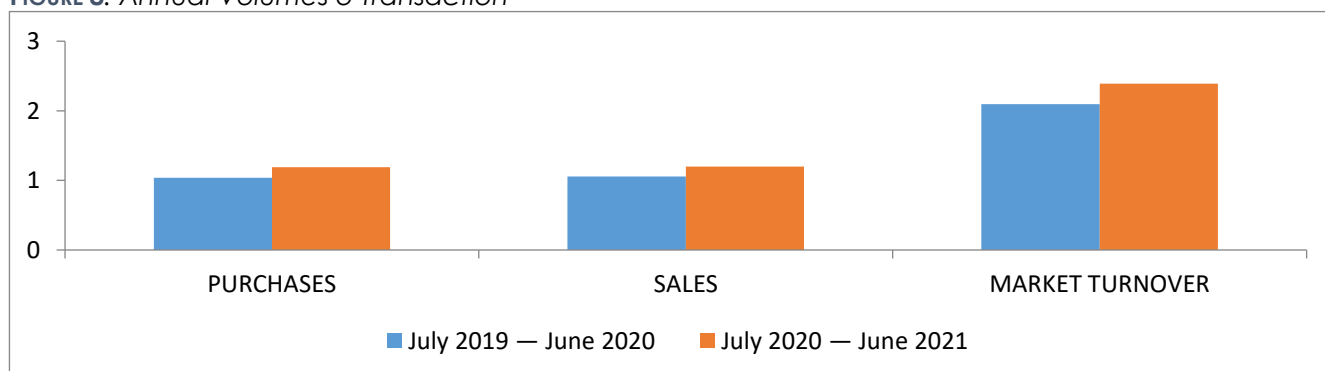
Exchange Rate Development

Although the foreign exchange market continues to be awashed with foreign currency, demand pressure remained resulting to moderate pressure for the local currency.

Year-on-year, transaction volumes in the domestic FX market significantly increased to US\$2.39 billion in June 2021 from US\$2.10 billion in June 2020. Both sales and purchases of FX increased by 0.14 billion and 0.15 billion billion respectively during the period. Market intelligence indicated that most of the demand during the period stemmed from the energy sector, import bills for basic commodities, and demand from the telecommunication sector.

The quarterly development in the inter-bank market revealed that the market turnover increased from US\$613.01 million in the first quarter of 2021 to US\$651.61 million in the second quarter of 2021 supported mainly by the increase in private remittance and project disbursements through the banking system. The US Dollar continued to lead the market as the most traded currency in the inter-bank market. As at June 2021, it accounts for 76.12 percent of the total transactions.

FIGURE 8: Annual Volumes o Transaction



Source: CBG

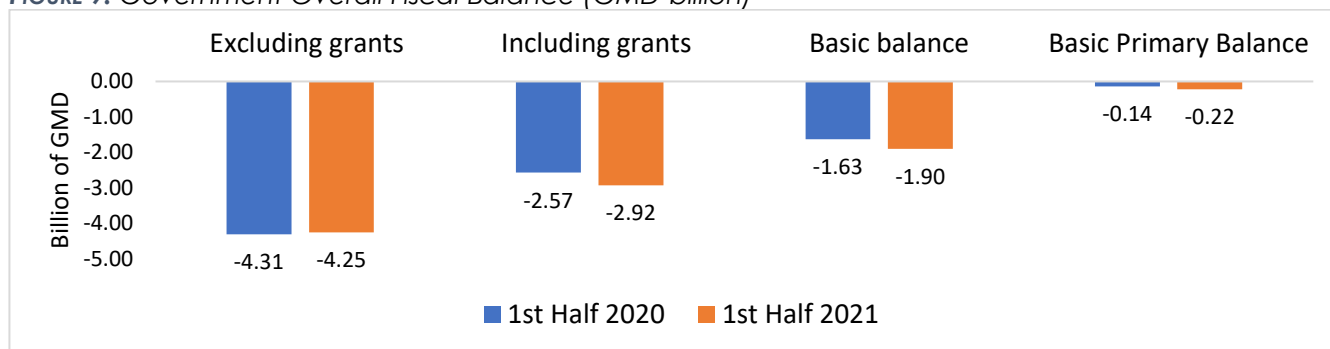
Year-on-year, the dalasi depreciated modestly against the Euro, Pound Sterling and CFA, by 8.26 percent, 11.10 percent, and 8.09 percent, respectively. On the other hand, it appreciated against the US Dollar by 1.18 percent. The depreciation of the dalasi against these currencies was partly due to the constraint in supply given the abysmal performance of the tourism sector as a result of Covid-19 pandemic. However, its impact was mitigated by the significant inflow of remittances. With increasing level of vaccination against the coronavirus, expectations are high that travel restrictions will continue to ease, and the tourism sector will fully recover. Thus, the Dalasi is expected to remain relatively stable in the near term.

Government Fiscal Operations

Provisional data on government fiscal operation in the first half of 2021 revealed a widened fiscal position of the government compared to the same period in 2020 occasioned by shortfall in revenue mobilization during the period.

During the first half of 2021, overall budget deficit (including grants) widened to D2.9 billion (3.1 percent of GDP) compared to a deficit of D2.6 billion (2.7 percent of GDP) in the corresponding period a year ago. This increase was attributed to the decline in revenue and grants. The budget deficit (excluding grants) in contrast, narrowed slightly to D4.2 billion (4.5 percent of GDP) in the first half of 2021 compared to a deficit of D4.3 billion (4.6 percent of GDP) in the corresponding period of the previous year. Consequently, the basic balance and the basic primary balance deficits widened to D1.9 billion and D219.7 million respectively.

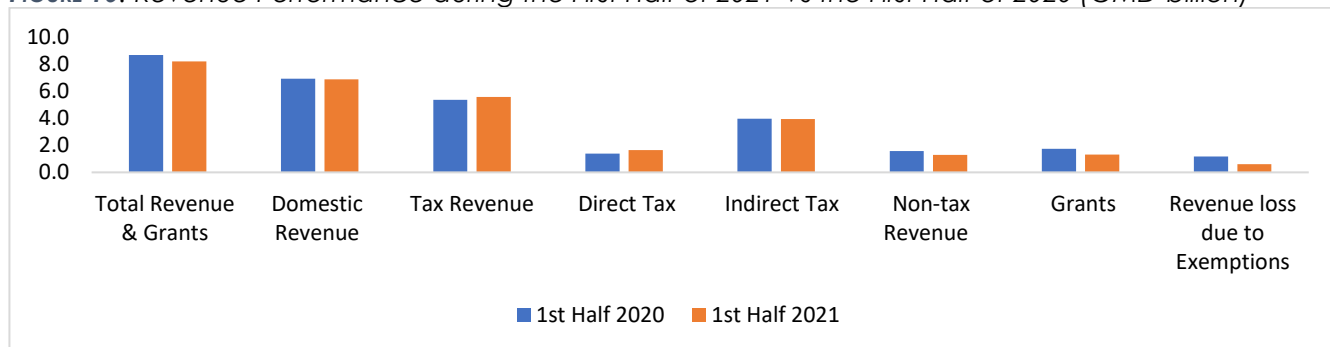
FIGURE 9: Government Overall Fiscal Balance (GMD' billion)



Source: MoFEA, CBG staff calculations

Total revenue including grants as indicated above decreased by 5.4 percent to D8.2 billion (8.7 percent of GDP) in the first half of 2021 compared to D8.7 billion (9.2 percent of GDP) in the same period last year. The contraction in total revenue and grants was mainly driven by a 23.8 percent decline in grants.

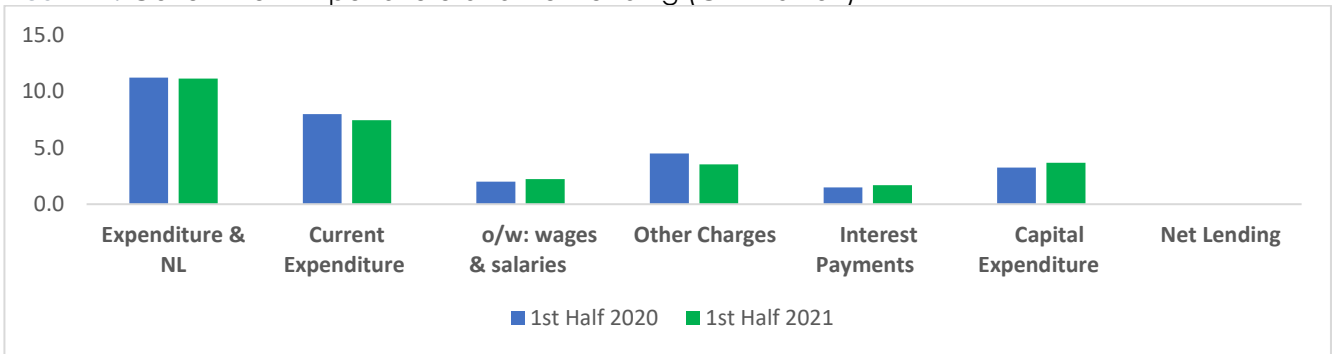
FIGURE 10: Revenue Performance during the First Half of 2021 Vs the First Half of 2020 (GMD' billion)



Source: MoFEA, CBG staff calculations

Similarly, government expenditure and net lending during the period decreased by 1.0 percent to D11.1 billion (11.8 percent of GDP). The contraction in expenditure and net lending was solely driven by a 6.9 percent decrease in recurrent expenditure as capital expenditure increased by 13.5 percent in the review period.

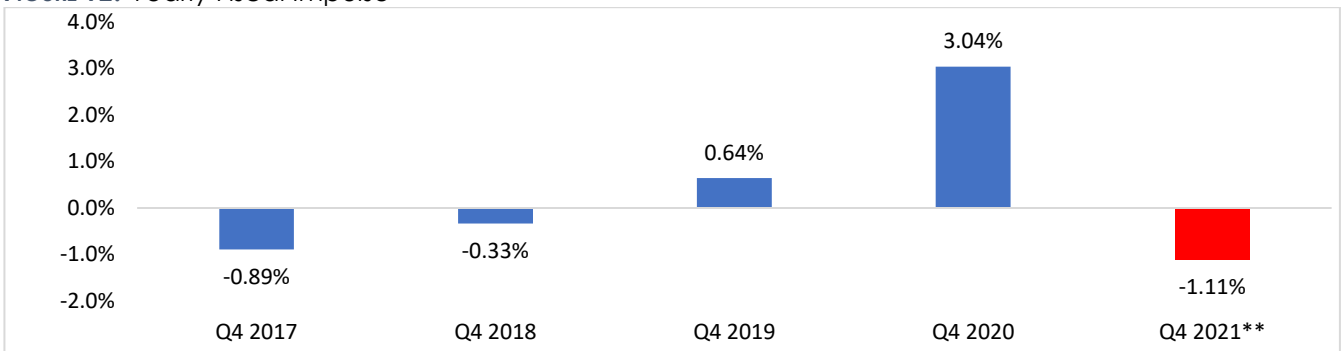
FIGURE 11: Government Expenditure and Net Lending (GMD' billion)



Source: MoFEA, CBG staff calculations

The fiscal impulse measures the impact of government spending on aggregate demands and its impact on inflation. Figure 12 shows a negative fiscal impulse of 1.11 percentage points. This indicates that fiscal policy was contractionary during the review period thus putting less pressure on inflation.

FIGURE 12: Yearly Fiscal Impulse



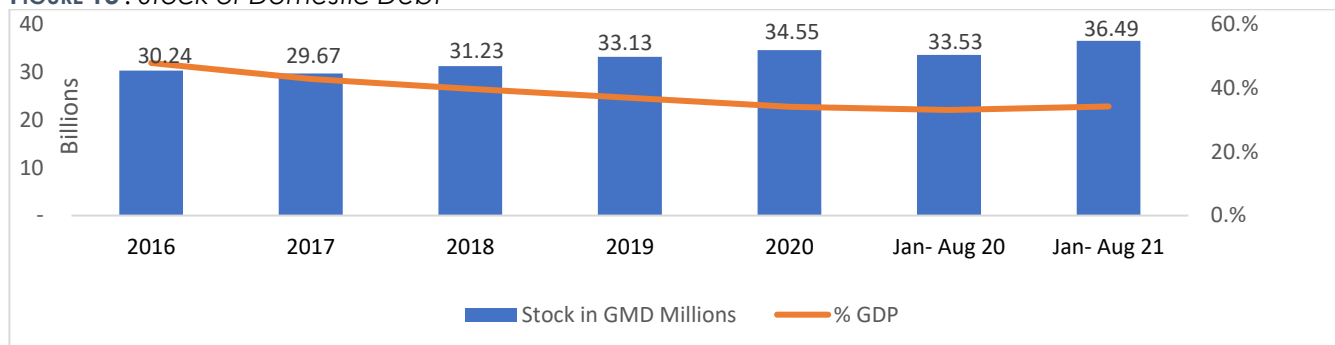
Source: MOFEA & ERD Calculation

Domestic Debt Development

The stock of domestic debt remains high, and its servicing remains a concern. Although more than 50 percent of the outstanding domestic debt stock is in the short-term, government has been working hard to smoothen and reprofile the debt stock.

Total domestic debt stock as at end August 2021 amounted to D36.51 billion (38.12 percent of the GDP) from D33.53 billion (33.06 percent of GDP) in August 2020. The increase was mainly due to the increase in the issuance of treasury bonds to finance infrastructure projects. Short-term debt (Treasury bills and Sukuk-Al-Salaam) constituted 56.4 percent, medium term 18.5 percent and long-term 25.1 percent of the outstanding domestic debt stock. In the eight months ending August 2021, gross domestic borrowing amounted to D2.26 billion relative to D2.22 billion in the same period a year ago.

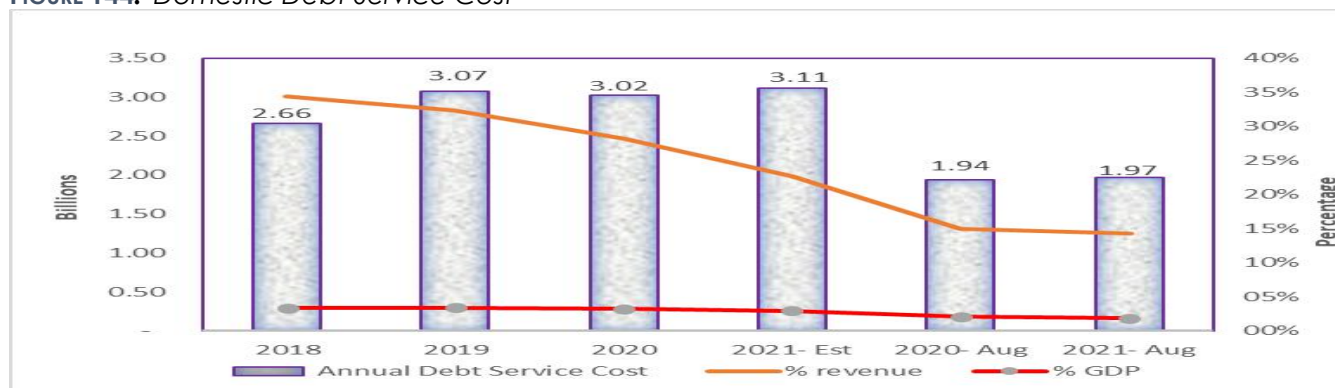
FIGURE 13 : Stock of Domestic Debt



Source: CBG

Domestic debt service totalled D3.11 billion (22.6 percent of domestic revenue) in 2021 compared to D3.02 billion (22.0 percent of domestic revenue) a year earlier. Actual debt service from January to August 2021 increased to D1.97 billion from D1.94 billion in the corresponding period a year ago.

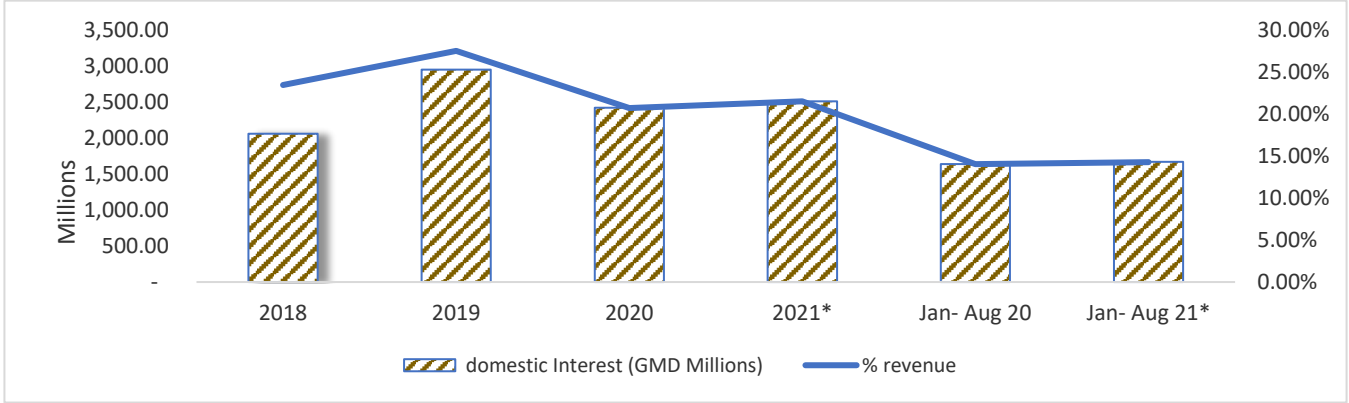
FIGURE 144: Domestic Debt Service Cost



Source: CBG

The domestic interest payment for the first half of this year amounted to D1.34 billion relative to D1.23 billion paid in the same period last year. The increase was induced by payments of both 9 & 9.93 percent 3-year coupons which matured during the period.

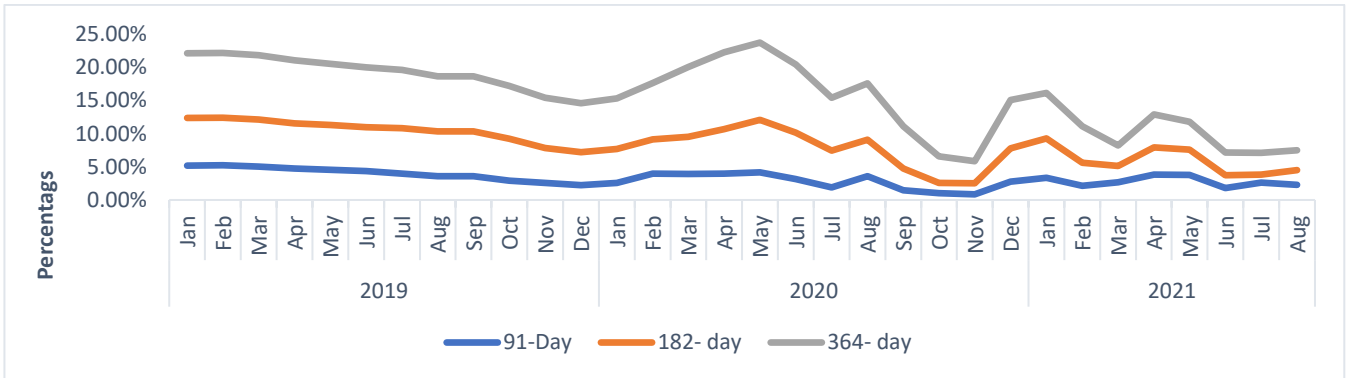
FIGURE 15: Annual Domestic Interest Cost (in GMD Billions)



Source: CBG

Yields on average have been on a downward trend. The 91-days, 182-days and 365-days securities decreased to 2.28 percent, 2.25 percent and 2.97 percent at end-August 2021 from 3.57 percent, 5.50 percent and 8.52 percent respectively in August 2020. The decline in the yields could be attributed to higher demand for securities due to the excess liquidity position of the banks.

FIGURE 16: Interest Rates Corridor



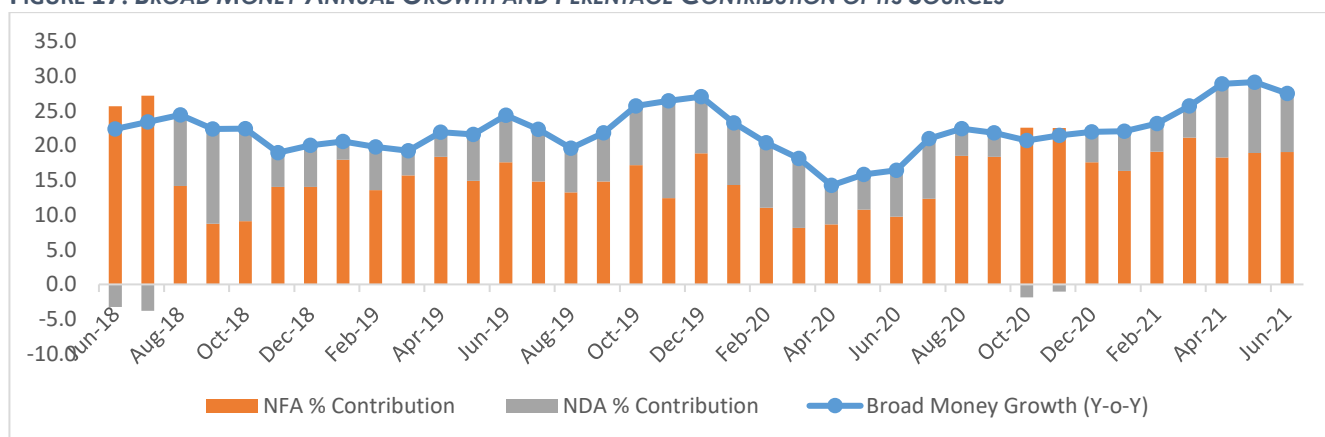
Source: CBG

Monetary Development

Money supply growth was supported by increase in net foreign assets (NFA) of the banking system as well as its components (narrow and quasi money). Although private sector credit growth slowed, there is evidence of pick in economic activities during the review period. The operating target of the Bank (Reserve money) expanded mirroring the supportive policy measures.

Money supply grew by 27.5 percent to D56.61 billion at end-June 2021 compared to 16.4 percent same period last year. Money supply growth was on account of significant expansion in the Net Foreign Assets (NFA) of the banking system (48.9 percent) relative to 27.4 percent as at end-June 2020. Likewise, Net Domestic Assets (NDA) of the banking system also increased by 13.8 percent to D30.9 billion in June 2021, compared to D27.1 billion in the same period in 2020.

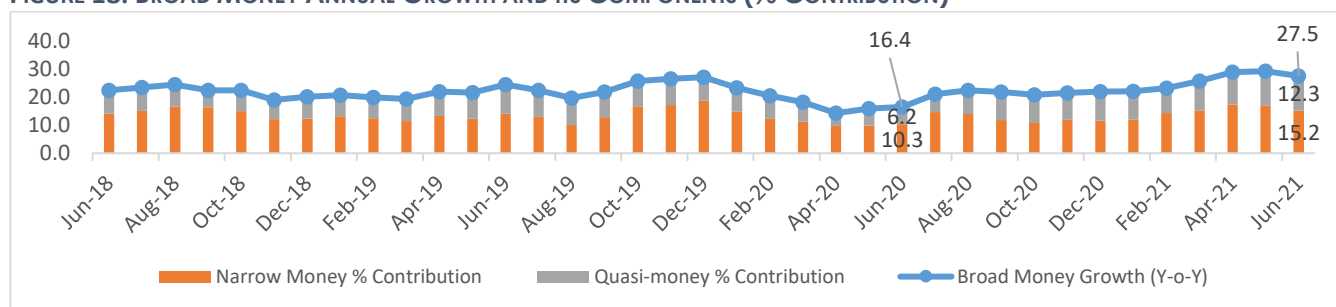
FIGURE 17: BROAD MONEY ANNUAL GROWTH AND PERCENTAGE CONTRIBUTION OF ITS SOURCES



Source: CBG

Growth in broad money is also influenced by its components i.e., narrow, and quasi money. Both narrow and quasi money grew by 27.3 percent and 27.8 percent in June 2021 compared to 18.8 percent and 13.6 percent a year ago. Narrow money contributed 15.2 percent to the growth of broad money while quasi money contributed 12.3 percent.

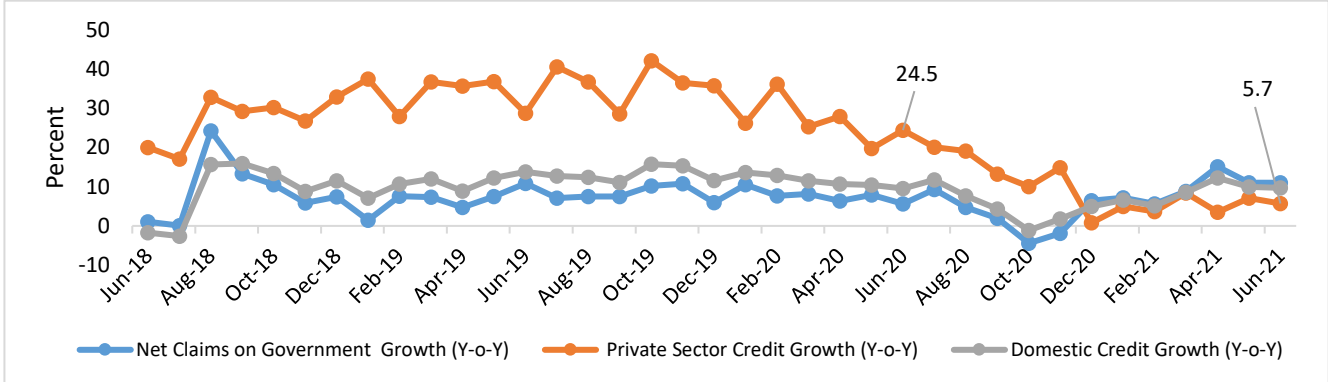
FIGURE 18: BROAD MONEY ANNUAL GROWTH AND ITS COMPONENTS (% CONTRIBUTION)



Source: CBG (Staff calculations)

Private Sector credit grew year-on-year by 5.7 percent at end-June 2021 to D8.16 billion lower than the 28.8 percent registered during the same period in 2019 prio to the pandemic. Despite the lower cost of borrowing, private sector credit growth slowed reflecting the disruption in economic activities due to the COVID-19 pandemic.

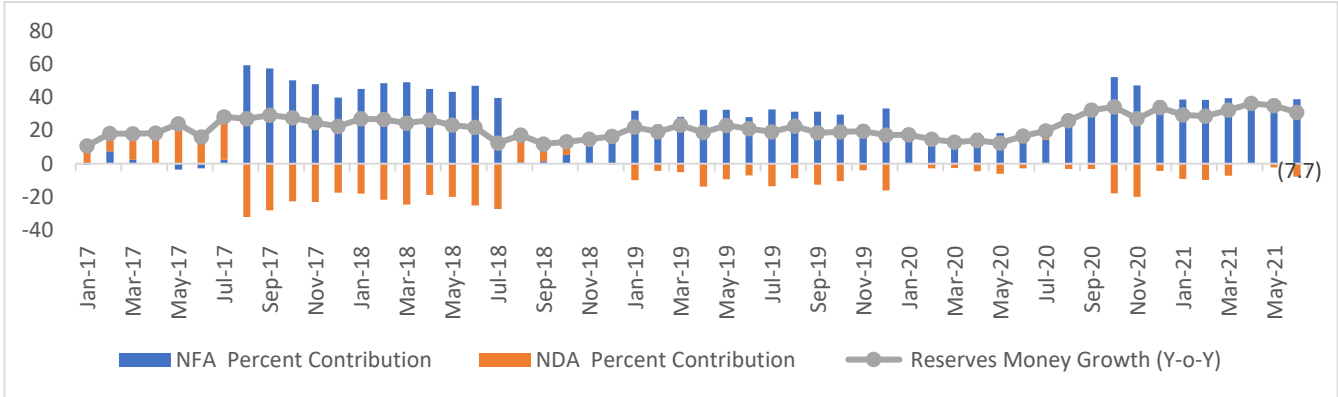
FIGURE 19: Domestic Credit, Private Sector Credit, Net Claim on Govt, Annual Growth



Source: CBG

Reserve money increased by 31.1 percent to D20.2 billion compared to the preceding year record of 16.8 percent. The components of reserve money, currency in circulation and reserves of DMBs, grew by 27.3 percent and 37.1 percent respectively.

FIGURE 20: RESERVE MONEY ANNUAL GROWTH AND ITS SOURCE (% CONTRIBUTIONS)



Source: CBG

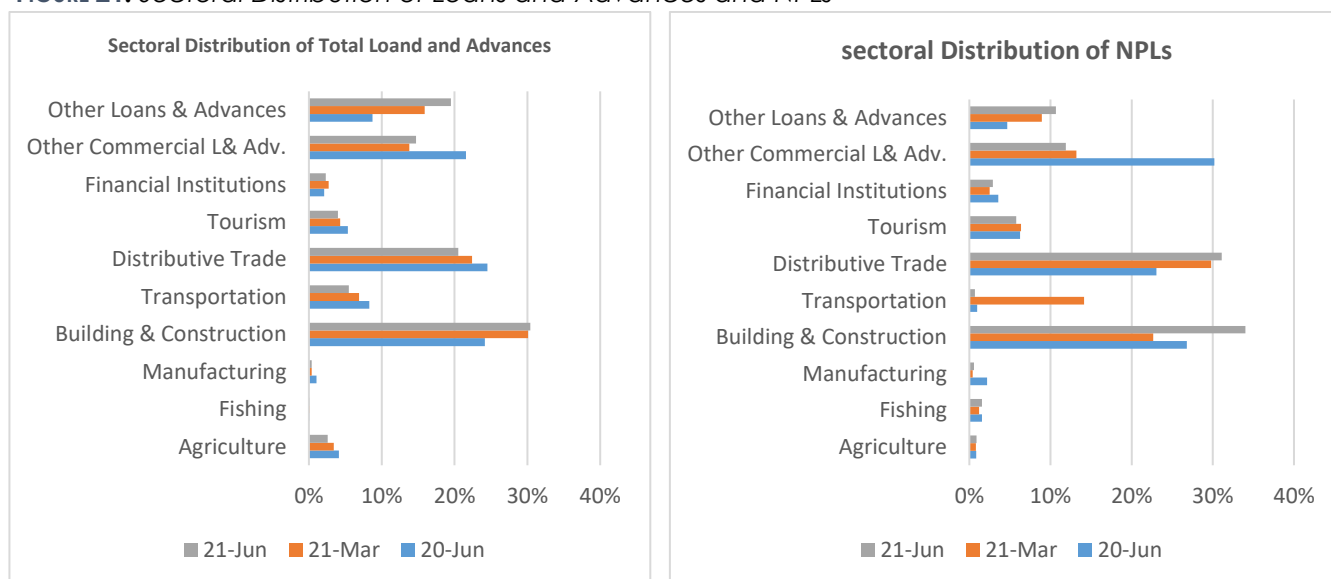
Banking Sector Development

Financial indicators of the banking industry remains within the prudential requirements of the Bank indicating the stability of the industry. The industry's capital and liquidity ratios are healthy amid fair profitable margins.

The banking industry capital adequacy ratio averaged 28.3 percent as at end-June 2021 compared to 35.3 percent a year ago representing a drop of 7.0 percentage points. Compared to end-March 2021, the ratio also dropped by 3.5 percentage points mainly due to the increase in risk-weighted assets. All banks were above the prudential requirement of 10 percent.

Growth in the industry is evident in its asset base. Total assets grew by 4.5 percent to stand at D64.01 billion at end-June 2021 relative to the previous quarter. Compare to a year ago, it increased by 23.6 percent driven mainly by the increase in the cash and bank balances and investment in government securities (bonds and Treasury bills).

FIGURE 21: Sectoral Distribution of Loans and Advances and NPLs



Source: CBG

Reflecting the accommodative policy stance, gross loans, and advances as at end-June 2021 stood at D7.84 billion from D7.62 billion at end-march 2021 and D7.34 billion at end-June 2020. This represents 12.2 percent of the banking industry total assets. The ratio of non-performing loans to total loan stood at 5.6 percent as at end-June 2021 from 4.5 percent in June 2020.

The industry remained highly liquid with liquid asset to total asset ratio of 64.4 percent at end-June 2021, 34.4 percent above the minimum requirement and 1.9 percentage points increase

relative to the June 2020 record of 62.5 percent. The ratio of Liquid asset to deposit as at end-June 2021 was 94.1 percent high enough to meet short-term liabilities.

ROA and ROE at end-June 2021 was 1.8 percent and 16.8 percent from 2.3 percent and 17.6 percent reported in June 2020, respectively. Similarly, both indicators went down when compared to March 2021.

TABLE 1: Summary of financial Highlight as at end-June 2021

		Ratings	Ratio %	Jun 2021	Mar 2021	Dec 2020	Mar 2020	Prudential Limit
Risk	Credit	Satisfactory	NPL	5.6	7.7	6.82	4.9	Single Digit
	Market	Satisfactory	NOP	-2.13	4.03	4.6	2.2	25
	Liquidity	Strong	Liquid Asset/Deposit	94.1	94.3	93.5	95.3	30
		Strong	Liquid Asset/Total Asset	64.4	64.2	65.2	63.2	30
Mitigants	Earnings	Needs Improvement	ROA	1.8	2.1	1.9	2.5	NA
		Needs Improvement	ROE	16.8	17.7	15.3	19.4	NA
	Capital	Strong	CAR	28.3	31.8	32.6	33.2	10

Source: CBG

Non-Banking Sector Development

The Non-Bank financial sector, a pivot for financial inclusion continues to play an important role in reaching the grass roots in financial services. Mobile money financial services is expanding in both volume and value contributing to the rapid expansion of the digital financial space.

Finance Companies' (FCs) assets, capital, deposits and profits continue to grow reflecting the vibrance of the Non-Bank Financial sector. Total capital grew by 2 percent to D375.83 million at end-June 2021 from D368.95 million at end-March 2021 and by 38 percent relative to the corresponding period in 2020. FCs' total assets stood at D2.22 billion as at end-June 2021 from D2.09 billion in March 2021 and D1.60 billion in June 2020. The expansion was largely driven by the increase in loans and holding of government securities.

TABLE 2: Summary of Key Variables for Finance Companies (FCs)

	Levels in Millions of GMD					Annual % Changes	Quarterly % Changes
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Mar-21	Mar-21
Net Income	5.32	14.49	17.60	14.28	8.04	51.1	(43.7)
Total Assets	1,597.24	1,761.66	2,006.50	2,091.67	2,218.58	38.9	6.1
Total Deposit	1,168.23	1,290.12	1,452.64	1,511.71	1,605.83	37.5	6.2
Gross Loan	309.64	273.47	350.22	401.68	449.49	45.2	11.9

Source: CBG

Deposits expanded by 6.2 percent to D1.61 billion at end-June 2021 from D1.51 billion at end-March 2021 and by 37.5 percent a year ago. Net income on the other hand contracted by 43.7 percent to D8.04 million at end-June 2021 and by 51.1 percent from the corresponding period in 2020.

TABLE 3: Key Financial Indicators for Finance Companies (FCs)

Period	NPLs	ROA	ROE	L/R	CAR
Mar-20	8%	1%	8%	70%	39%
Jun-20	15%	0.33%	2%	73%	36%
Sep-20	18%	0.82%	5%	63%	32%
Dec-20	11%	0.8%	5%	58%	32%
Mar-21	10%	0.68%	4%	53%	34%
Jun-21	11%	0.36%	-	60%	34%
Prudential Limit	5%	1%	-	30%	20%

Source: CBG

Total assets of the Credit Unions (CU) rose by 19 percent to D2.19 billion at end-June 2021 from D1.84 billion at end-June 2020. Total deposit grew by 23 percent to D1.81 billion at end-June 2021 from D1.48 billion at end-June 2020. Similarly, total loan outstanding at D1.37 billion, grew by 20 percent at end-June 2021 from a year ago. The loan to deposit ratio at end-June 2021 was 75 percent relative to 77 percent at end-June 2020.

TABLE 4: Key Financial Indicators of the Credit Unions.

	Jun-20	Dec-20	Mar-21	Jun-21	Quarterly Change
Membership	69,771	68,549	89,220	92,118	3.25%
Deposits (000)	1,475.56	1,593.50	1,631.64	1,812.70	11.10%
Loans (000)	1,134.83	1,171.93	1,252.58	1,366.65	9.11%
Assets (000)	1,842.50	2,103.22	2,051.92	2,191.33	6.79%

Source: CBG

The Mobile Financial Services sector for the reporting period has two registered institutions. Year-on-year total value of transaction held in both agents and customers' wallet increased remarkably. This is suggestive of the crucial role of the e-wallet in the financial inclusion drive of the financial sector.

TABLE 5: The Uptake and Usage of Mobile Money Financial Services (in GMD)

	June 2021	Mar. 2021	June 2020	Quarterly Change	Yearly Change
Total electronic value held-in agents' wallet (GMD)	43,186,076	36,115,649	15,831,499	20%	173%
Total electronic value held-in customers' wallet (GMD)	39,334,061	37,285,791	16,172,032	5%	143%
Total value of cash-in transactions (GMD)	67,602,347	64,883,640	38,492,969	4%	76%
Total value of cash-out transactions (GMD)	43,084,532	39,686,320	15,779,408	9%	173%

Source: CBG

Business Sentiment Survey

The Business Sentiment Survey for the second quarter of 2021 indicates an improving economic outlook with the prospects of a vibrant tourist season as interational travels eased and COVID-19 waves dampened resulting to an overall optimism for the upcoming quarter despite some enduring uncertainty.

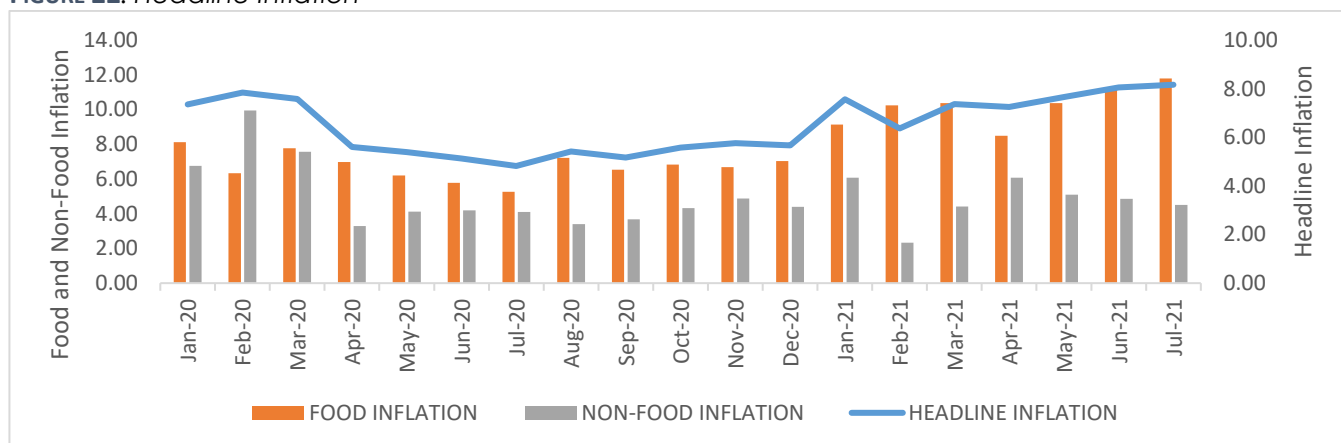
In the review period, respondents expect improvement in economic activites comapre to March 2021. Expectations has been supported by the rollout of Covid-19 vaccines and relaxation of containment measures. Furthermore, they anticipated an increase in inflation in the next quarter mainly due to the current upward trend of commodity prices (food and fuel). On the exchange rate, respondents expect the Dalasi to appreciate moderately as the tourism sector recovers. However, they expect it to remain fairly stable with no large fluctuations.

Price Development (Inflation)

Headline inflation has been on an upward trend decelerated in April 2021 relativsicne the first quarter reflecting underlying inflationary pressures that were building up due surges in commodity prices globally.

Headline inflation accelerated to 8.2 percent in July 2021 from 7.3 percent in April 2021 and 4.8 percent in the corresponding period a year ago. The acceleration is primarily attributed to the rise in prices of most components of the food basket in the review period. Food inflation has risen significantly to 11.8 percent in July 2021 from 8.5 percent in April 2021. However, non-food inflation declined to 4.5 percent in July 2021 relative to 6.1 percent in April 2021.

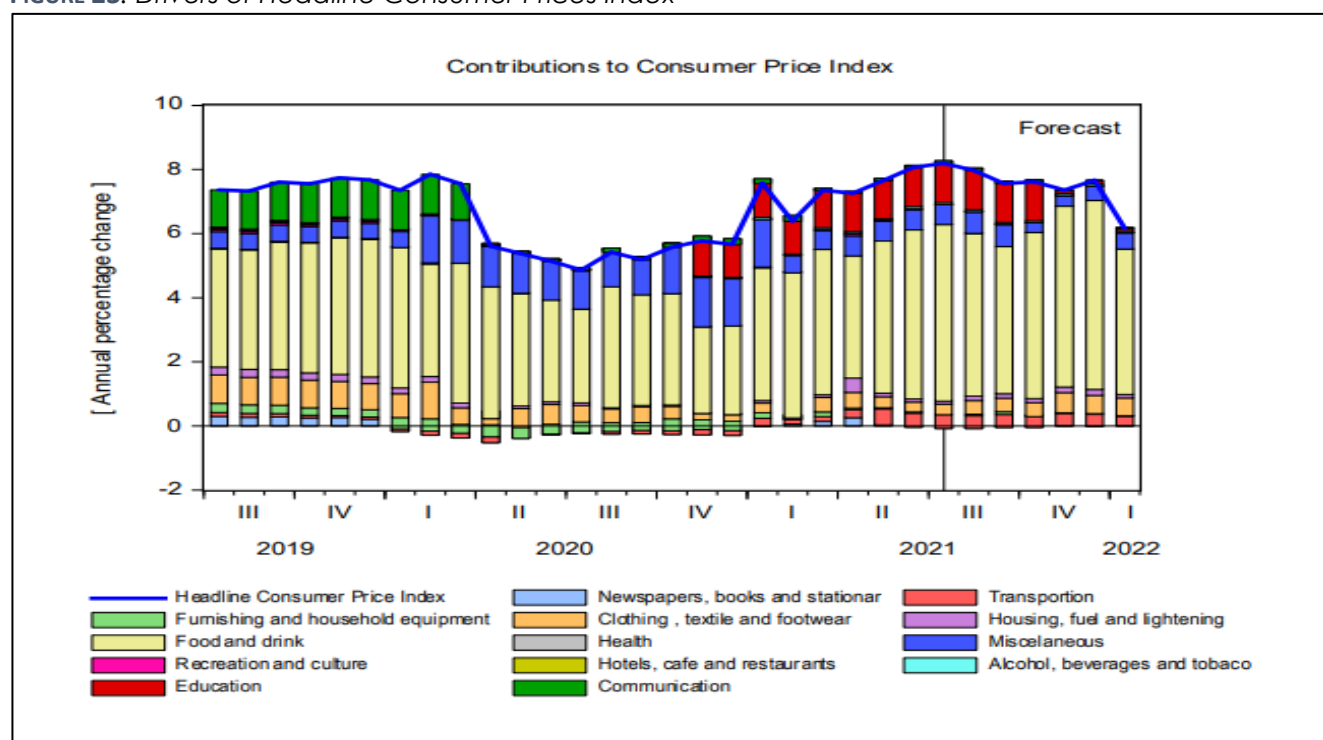
FIGURE 22: Headline Inflation



Source: GBOS and CBG Staff Calculations

The rise in food prices is influenced by the increase in the prices of rice, vegetables, oils and fats, sugar, jam, honey & sweets, non-alcoholic beverages, and other food products. In contrast, the deceleration in non-food prices was induced by decline in prices of miscellaneous goods & services, hotels, cafes and restaurants and education.

FIGURE 23: Drivers of Headline Consumer Prices Index



Source: GBOS and CBG Staff Calculations

The near-term forecast suggests that inflationary pressures are slowing down and may continue into the fourth quarter of 2021. Headline inflation (Seasonally adjusted) is projected to decelerate to 7.6 percent by the end of the third quarter of 2021.

Decision

Based on the above analysis, the Committee decided to keep the policy rate unchanged at 10.0 percent. The Committee also decided to maintain the required reserve (RR), interest rate on the standing deposit facility and the standing lending facility at 13 percent, 3.0 percent and at 11.0 percent respectively.

Next MPC Meeting

The next Monetary Policy Committee (MPC) meeting is slated for Wednesday, November 24, 2021 to be followed by the announcement of the policy decision on Thursday, November 25, 2021.

APPENDIX

TABLE 6 : Overview of the World and regional Economic growth and Outlook (Percent change)

Group Name	Estimates						Projections		
	2015	2016	2017	2018	2019	2020	2021	2022	2023
World	3.5	3.3	3.8	3.6	2.8	-3.3	6.0	4.4	3.5
Advanced economies	2.4	1.8	2.5	2.3	1.6	-4.7	5.1	3.6	1.8
Euro area	2.0	1.9	2.6	1.9	1.3	-6.6	4.4	3.8	1.9
Major advanced economies (G7)	2.2	1.5	2.2	2.1	1.5	-5.0	5.4	3.6	1.5
Advanced economies excluding G7 and euro area	2.3	2.6	3.1	2.8	1.8	-2.1	4.4	3.4	2.5
European Union	2.5	2.1	3.0	2.3	1.7	-6.1	4.4	3.9	2.3
Emerging market and developing economies	4.3	4.5	4.8	4.5	3.6	-2.2	6.7	5.0	4.7
Emerging and developing Asia	6.8	6.8	6.6	6.4	5.3	-1.0	8.6	6.0	5.8
Emerging and developing Europe	1.0	1.9	4.1	3.4	2.4	-2.0	4.4	3.9	3.0
ASEAN-5	5.0	5.1	5.5	5.3	4.8	-3.4	4.9	6.1	5.7
Latin America and the Caribbean	0.4	-0.6	1.3	1.2	0.2	-7.0	4.6	3.1	2.7
Middle East and Central Asia	2.8	4.7	2.5	2.0	1.4	-2.9	3.7	3.8	3.6
Sub-Saharan Africa	3.2	1.5	3.1	3.2	3.2	-1.9	3.4	4.0	4.1

Source: IMF, World Economic Outlook, January 2021

TABLE 7: Annual average inflation (percent changes in average cpi)

Country Group Name	Estimates						Projections		
	2015	2016	2017	2018	2019	2020	2021	2022	2023
World	2.7	2.7	3.2	3.6	3.5	3.2	3.5	3.2	3.1
Advanced economies	0.3	0.8	1.7	2.0	1.4	0.7	1.6	1.7	1.8
Euro area	0.2	0.2	1.5	1.8	1.2	0.3	1.4	1.2	1.4
Major advanced economies (G7)	0.3	0.8	1.8	2.1	1.5	0.8	1.7	1.8	1.9
Advanced economies excluding G7 and euro area)	0.5	0.9	1.5	1.6	1.1	0.5	1.3	1.2	1.5
European Union	0.1	0.2	1.6	1.9	1.4	0.7	1.6	1.4	1.6
Emerging market and developing economies	4.7	4.3	4.4	4.9	5.1	5.1	4.9	4.4	4.0
Emerging and developing Asia	2.7	2.8	2.4	2.7	3.3	3.1	2.3	2.7	2.6
Emerging and developing Europe	10.6	5.6	5.6	6.4	6.6	5.4	6.5	5.4	5.3
ASEAN-5	3.1	2.3	3.1	2.9	2.1	1.4	2.4	2.7	2.7
Latin America and the Caribbean	5.5	5.5	6.3	6.6	7.7	6.4	7.2	6.6	5.4
Middle East and Central Asia	5.6	5.7	6.9	9.5	7.4	10.2	11.2	8.1	6.9
Sub-Saharan Africa	6.8	10.4	10.7	8.4	8.5	10.8	9.8	7.8	6.9

Source: IMF WEO Database, April 2021

TABLE 8: Real Gross Domestic Product (percent changes)

	2014	2015	2016	2017	2018	2019	2020
Real Gross Domestic Product (RGDP)	-1.4	4.1	1.9	4.8	7.2	6.2	-0.2
Agriculture, forestry and fishing	-12.4	4.0	-0.2	-4.4	3.7	-0.1	11.7
Crop	-14.0	5.8	-2.6	-18.5	-2.8	-14.1	16.9
Livestock	-2.8	-16.3	-3.0	-10.9	-5.6	-1.7	-0.7
Forestry and logging	-4.2	1.1	-16.0	-11.6	-18.2	-24.3	-2.2
Fishing and aquaculture	-18.9	22.8	12.0	34.4	19.6	18.4	11.7
Industry	9.6	22.6	19.2	-3.5	2.0	14.8	9.9
Mining and quarrying	97.6	-7.3	-8.1	4.9	14.9	22.5	25.4
Manufacturing	3.3	2.6	-7.0	-7.9	-1.2	-5.2	-21.2
Electricity, gas, steam and air conditioning supply	6.0	10.1	7.3	-7.4	13.4	13.5	14.5
Water supply, sewerage, waste management and remediation activities	17.9	4.5	8.4	-2.4	0.4	9.2	1.6
Construction	11.5	54.7	44.4	-1.4	2.0	24.0	20.0
Services	1.4	-0.2	-2.1	11.7	10.1	6.1	-7.2
Wholesale and retail trade; repair of motors and motorcycles	1.4	0.3	-5.4	17.0	12.3	3.1	-4.7
Transport and storage	9.3	-16.0	13.1	8.9	10.3	10.6	-13.6
Accommodation and food service activities	-7.6	-12.9	20.8	-1.1	18.7	16.9	-65.4
Information and Communication	-3.5	9.5	-2.7	27.9	11.1	13.6	1.8
Financial and insurance activities	4.7	2.4	-7.4	1.1	12.9	7.5	4.3
Real estate activities	10.7	1.0	0.2	2.6	2.9	1.7	-0.5
Professional, scientific, and technical activities	3.0	-1.5	10.9	-15.5	-6.3	-1.1	-9.9
Administrative and support service activities	10.1	3.1	-2.0	-0.5	-3.8	-3.3	-33.1
Public administration and defence; compulsory social security	-13.0	1.9	-11.1	-5.0	10.5	20.3	5.3
Education	-3.9	5.1	15.0	10.6	2.1	13.1	-8.0
Human health and social work activities	-21.9	-8.9	12.5	-8.7	5.3	28.2	34.1
Arts, entertainment, and recreation	30.5	23.6	4.1	2.3	-0.8	4.6	-39.2
Other service activities	27.3	-5.4	1.5	-13.1	-8.9	-5.5	-46.2
GDP basic price (Gross Value Added)	-1.5	4.0	1.9	4.8	7.2	6.3	-0.2
Taxes less subsidies on products (+)	-0.7	4.2	2.0	5.0	7.3	5.5	-0.4

Source: GBoS, CBG Staff Calculation

TABLE 9: Summary of current account balance

	Q1-19	Q2-19	Q3-19	Q4-19	Annual -19	Q1-20	Q2-20	Q3-20	Q4-20	Annual -20	Q1-21	Q2-21
C/ Account	2.24	-24.54	-15.59	-0.95	-38.84	-38.55	-41.17	-8.16	-0.15	-88.03	-4.71	-5.54
Goods	-90.32	-104.13	-91.06	-92.51	-378.01	-155.13	-122.38	-126.44	-107.81	-511.76	-126.24	-134.42
Services	40.22	14.64	11.96	31.38	98.19	12.99	-10.85	-7.12	-0.03	-5.01	-0.78	-6.07
Income	-4.57	-3.37	-6.50	-3.15	-17.59	-8.12	-3.85	-7.16	-7.12	-26.24	-7.58	-19.36
C/Transfers	56.91	68.33	70.00	63.33	258.57	111.71	95.91	132.56	114.81	454.99	129.89	154.31

Source: CBG

TABLE 10: Summary of goods account balance

	Q1-19	Q2-19	Q3-19	Q4-19	Annual -19	Q1-20	Q2-20	Q3-20	Q4-20	Annual -20	Q1-21	Q2-21
Goods	-90.32	-104.13	-91.06	-92.51	-378.01	-155.13	-122.38	-126.44	-107.81	-511.76	-126.24	-134.42
Exports (FOB)	37.10	43.97	38.82	34.57	154.46	54.25	3.69	7.59	4.52	70.06	13.56	7.03
Imports (FOB)	-127.42	-148.09	-129.88	-127.08	-532.47	-209.38	-126.08	-134.03	-112.32	-581.82	-139.80	-141.45

Source: CBG

TABLE 11: SUMMARY OF SERVICES ACCOUNT BALANCE

	Q1-19	Q2-19	Q3-19	Q4-19	Annual -19	Q1-20	Q2-20	Q3-20	Q4-20	Annual -20	Q1-21	Q2-21
Services	40.22	14.64	11.96	31.38	98.19	12.99	-10.85	-7.12	-0.03	-5.01	-0.78	-6.07
Transportation	-10.84	-11.62	-10.04	-7.74	-40.24	-21.10	-12.59	-8.71	-7.08	-49.47	-8.88	-14.25
o/w Sea Transport	-13.53	-13.54	-11.92	-9.58	-48.57	-22.92	-11.98	-9.83	-8.16	-52.89	-10.53	-15.83
Travel	51.89	27.99	22.73	40.03	142.64	36.29	-0.28	-0.07	5.68	41.62	8.83	8.11
o/w personal Travel	53.46	29.69	24.26	41.67	149.08	37.94	-0.28	0.73	6.84	45.23	9.42	9.83

Source: CBG

TABLE 12: SUMMARY OF CURRENT TRANSFERS

	Q1-19	Q2-19	Q3-19	Q4-19	Annual -19	Q1-20	Q2-20	Q3-20	Q4-20	Annual -20	Q1-21	Q2-21
C/Transfers	56.91	68.33	70.00	63.33	258.57	111.71	95.91	132.56	114.81	454.99	129.89	154.31
General Government	0.00	0.00	0.00	0.00	0.00	44.53	0.00	10.36	0.00	54.89	0.00	8.06
Other Sectors	56.91	68.33	70.00	63.33	258.57	67.18	95.91	122.20	114.81	400.10	129.89	146.25
o/w Workers' Remittances	56.91	68.33	70.00	63.33	258.57	67.18	95.91	122.20	114.81	400.10	129.89	146.25

Source: CBG

TABLE 13: SUMMARY OF CAPITAL AND FINANCIAL ACCOUNT BALANCE

	Q1-19	Q2-19	Q3-19	Q4-19	Annual -19	Q1-20	Q2-20	Q3-20	Q4-20	Annual -20	9 Months	Q1-21	Q2-21
Capital Account	19.28	13.26	19.54	17.30	63.08	8.60	32.47	30.91	23.17	95.16	71.98	3.29	11.88
Financial Acc	9.58	-11.80	12.98	-17.06	-6.30	6.69	-61.21	-10.60	-26.11	-91.23	-65.12	-30.15	-44.84
o/w Direct Investment	-20.05	-22.08	-15.11	-17.75	-74.99	-24.40	-65.49	-49.21	-53.96	-193.06	-139.10	-60.39	-70.32
o/w Other Investment	-5.55	2.75	21.05	-20.24	-1.98	28.17	-38.57	-11.48	-8.52	-30.40	-21.88	-6.69	0.10
o/w Change in Reserve Assets	35.18	7.53	7.04	20.93	70.68	2.92	42.85	50.09	36.38	132.23	95.85	36.93	25.38

Source: CBG

TABLE 14: INTER-BANK TRANSACTIONS VOLUMES (IN OF MILLIONS OF GMD AND US\$)

	2020								2021	
	Q1		Q2		Q3		Q4		Q2	
	GMD	US\$	GMD	US\$	GMD	US\$	GMD	US\$	GMD	US\$
Purchase	4081.28	292.70	7052.64	225.25	9398.71	288.22	11263.94	268.77	16,710.94	329.23
Sales	3849.23	298.80	7021.73	231.20	9653.62	295.01	11131.46	274.49	16,520.47	322.38
Total	7930.51	591.50	14074.37	456.45	18758.26	583.23	22395.40	543.26	33,231.41	651.61

Source: CBG

TABLE 15: TABULAR PRESENTATION OF REMITTANCE VOLUME FOR THE PERIOD 2018 TO 2021

	2018	2019	2020	2021
JANUARY	21,532,586.84	24,448,797.74	29,221,898.77	60,529,059.92
FEBRUARY	18,479,201.22	24,057,774.33	29,660,562.54	55,935,841.44
MARCH	23,405,912.69	27,561,110.49	32,757,153.22	73,760,796.95
APRIL	22,549,324.03	28,887,823.24	46,240,805.21	75,288,736.65
MAY	27,670,579.13	34,076,473.08	52,829,616.76	67,372,157.19
JUNE	24,817,899.88	26,367,949.87	60,329,939.40	70,675,225.47
JULY	23,188,841.58	29,356,483.10	67,820,333.54	72,449,279.29
AUGUST	26,428,995.52	28,687,523.13	49,177,478.95	
SEPTEMBER	21,812,547.12	26,162,716.54	52,959,680.57	
OCTOBER	23,319,207.05	27,228,833.59	53,590,857.43	
NOVEMBER	21,628,133.23	25,891,871.26	52,461,576.67	
DECEMBER	23,051,169.36	27,066,592.38	62,759,796.45	
TOTAL	277,884,397.65	329,793,948.77	589,809,699.51	476,011,096.91

Source: CBG

TABLE 16: THE OVERALL BUDGET BALANCE

Overall balance	GMD' million		% of GDP		Y-o-Y % Δ
	1st Half 2020	1st Half 2021	1st Half 2020	1st Half 2021	H1 2020 -H12021
Excluding grants	-4309.87	-4249.26	-4.57	-4.51	-1.41
Including grants	-2569.43	-2923.13	-2.73	-3.10	13.77
Basic balance	-1631.30	-1896.70	-1.73	-2.01	16.27
Basic Primary Balance	-137.52	-219.71	-0.15	-0.23	59.77
CBG Financing	615.18	-141.24	0.65	-0.15	-122.96

Source: MoFEA, CBG staff calculations

TABLE 17: SUMMARY OF GOVERNMENT REVENUES

RECEIPTS	GMD' million		% of GDP		Y-o-Y % Δ	1st half Proj 2021	Performance
	1st Half 2020	1st Half 2021	1st Half 2020	1st Half 2021	1st 2020-1st 2021		
Total Revenue & Grants	8,664.44	8,199.64	9.19	8.70	-5.36	8,481.02	-281.38
Domestic Revenue	6,924.00	6,873.51	7.34	7.29	-0.73	7,173.02	-299.51
Tax Revenue	5,355.32	5,584.03	5.68	5.92	4.27	6,001.56	-417.53
Direct Tax	1,393.14	1,652.88	1.48	1.75	18.64	1,601.62	51.26
Personal	475.21	541.28	0.50	0.57	13.90	560.70	-19.42
Corporate	829.26	985.21	0.88	1.05	18.81	946.68	38.53
Indirect Tax	3,962.18	3,931.15	4.20	4.17	-0.78	4,399.93	-468.78
Domestic Tax on gds & svs	1,352.04	1,236.01	1.43	1.31	-8.58	1,415.04	-179.03
Tax on Int'l. Trade	2,610.14	2,695.14	2.77	2.86	3.26	2,984.89	-289.75
Duty	1,295.89	1,467.60	1.37	1.56	13.25	1,520.75	-53.15
Sales tax on imports	1,314.25	1,227.54	1.39	1.30	-6.60	1,464.14	-236.60
Non-tax Revenue	1,568.68	1,289.48	1.66	1.37	-17.80	1,171.47	118.01
Grants	1,740.44	1,326.13	1.85	1.41	-23.80	1,308.00	18.13
Program	505.61	749.17	0.54	0.79	48.17	0.00	749.17
Projects	1,234.83	576.96	1.31	0.61	-53.28	0.00	576.96
Revenue loss due to Exemptions	1,165.71	608.64	1.24	0.65	-47.79		

Source: MOFEA & CBG staff Calculation

TABLE 18: GOVERNMENT EXPENDITURES AND NET LENDING

PAYMENTS	GMD' million		% of GDP		Y-o-Y % Δ
	1st Half 2020	1st Half 2021	1st Half 2020	1st Half 2021	1st 2020-1st 2021
Expenditure & NL	11233.87	11122.77	11.92	11.80	-0.99
Current Expenditure	7996.78	7447.25	8.48	7.90	-6.87
Personnel Emoluments	2005.88	2234.98	2.13	2.37	11.42
o/w: wages & salaries	2005.88	2234.98	2.13	2.37	11.42
Other Charges	4497.12	3535.28	4.77	3.75	-21.39
Interest Payments	1493.78	1676.99	1.58	1.78	12.26
External	265.60	372.45	0.28	0.40	40.23
Domestic	1228.18	1304.54	1.30	1.38	6.22
Capital Expenditure	3237.09	3675.52	3.43	3.90	13.54
Externally Financed	2678.57	2352.56	2.84	2.50	-12.17
Loans	1443.74	1775.60	1.53	1.88	22.99
Grants	1234.83	576.96	1.31	0.61	-53.28
GLF Capital	558.52	1322.96	0.59	1.40	136.87
Net Lending	0.00	0.00	0.00	0.00	

Source: MOFEA & ERD Calculation

TABLE 19: SOURCES OF FINANCING BUDGET DEFICIT

				% Share of Total Financing	% Share of Total Financing	% contribution to Total Financing
Budget Balance (In D'millions)	1st Half 2020	1st Half 2021	Y-o-Y % Δ	1st Half 2020	1st Half 2021	1st Half 2021
Sources of financing	2522.41	5499.03	118.01	100.00	100.00	118.01
Net domestic borrowing	1491.21	2512.66	68.50	59.12	45.69	40.49
Central Bank	615.18	-141.24	-122.96	24.39	-2.57	-29.99
Deposit Money Banks	629.56	2502.51	297.50	24.96	45.51	74.25
Non-bank	246.47	151.39	-38.58	9.77	2.75	-3.77
Net external borrowing	1031.2	2986.37	189.60	40.88	54.31	77.51
Borrowing	1443.74	3186.20	120.69	57.24	57.94	69.08
Project	1443.74	1775.60	22.99	57.24	32.29	13.16
Program	0	1410.60		0.00	25.65	
Amortization	-412.54	-199.83	-51.56	-16.35	-3.63	8.43

Source: MOFEA & CBG staff Calculation

TABLE 20: Summary of Developments in Monetary Aggregates

Indicators	GMD' millions		Annual % changes					Quarterly % Changes	
	Q2-2020	Q2-2021	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021	Q1-2021	Q2-2021
NFA (Banking Sector)	17,284	25,743	27.4	51.0	45.0	57.6	48.9	2.0	3.8
NDA (Banking Sector)	27,116	30,866	10.4	5.4	7.2	7.2	13.8	3.9	6.3
Claims on Gov't, net	24,857	27,602	5.7	2.0	6.5	8.8	11.0	4.9	3.5
Claims on Public Entities	102	97	1.0	-40.0	-25.4	-28.2	-4.2	16.9	22.9
Claims on Private Sector	7,714	8,155	24.5	13.2	0.8	8.4	5.7	2.4	2.2
Broad Money	44,400	56,609	16.4	21.8	22.0	25.7	27.5	3.0	5.1
Narrow Money	24,756	31,508	18.8	21.5	20.4	27.2	27.3	3.5	4.5
Quasi-money	19,644	25,101	13.6	22.2	23.9	23.8	27.8	2.4	5.9
Reserve Money	15,380	20,166	16.8	32.3	33.9	32.4	31.1	3.7	4.6

Source: CBG

TABLE 21: CONTRIBUTIONS TO FOOD INFLATION

	Jun-20	Jul-20	Sep-20	Dec-20	Mar-21	Apr-21	Jun-21	Jul-21
FOOD INFLATION	5.77	5.26	6.55	7.04	10.4	8.5	11.21	11.80
Bread Cereals	9.43	7.28	8.16	7.02	8.06	5.81	8.04	10.30
Meat	3.06	3.07	1.50	5.17	6.45	6.69	18.56	19.40
Fish	15.12	15.36	18.66	25.72	24.01	16.31	18.09	16.87
Milk, Cheese and Eggs (annual % change)	-0.11	0.46	0.97	0.95	5.50	1.86	8.57	6.70
Oils and fats	18.08	13.52	10.76	10.83	32.84	26.96	31.65	35.93
Fruits & nuts (annual % change)	10.45	9.62	8.14	6.63	12.94	0.09	5.22	5.22
Sugar, jam, honey & sweets (annual % change)	0.71	-0.78	-0.86	-1.42	6.99	4.08	3.00	4.51
Non-alcoholic beverages (annual % change)	2.23	2.80	3.19	2.44	3.77	4.64	6.11	5.67
Other food products	-0.19	1.14	0.97	-0.79	0.02	4.81	8.05	6.37
Vegetables	-4.70	-1.93	4.00	2.17	-0.07	4.62	1.24	0.04

Source: GBOS

TABLE 22: CONTRIBUTION TO NON-FOOD

	Jun-20	July-20	Sep-20	Dec-20	Mar-21	Apr-21	Jun-21	July-21
NON-FOOD INFLATION ITEMS	4.20	4.11	3.69	4.40	4.41	6.09	4.85	4.51
Clothing & footwear	5.78	4.45	4.27	2.28	5.20	5.56	5.57	6.74
Housing, water, electricity, gas and other fuels	3.75	3.98	2.78	1.91	3.97	16.02	4.33	4.04
Electricity, gas and other fuels	3.09	3.40	2.89	1.96	3.49	18.87	4.34	4.05
Health	0.12	0.21	0.05	0.07	1.25	1.25	0.99	0.81
Transport	0.31	0.36	2.56	5.11	5.03	6.97	11.29	11.16
Communication	-2.39	-2.25	-3.00	-4.64	-0.76	-0.76	-1.15	-1.32
Recreation and Culture	-3.97	-3.77	-2.94	-1.87	2.01	5.53	2.97	2.52
Newspapers, books and stationary	-3.68	-3.19	-3.22	-2.35	3.65	5.08	0.82	0.29
Hotels, cafes and restaurants	4.59	12.08	10.22	10.29	7.46	7.16	6.36	-2.27
Miscellaneous goods and services	22.32	21.34	19.76	27.94	10.54	10.67	10.45	10.31
Education	0.72	0.66	0.13	85.35	85.35	85.35	85.35	85.35

Source: GBOS

Table 23: Contributions to food inflation

	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Headline Inflation	2.70	1.76	1.58	1.34	0.36	1.79	2.06	2.98	1.00
Food & Non-Alcoholic Beverages	2.04	2.05	1.85	1.50	0.13	2.74	2.25	4.57	0.97
Food	2.05	2.08	1.86	1.58	0.15	2.82	2.34	4.74	0.90
(I) Bread Cereals	2.82	2.69	2.13	5.20	0.05	0.91	0.77	6.22	0.03
(I) Meat	1.84	2.05	1.47	3.74	-4.07	0.51	5.14	5.00	6.84
(I) Fish	2.87	2.72	2.68	6.27	3.29	5.85	8.21	4.82	-1.64
(I) Milk, Cheese And Eggs	2.06	1.47	1.84	-1.49	-1.87	2.57	1.82	2.94	0.98
(5) Oils And Fats	1.41	1.62	1.63	12.52	1.60	-4.68	1.70	34.88	0.69
(6) Fruits & Nuts	2.87	2.72	2.68	-2.40	7.29	0.57	1.25	3.37	-0.04
(7) Veg., Root Crops & Tubers	2.14	2.84	2.62	-8.62	-1.19	12.23	0.81	-10.61	0.10
(8) Sugar, Jam, Honey & Sweets	1.38	0.53	1.47	-4.06	2.91	-1.05	0.90	4.13	-0.93
(9) Other Food Products	1.59	1.88	2.01	-1.98	-2.02	3.07	0.23	-1.19	5.84
(10) Non-Alcoholic Beverages	1.78	0.52	1.51	0.32	-0.13	1.47	0.77	1.63	2.12

Source: GBoS

TABLE 24: CONTRIBUTIONS TO NON-FOOD INFLATION

	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Headline Inflation	2.70	1.76	1.58	1.34	0.36	1.79	2.06	2.98	1.00
Non-Food Inflation	3.86	1.24	1.11	1.17	0.61	0.74	1.81	1.17	1.04
Clothing, Textiles & Footwear	1.68	1.58	1.19	-0.24	2.68	0.71	0.57	1.80	0.80
Housing, Electricity And Gas	1.50	1.50	1.59	0.88	-0.25	0.55	0.72	2.91	0.10
Furnishings, Household Equipment, ...	1.45	0.59	0.82	2.02	2.27	-0.46	3.35	-0.64	-0.26
Health	0.43	0.41	0.42	-0.96	0.25	0.33	0.45	0.20	0.00
Transport	0.39	0.31	0.22	2.03	-2.21	2.56	2.72	1.95	3.62
Communications	60.48	0.07	0.24	-3.25	0.58	-0.55	-1.46	0.69	0.18
Newspapers, Books And Stationery	1.27	0.05	0.40	-6.85	2.94	0.53	1.30	-1.13	0.13
Hotels, Cafes And Restaurants	1.95	2.16	2.00	-0.34	0.72	7.66	2.06	-2.89	-0.32
Education	0.30	0.59	0.13	0.00	0.00	0.00	85.35	0.00	0.00

Source: GBoS

TABLE 25: CORE INFLATION

Core Measures of Inflation	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Headline Inflation	1.43	2.70	1.76	1.58	1.34	0.36	1.79	2.06	2.98	1.00
Core 1 Inflation	1.20	3.92	1.89	1.66	0.95	-1.81	1.96	2.68	4.81	1.63
Core 2 Inflation	1.44	3.98	1.68	1.45	1.41	-1.66	1.76	2.71	3.54	2.21

Source: CBG Staff Calculations