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BOARD OF DIRECTORS 31ST DECEMBER 2007

Governor (Chariman)	-	M.B. Saho
Director (MDI)	-	F.J Jabang
Director	-	M.A Kah
Director	-	B.J. Carr
Permanent Secretary	-	A. Touray

Department of State for Finance & Economic Affairs (EX-Officio)

SENIOR OFFICERS OF THE BANK AS AT 31ST DECEMBER 2007

Governor	-	M.B. Saho
First Deputy Governor	-	B.A.O Njai
Second Deputy Governor	-	O. S.Samba (Mrs)
Adviser to Governor	-	M. Ceesay
Legal Advisor	-	E. J. Jagana (Mrs)
Director, Finance Department	-	
Director, Admin and Human Resource Department	-	H.M.V. Carr
Director, Banking Services Department	-	A. Colley
Director, Finance and Supervision Department	-	O. A. Sowe
Director, Internal Audit Department	-	M.B. Mboge
Director, Economic Research Department	-	B. Saidy
Commissioner of Insurance	-	P. A. Sillah
Deputy Director, Internal Audit Department	-	Alasana Fatty
Deputy Director, Admin and Human Resource Dept.	-	H.S. Joof (Mrs)
Deputy Director, Micro- Finance Department	-	B. Senghor
Deputy Director, Micro- Finance Department	-	F. D. Touray
Deputy Director, Finance Department	-	O. Corr
Deputy Director Financial Sup. Dept.	-	E. Drammeh
Deputy Director, Foreign Department	-	O. S. Jatta
Deputy Director, Risk Management Unit	-	A. B. S. Gaye
Principal Private Secretary	-	A. Bajaha
Principal Accountant	-	A.O Jeng
Principal Admin Officer	-	O.K. Janneh
Principal Bank Examiner, Banking Supervision Dept.	-	A. Jallow
Principal Bank Examiner, Banking Supervision Dept.	-	P. Mendy
Principal Economist, Economic Research Dept.	-	B. Kolley
Principal Librarian, Economic Research Dept.	-	F. Jagne (Ms)
Principal Systems Analyst	-	P. L. Prom
Principal Banking Officer, Banking Services Dept.-	-	W. M. Eunson
Principal Banking Officer, Banking Services Dept.-	-	M. M. Jammeh
Principal, Banking Officer, Banking Services Dept.	-	B. Koita
Principal, Banking Officer, Banking Services Dept.	-	J. Sarr
Principal Foreign Department Officer, Foreign Dept.	-	E.A.C. Ndong

KEY ECONOMIC INDICATORS

DEMOGRAPHY	2005	2006	2007
Population(in millions)	1.4	1.4	1.4
Population Density(person per sq km)			
Population Growth Rate	2.8	2.8	2.8
OUTPUT			
GDP at Current Market Prices (D'millions)			
Per Capita GDP at Market prices			
GDP at Constant Market Prices (D'millions)	820.3	878.93	944.63
Agriculture	247.01	265.27	266.51
Industry	88.48	107.82	107.4
Services	484.8	512.84	570.73
END-PERIOD INFLATION RATE (Point to point)			
January	6.9	1.7	2
February	5.7	1.7	2.1
March	4.9	1.7	4.2
April	4	1.6	6.3
May	3.4	1.5	6.6
June	2.3	1.5	6.4
July	1.4	1.4	6.3
August	2	0.4	6.4
September	2.1	1.5	6
October	2	1.5	6
November	2	1.4	6
December	1.8	1.4	6
Annual average	3.2	2.1	5.4

MONETARY SURVEY	2005	2006	2007
Money Supply	13.5	26.3	6.7
Narrow Money	6.8	26	0.6
Quasi Money	21.5	26.5	13.8
Net Foreign Assets	-0.66	36.4	-7.01
Net Domestic Assets	32.8	15.4	23.9
Domestic Credit	22.3	21.3	-1.4
Government Net	33.6	17.1	
Public Sector	16.2	3	-14.6
Private Sector	18.22	29.7	16.6
Central Bank of the Gambia			
NFA	2105.71	2866.27	3053.7
NDA	200.88	0.2	-309.13
Reserve Money	11.9	24.3	-4.3
Money Multiplier	2.66	2.7	3
Velocity	2.14	1.8	1.9

INTEREST RATES

COMMERCIAL BANKS LENDING	2005	2006	2007
Agriculture	21.0-30.0	18.0-28.0	18.0-27.0
Manufacturing	21.0-30.0	18.0-28.0	18.0-27.0

Building	21.0-31.0	18.0-28.0	18.0-27.0
Trading	21.0-31.0	18.0-28.0	18.0-27.0
Tourism	21.0-31.0	18.0-28.0	18.0-27.0
Other	21.0-31.0	18.0-28.0	18.0-27.0
Deposit Rates			
Savings Bank Account	5.0-10.0	5.0-7.0	5.0-7.0
Time Deposits			
Three Months	5.00-14.00	5.0-8.5	5.0-12.9
Six Months	7.00-15.00	6.0-13.0	6.0-12.9
Nine Months	7.00-14.00	6.0-13.0	7.0-14.0
12 Months and above	7.00-17.00	6.0-13.0	7.0-15.0
Government			
Treasury Bills	16	12.8	13.7
Discount Notes	25.5	-	-
Govt. Dev. Loans			
1999-2002(F)			
1999-2002(G)			
20002(H)	15.5	-	-
2002(I)	20	-	-
20005(H)			
2005(I)			
Central Bank			
Bank Rate	19	9	10
Rediscount Rate	30	14	15

	2005	**2006**	**2007**
NOMINAL GDP	13174	14333	15732
GOVERNMENT FINANCE			
Domestic Revenue		21	
Tax Revenue	17.2	18.8	20.6
Direct Tax	5.2	5.6	5.6
Indirect Tax	12	13.2	14.9
Domestic	2.8	3.3	2.5
International Trade		9.9	
Non-tax	2.6	2.2	2.5
EXPENDITURE AND NET LENDING	3721.3	3403.3	3510.5
Current Expenditure	2419.9	2515.9	2584.7
Capital Expenditure	1196.3	893.3	913.5
Net Lending	-30.4	-5.9	12.3
Budget Deficit, Excluding Grants			
Without HIPC Assistant	-667.1	-390	-161.2
with HIPC Assistant		0	
Budget Deficit, including Grants	-749.6	-313.8	-313.8
Deficit Financing	930.8	937.5	775.8
Foreign	457.5	309	661.5
Domestic	473.3	628.5	114.3

Government Debt		4664.93	
Foreign		17.2	
Domestic	4387.64	4647.73	4741.3
EXTERNAL FINANCE (in millions)	**2005**	**2006**	**2007**
TRADE BALANCE	2784.7	-3367.83	-3761.95
Imports	-6347	-6236.63	-6809.17
Exports	2745.41	2868.8	3047.22
SERVICES	1009.52	-56.01	1045.16
Factor Service Balance	-448.2		
Non-factor Service Balance	558.1		
PRIVATE TRANSFER	117.3		
CURRENT ACCOUNT			
Excluding official transfers	-2557.6	-1446.8	-3586
Including official transfers	-1724.4	-1278.1	-1463.22
CAPITAL ACCOUNT	2045.3	2777.9	2204.91
Official Loans(net)	489.2	470.9	
Private Capital (net)	1556.1	2307	
Overall Balance	320.9	-758.11	
Financing/change in official Reserves	-277.2		
Repurchase/Repayments	-55.29	-113.74	-81.68
Purchases/Loans	0		

PART I

DEVELOPMENTS IN THE DOMESTIC ECONOMY

OVERVIEW

1.0 Economic Output

Real gross domestic product (GDP) grew by 6.9 percent in 2007 compared to the estimate of 7.7 percent in 2006. Output growth in 2007 was sustained mainly by the strong growth in the services sector (11.3 percent) and to a lesser extent agriculture which rose by 1.3 percent. Industrial output, on the other hand, fell by 0.4 percent, due in the main, to the marked decline in building and construction.

1.1 Agricultural Production

Despite the increase in area cultivated, the production of groundnuts, the main cash crop, decreased to 72,557 metric tonnes, or 11.3 percent below the previous year production owing to poor rains during the early part of the crop season. Cereal production, which includes principal crops such as rice, maize, sorghum and millet also declined to 149,940 metric tonnes, or by 18.2 percent relative to 2006.

The value-added of livestock, fishing and forestry is estimated at 4.0 percent, 8.2 percent and negative 4.0 percent compared to 3.0 percent, 10.0 percent and 3.0 percent in 2006 respectively.

1.2 Tourism

According to data from the Gambia Tourism Authority (GTA), tourist arrivals increased to 142,626, 17.5 percent above the arrivals in 2006. Total income from air-chartered tourists in 2007 was estimated at D1.0 billion from D860.9 million in 2006 attributed to vigorous marketing by tour operators and the Department of State for Tourism.

1.3 Inflation

Headline inflation, measured as the year-on-year change in the National Consumer Price Index (NCPI) rose from 0.4 percent at end-December 2006 to 6.0 percent in December 2007. Average inflation rate (12 months moving average) was 5.4 percent compared to 2.1 percent in 2006.

Food and non-food consumer price inflation increased to 9.5 percent and 2.1 percent compared to 0.3 percent and 0.6 percent in December 2006. Core inflation, which excludes prices of energy and volatile food items increased from 0.3 percent in December 2006 to 6.0 percent in December 2007. The increase in inflationary pressures is attributable to the persistent increase in global energy and food prices.

1.4 Monetary Developments

Monetary policy in 2007 focused on keeping inflation below 5.0 percent, maintaining a stable exchange rate, and a viable external position for increased output growth and poverty reduction. Monetary policy was conducted using reserve money as the operatingq target and money supply and inflation as intermediate and final targets respectively.

Growth in money supply decelerated to 6.7 percent in 2007. Reserve money growth, on the other hand, contracted from 24.3 percent in 2006 to negative 4.3 percent in 2007.

The net foreign assets (NFA) of the banking system declined to D3.9 billion due to the significant drop in the NFA of deposit money banks. The net domestic assets (NDA) of the banking system, on the other hand, rose to D4.2 billion or by 23.9 percent, reflecting revaluation losses emanating from the appreciation of the Dalasi. The expanded growth in the NDA from 15.4 percent in 2006 to 23.9 percent in 2007 was sufficient to offset the impact of the drop in NFA on money supply.

Reduced government borrowing requirement resulted to a decline in the banking system's claims on government from 17.1 percent in 2006 to negative 24.7 percent during the year under review.

1.5 Fiscal Developments

The thrust of fiscal policy in 2007 continued to support the achievement of pro poor developmental objectives and reinforce the poverty reduction objective of Government. Total revenue and grants during 2007 amounted to D3, 608.7 million (22.9 percent of GDP) or 16.8 percent over the outturn in 2006. Domestic revenue rose to D3, 427.3 million (21.8 percent of GDP) or by 13.7 percent from 2006. Total expenditure and net lending amounted to D3, 588.5 million or 22.8 percent of GDP, representing an annual increase of 5.4 percent.

The overall budget balance, including grants, recorded a surplus of D20.2 million in 2007, equivalent to 0.1 percent of GDP.

1.6 Foreign Exchange Developments

The exchange rate of the Dalasi continues to be market-determined to ensure a sustainable external sector as well as make Gambian goods and services competitive.

The relative macroeconomic stability attained in the recent past, attributable to the implementation of prudent monetary policies, with some fiscal consolidation, supported the stability and strengthening of the Dalasi against major international currencies traded in the inter-bank market. The exceptional appreciation, especially in the third quarter of 2007 was attributed to strong macroeconomic fundamentals as well as market sentiment.

Volume of transactions (purchase and sales) in the inter-bank foreign exchange market rose from US $1.21 billion in 2006 to US $1.71 billion in 2007, or 41.3 percent increase.

Exchange rate movements showed that the dalasi appreciated against all the major currencies traded in the inter-bank market. The Dalasi appreciated by 19.6 percent, 17.5 percent, 9.3 percent, 8.1 percent and 14.2 percent against the US dollar, British Pound, Euro, CFA franc and Swedish Kroner respectively.

1.7 Developments in the Financial Sector

The Gambia's financial sector remains attractive to both domestic and foreign investors as evident in the increased number of deposit money banks from seven in 2005 and eight in 2006 to nine as at end-2007. The industry's total assets and capital and reserves increased to D10.4 billion and D1.14 billion as at end-December 2007 compared to D9.29 billion and D1.07 billion in 2006 respectively. Banks' total loans and advances and net fixed assets moved from D2.2 billion and D0.38 billion in 2006 to D2.65 billion and D0.55 billion as at end-December, 2007.Accumulated net income declined by 26.0 percent from D247.73 million in 2006 to D181.97 million in 2007.

1.8 Balance of Payments Developments

Government's external sector policy continues to focus on building foreign reserves to levels that would adequately cushion the economy from external shocks. In line with this objective, the strategy has been to encourage and promote exports as well as inward investments.

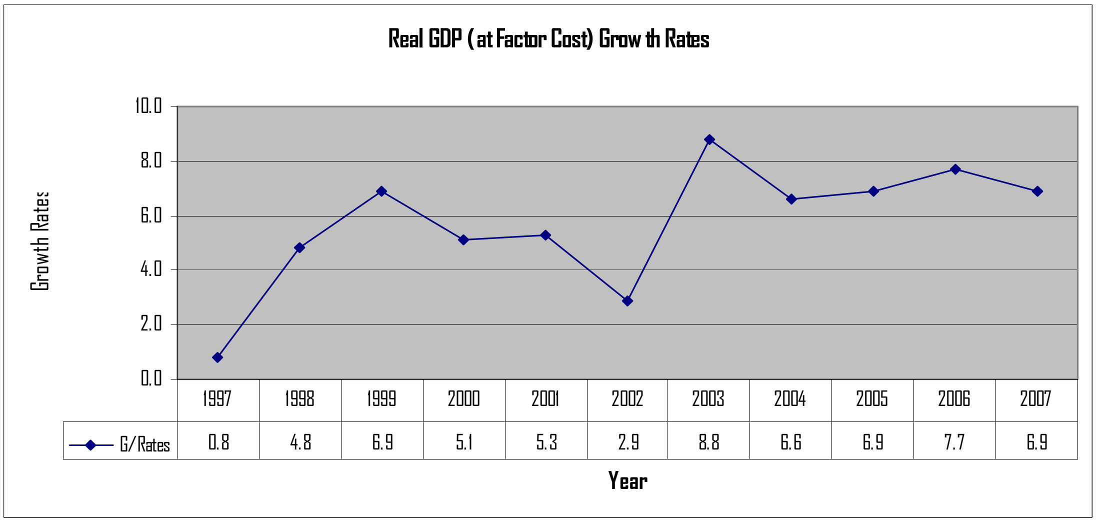
The overall balance of payments estimate for 2007 indicated a surplus of D741.68 million ($29.82 million) compared to a surplus of D309.31 million ($11.02 million) in 2006. The capital and financial account balance increased to a surplus of D2.2 billion from D2.15 billion in 2006.

2.0 GROSS DOMESTIC PRODUCTION (GDP)

2.1 Background

Gross Domestic Product (GDP) grew by 7.7 per cent in 2006, from 6.9 per cent in 2005. For 2007, GDP growth is estimated at 6.9 percent. Output growth was broad based with agricultural value-added estimated at 1.3 per cent, industry (0.4 per cent) and services (11.3 per cent).

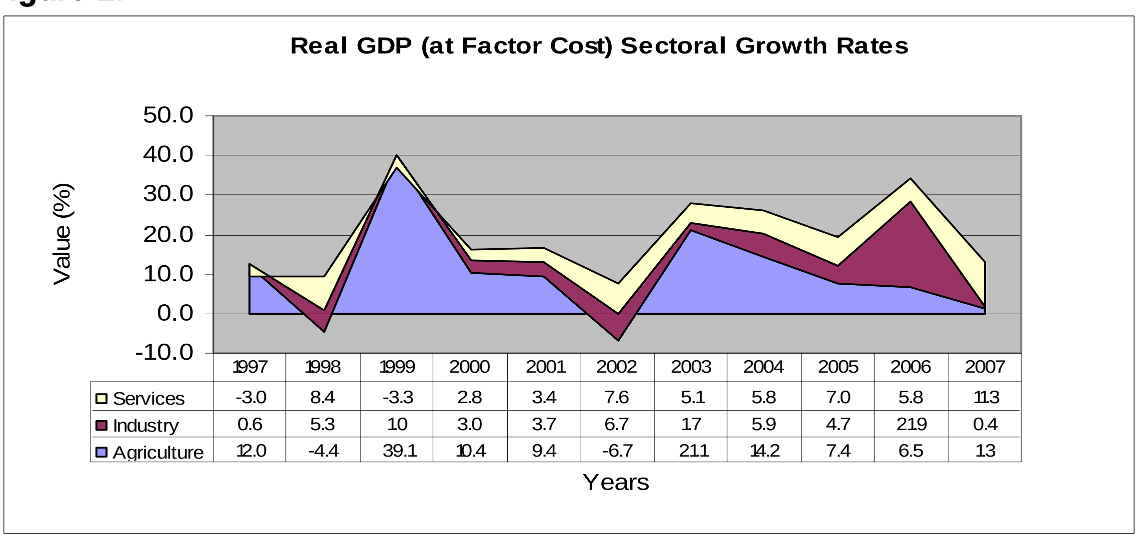
Figure 1: Real GDP (at Factor Cost) Growth Rates



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
G/Rates	0.8	4.8	6.9	5.1	5.3	2.9	8.8	6.6	6.9	7.7	6.9

It is noteworthy that GDP growth rates of 6.9 per cent in 2005, 7.7 per cent in 2006 and 6.9 per cent in 2007 are higher than the population growth rate of 2.7 per cent. These growth rates are also within the 6 - 7 per cent range commonly used as a marker, if a country is to achieve the Millennium Development Goal of reducing poverty by 2015.

Figure 2:



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Services	-3.0	8.4	-3.3	2.8	3.4	7.6	5.1	5.8	7.0	5.8	11.3
Industry	0.6	5.3	10	3.0	3.7	6.7	17	5.9	4.7	21.9	0.4
Agriculture	12.0	-4.4	39.1	10.4	9.4	-6.7	21.1	14.2	7.4	6.5	13

(a) Agriculture

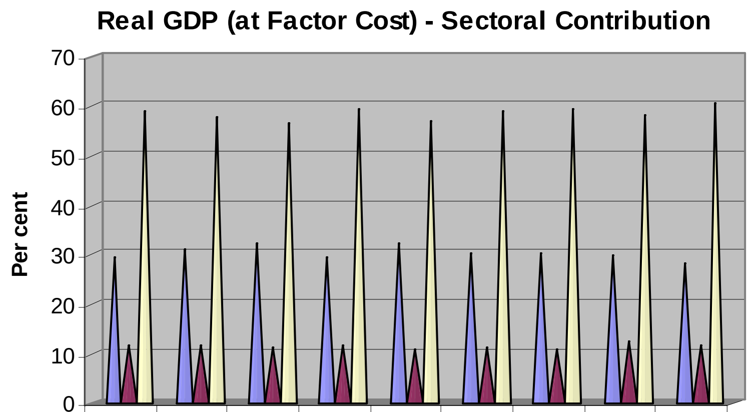
Agricultural output is estimated at 1.3 per cent less than the growth rate of 6.5 per cent in 2006. It is estimated to have contributed 28.2 per cent to GDP in 2007. Of this proportion, crop production accounted for 21.1 per cent, livestock 4.5 per cent, fishing 2.1 per cent, and forestry 0.5 per cent. Thus, agricultural production is the second largest contributor to GDP.

Statistics from the Department of State for Agriculture, which shows production data at farm level, indicated that agricultural output for 2007 is projected at 394,044 metric tonnes, representing an increase of 7.0 percent over the 2006 output of 372,270 metric tonnes. The increase is attributable to the output growth of 51.0 percent, 23.2 percent and 19.3 percent for swamp rice, new groundnut variety (73/33) and upland rice respectively. In contrast, the output in old groundnut production dropped by 2.2 percent from 73,064 metric tonnes to 71,488 metric tonnes. This has been the trend for the old groundnut variety for the past two years. The area cultivated during the past years, shows a shift from the cultivation of old groundnut variety to new groundnut variety and hence may contribute to the reduction in the production of the former variety.

(b) Industrial Sector

Industrial output is estimated to have dropped by 0.4 per cent in 2007, a rate far below the 21.9 per cent realized in 2006. The industrial sector's performance in 2007 was relatively weaker than that of 2006. Building and construction sub sector recorded a decline from 40 per cent in 2006 to 9.9 per cent in 2007; electricity and water increased from1.0 per cent in 2005 to a rise of 6.0 per cent in 2006 and then further to 17.0 per cent in 2007. Industrial output is estimated to have contributed about 11.4 per cent to the economy in 2007.

Figure 3:



	1999	2000	2001	2002	2003	2004	2005	2006	2007
Agriculture	29.5	31	32.2	29.2	32.3	30.0	30.1	29.8	28.2
Industry	11.7	11.5	11.3	11.7	10.9	11.0	10.8	12.2	11.4
Services	58.8	57.5	56.5	59.1	56.8	59.0	59.1	58.0	60.4

Year

(c) Services Sector

The services sector is estimated to have grown by 11.28 per cent, more than the rate of 5.8 per cent in 2006. Trade, hotels and restaurants output are estimated at 8.2 per cent and 18.0 percent respectively, more than the respective rates of 1.4 per cent and 6.0 per cent in the previous year. The output of public administration increased by 8.0 per cent whilst the value-added of transportation reduced by 0.50 per cent and communications increased by 25 per cent, real estates performance declined by 5.10 per cent, whilst business services and other services (banking insurance, personal and household services, social and recreational and related services) are estimated to grow by 5.10 per cent, and 2.7 per cent respectively. Improvements were made in the communications sub-sector from 18 per cent in 2006 to 25 per cent in 2007. The services sector remains the primary contributor to the economy and accounts for 60.4 per cent of output growth in 2007.

The economic expansion in 2007 is expected to be maintained in the near term, particularly in light of good rainfall, which should substantially increase agricultural production, expand the services sector and sustain the growth of the construction sector. The continued long-run macroeconomic stability should ensure a non-volatile economic growth and increased employment.

3.0 AGRICULTURAL PRODUCTION

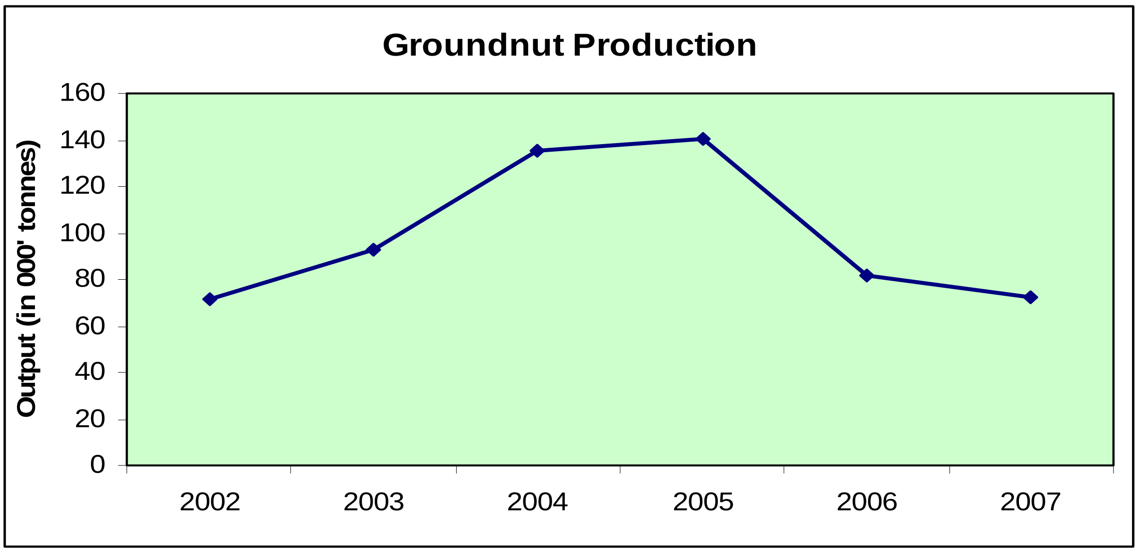
Agricultural production in the Gambia has over the years encountered some major set backs ranging from inconsistent weather conditions to poor marketing arrangements. Consequently, the contribution of agriculture to the overall GPD declined steadily during this period. In 2007, the contribution of agriculture to the overall GDP declined slightly to 27.3 percent from 27.9 percent in 2006.

Nonetheless, the Gambian economy, like many developing countries, is still heavily dependent on agriculture. Majority of the Gambian rural work force depend on production of basic food crops for their livelihood while groundnut production remains the basic provider of rural household income and a major foreign exchange earner.

(a) Groundnut Production

Despite the increase in the area cultivated, groundnut production declined both in terms of output and yield per hectare (kg/ha) due mainly to poor rains during the latter part of the crop season. Total output of groundnut decreased to 72,557 metric tonnes or by 11.3 per cent in 2007 relative to the 2006 crop season. Total area cultivated increased by 6.5 per cent whilst average output per hectare (kg/ha) fell by 16.7 per cent.

Figure 4:

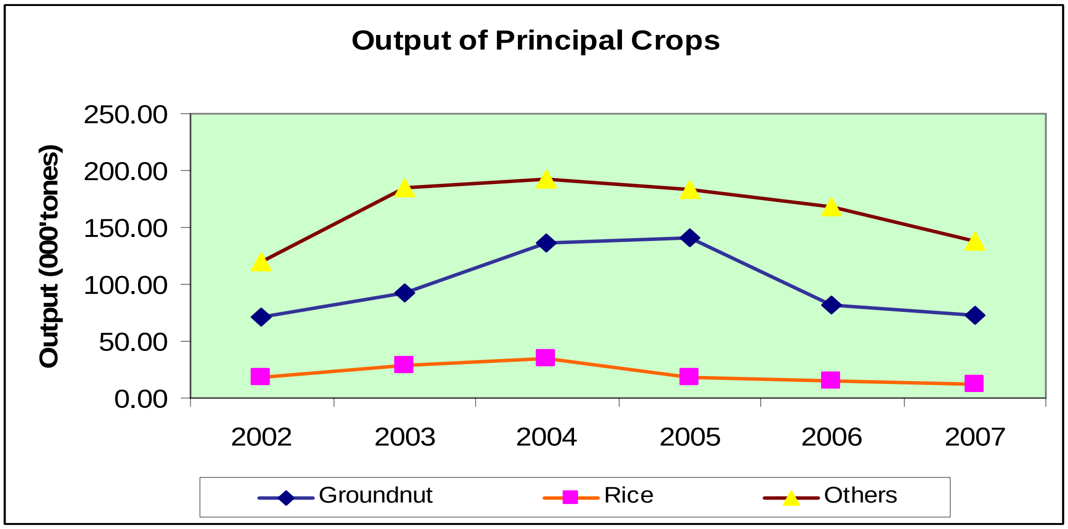


The protracted growth in GDP over the years is not reflected in the agricultural sector. In particular, output in groundnut production declined sharply from 2005 through to 2007.

(b) Cereal Production

Cereal production which comprises principal food crops such as sorghum, maize, millet and rice, declined to 149,940 metric tonnes or by 18.2 per cent compared to the output in 2006. However, the total area exploited for cereal cultivation increased marginally by 1.9 per cent.

Figure 5:



Inconsistent weather conditions, among other factors, contributed to the decline in the production of groundnut, rice and other food crops.

(i) Coarse grains

Production of coarse grains (millet, sorghum and maize), declined to 138,545 metric tonnes or by 17.3 percent in 2007 relative to the 2006 cropping season. In contrast, total area cultivated increased by 1.29 per cent.

In 2007, output of early millet fell substantially to 75,825 metric tones or by 26.8 percent while average yield per hectare (kg/ha) decreased by 21.2 percent. Similarly, total area planted decreased to 94,151 hectares in 2007 compared to 101, 397 hectares in 2006.

Late millet production declined by 8.6 per cent despite the 18.5 per cent rise in the total area cultivated. Reflecting inadequate rains and other adverse weather conditions, average yield fell to 761 kg/ha or by 22.9 per cent.

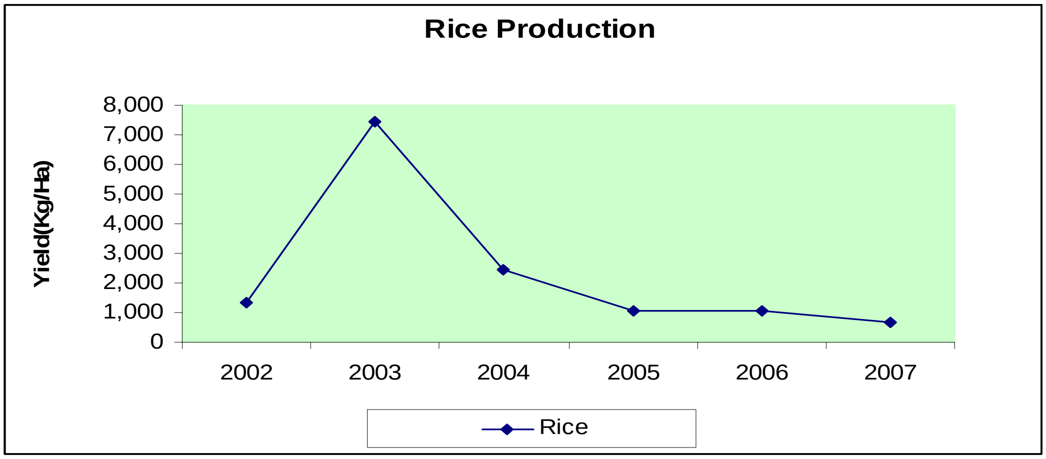
Output of sorghum fell to 17,951 metric tones or by 11.4 per cent despite an increase in the total area planted to 21,720 hectares in 2007 from 18,960 hectares in 2006. Average yield per hectare dropped to 826 kg/ha in 2007 relative to 1069 kg/ha in 2006.

Maize production in contrast increased by 7.8 per cent although average yield dropped by 3.8 per cent compared to 2006. Total area planted rose to 36,156 hectares or by 12.1 per cent.

(ii) Rice

Rice is the staple food in the Gambia. Greater quantity of rice consumed domestically is imported increasing the economy's risk to high imported inflation resulting from rising food prices. Rice is produced in small quantities by rural subsistence farmers using crude farming techniques and more labour intensive equipment. The most common varieties of rice include upland and swamp rice. Despite the introduction of new draught resistant varieties, rice production continued to decline over the years.

Figure 6:



Despite the introduction of new varieties, rice production has been on the decline since 2004.

In 2007, rice production declined substantially to 11,395 metric tones or by 28.0 percent whilst the total area cultivated increased to 16,588 hectares or by 9.2 percent relative to 2006.

However, upland rice declined both in terms of output and average yield per hectare by 19.1 percent and 23.1 percent respectively. Total area of land used for upland rice production increased by 5.2 per cent compared to the previous year.

Similarly, swamp rice production declined markedly to 3,749 metric tonnes or by 41.3 per cent whilst total area planted increased to 5,866 hectares or by 17.2 per cent. Consequently, average yield also fell by 49.9 per cent.

4.0 TOURISM

Tourism has been and still is the fastest growing sector of the Gambian economy both in terms of tourist infrastructure development and overall contribution to GDP. The industry growth rate averages 6.0 per cent per annum and provides direct and indirect employment for the majority of Gambians. Tourism has the potential to reduce poverty through increased earnings, employment and productivity.

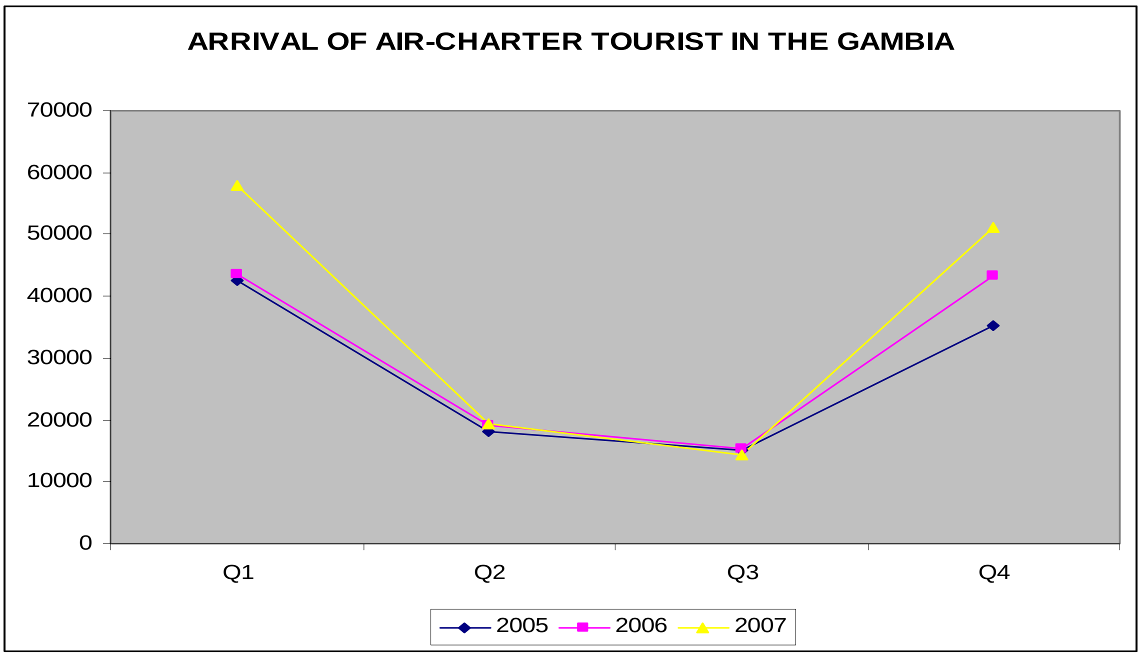
The number of air-charter tourists that visited The Gambia during the first three months of 2008 totaled 64, 542 or 26.5 per cent higher than the previous quarter. Year-on-year, the number of air-charter tourists rose by 11.3 per cent from 57,972 in the first quarter of 2007 to 64,542 in the first quarter of 2008.

4.1 Number of Air Charter Tourist

The number of air-chartered tourists that visited The Gambia in 2006 totaled 124,800 or 15.7 percent higher than 2005. In 2007, the number of air-chartered tourists rose by 14.3 percent to 142,626.

The increase in the number of air chartered tourists could be attributed largely to the vigorous marketing by Gambia Tourism Authority (GTA) and tour operators. The improved performance was more pronounced in the first and fourth quarters of 2007 which is the most active period of The Gambia's tourist season. Total arrivals during these periods were 57,972 and 51,041 compared to 43,543 and 43,325 in the corresponding quarters of 2006.

Figure 7:



4.2 Air Chartered Tourists by Nationality

The Great Britain continued to be the most important source market, accounting for 46 per cent of total arrivals compared with 42 per cent in 2006. Arrivals from Britain totaled 66,043, or 25 percent increase from the previous year. Visitors from Germany fell to 6,418 or by 2 percent during the same period. Air charter tourist arrivals from Scandinavia totaled 15,042, or a 35 percent increase compared to a year earlier. Over 90 per cent of tourists visited the country for holidays and leisure whilst 47.4 per cent of the visitors stayed for one to two weeks.

Table 1: Income from Tourism

Arrival Of Air-Chartered Tourist In The Gambia		
	2006	2007
Number Of Air-Chartered Visitors	**121,335**	**142,626**
Average Out Of Pocket Expenditure(Gmd)	500	500
Average Length Of Stay	13	13
Hotel Rate Per Night(Gbp)	12	12
Departure Fees (Gmd)	170	170
Tourist Arrival Tax (Gbp)	5	5
Average Exchange Rate(Gmd/Gbp)	53.89	44.46
TOTAL OUT OF POCKET EXPENDITURE(In Millions)	788,677,500.00	927,069,000.00
Income From Arrival Fees(Gmd)	32,693,715.75	31,705,759.80
Income From Departure Fees	20,626,950.00	24,246,420.00
INCOME FROM HOTEL BED (In Million)	18,928,260.00	22,249,656.00
TOTAL INCOME FROM AIR-CHARTERED TOURIST(In Million)	860,926,425.75	1,005,270,835.80

Total income from air-chartered tourism increased to D1.0 billion in 2007 or by 17 percent compared to 2006. All the components of income from air-chartered tourists increased significantly with the exception of income from arrival fees (GMD), which decreased slightly by 3 percent, attributable to the differential in exchange rate, following the appreciation of the Dalasi in the latter part of 2007. Total out-of-pocket expenditure, departure fees and earnings from hotel beds grew to D927.1 million, D24.2 million and D22.2 million respectively in 2007 from D788.7 million, D20.6 million and D18.9 million respectively in 2006.

5.0 INFLATION

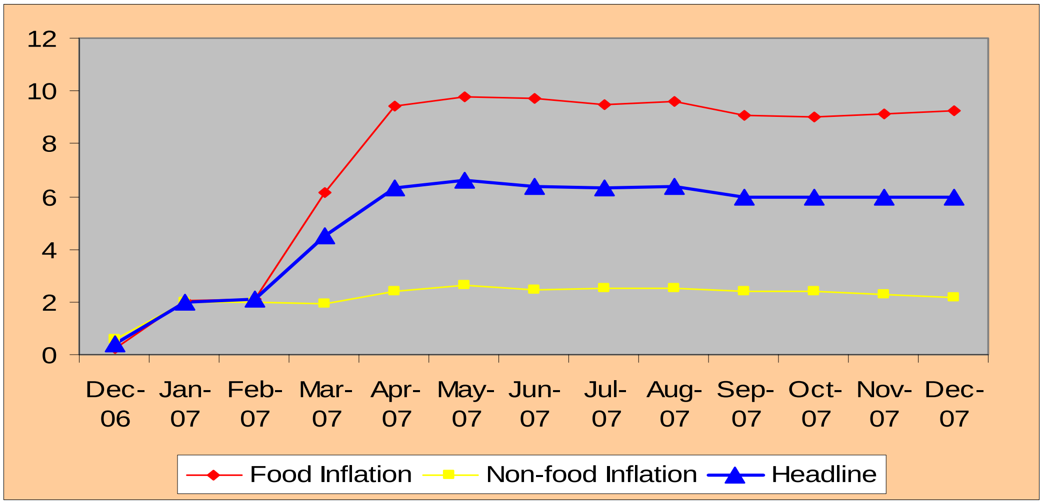
5.1 Headline Inflation

Headline inflation remained stable throughout 2007 despite the emergence of inflationary pressures resulting from rising global energy and food prices. The appreciation of the Dalasi and relatively tight monetary conditions helped contain the price shocks.

The Consumer Price Index (CPI), which earlier measured the consumption pattern of low-income population of Banjul and Kombo St. Mary area, was re-structured based on the 2004 Integrated Household Survey to cover the entire country. The new National Consumer Price Index (NCPI) (base: August 2004) proved to reflect a more accurate and reliable measure of inflation in the economy.

End-period inflation, measured by the NCPI rose to 6.02 per cent at end-December 2007 from 0.42 per cent at end-December 2006. Annual average inflation stood at 5.4 percent compared to 2.1 per cent in 2006.

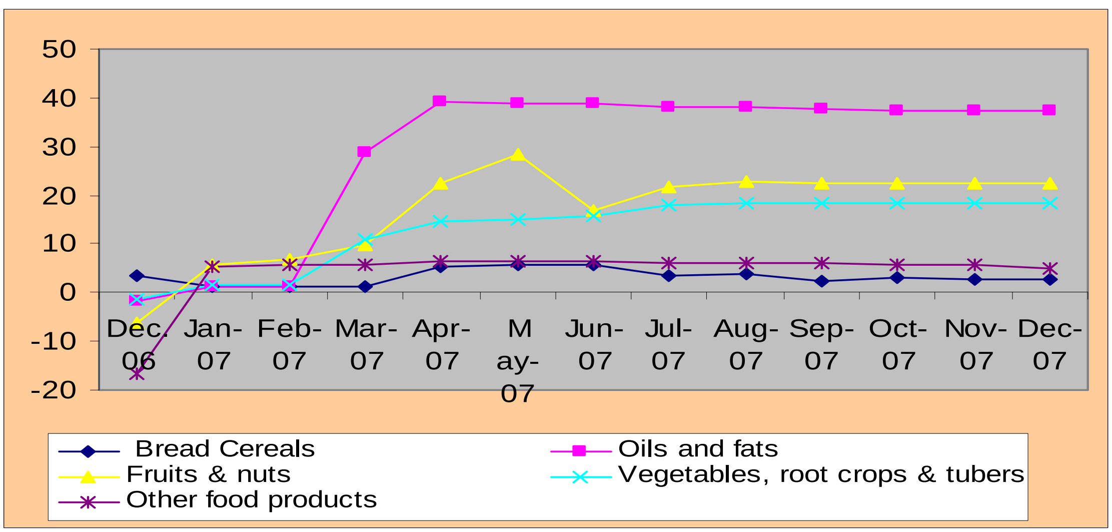
Figure 8: Headline, Food and Non-food Inflation



5.2 Food Inflation

Food price inflation accelerated to 9.5 per cent at end-December 2007 from 0.3 per cent in December 2006, reflecting the effects of rising global food and fuel prices. The increase in food inflation was driven mainly by "oils and fats", "fruits and nuts" and "vegetables, roots and tubers", which rose to 37.2 percent, 22.4 percent and 18.5 percent compared to negative growth rates of 1.9 per cent, 6.4 per cent and 1.4 per cent respectively.

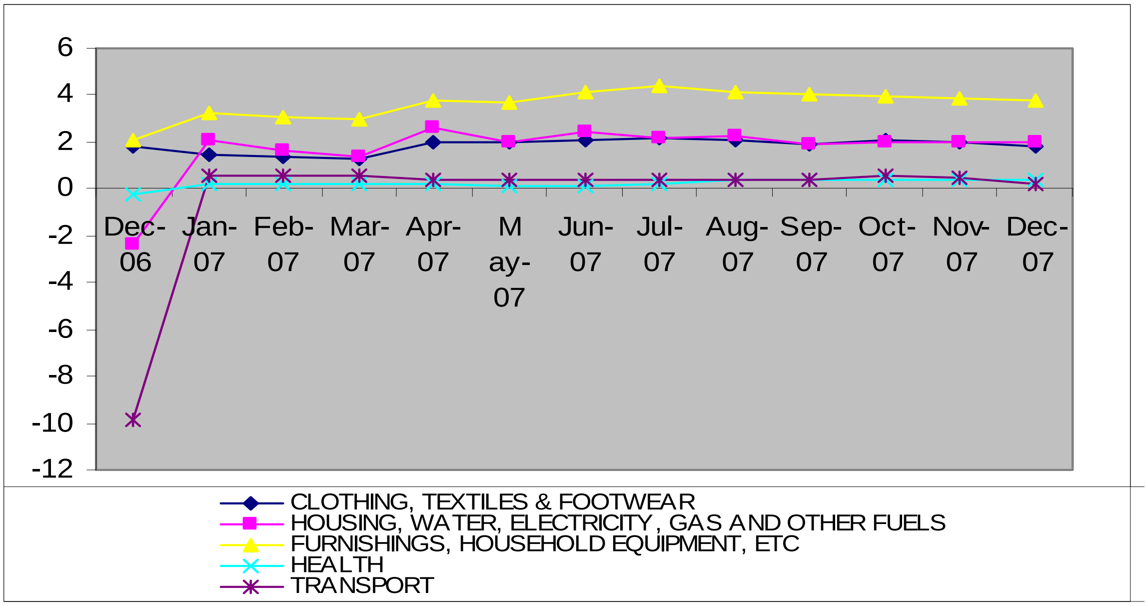
Figure 9: Food Inflation



5.3 Non-food Inflation

Prices of non-food items were relatively stable and non-volatile throughout the year. Non-food inflation increased to 2.1 per cent at end-December 2007 from 0.59 per cent in the same period last year. Prices of "housing, water, electricity, gas and other fuels", "furnishings, household equipment, etc", "hotels, cafes and restaurants" and "miscellaneous goods and services" rose to 2.0 per cent, 2.7 per cent, 3.2 per cent and 7.1 per cent relative to negative 2.4 per cent, 2.1 per cent, negative 3.5 percent and 2.3 percent respectively.

Figure 10: Non-Food Inflation



5.4 Core measure of Inflation

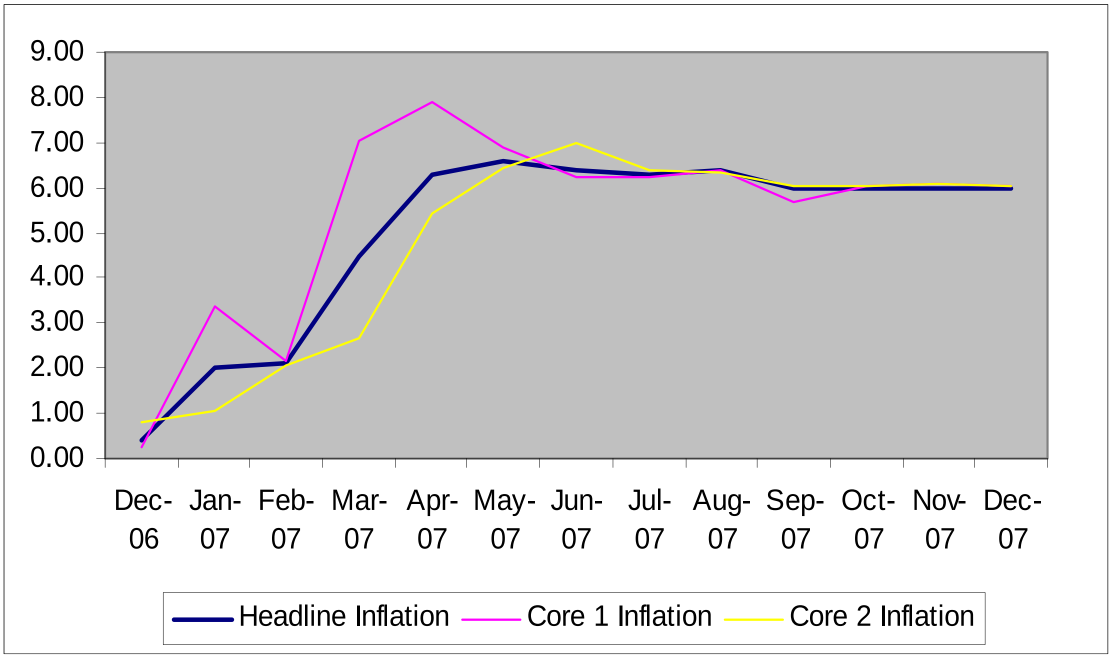
The first measure of core inflation, core 1, which strips out energy and utility prices, rose to 6.0 per cent from 0.3 per cent a year ago. During the course of the year, core 1 increased to 7.1 per cent in the first quarter before declining to 6.2 per cent and 5.7 per cent in the second and third quarters of 2007 respectively.

Table 2: Measures of inflation

	2006	2007											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headline	0.42	2.01	2.08	4.22	6.26	6.56	6.42	6.33	6.37	6.03	5.98	6.04	6.02
Core 1	0.26	3.36	2.17	7.05	7.91	6.87	6.21	6.24	6.40	5.70	5.93	6.11	5.99
Core 2	0.82	1.04	2.04	2.64	5.45	6.41	7.00	6.40	6.34	6.05	5.98	6.11	6.02
Food	0.25	2.08	2.17	6.29	9.67	10.0	9.92	9.72	9.80	9.27	9.24	9.38	9.46
Non-food	0.59	1.97	2.02	1.91	2.42	2.66	2.48	2.50	2.49	2.39	2.42	2.28	2.14

Core 2, which further excludes the effects of volatile food items, established a steady upward trend in the first half of the year to reach a peak of 7.0 per cent at the end of the second quarter. The second half of 2007 was characterized by a slow reversal of the trend. At year-end December 2007, core 2 inflation stood at 6.0 per cent, still higher than the 0.8 per cent recorded a year earlier.

Figure 11:



6.0 MONETARY DEVELOPMENTS

6.1 Monetary Policy

The thrust of monetary policy in the Gambia in 2007 was containing inflation below 5 per cent, maintain exchange rate stability and build up foreign reserves to cushion the economy against external shocks. To this end, the central bank continued to rely on open market operations (OMO) to manage liquidity in the economy.

To achieve the inflation target, reserve money and money supply were projected to grow by 10.9 per cent and 12.2 per cent by end 2007 assuming stable velocity and money multiplier ratios of 1.93 and 3.05 respectively.

6.2 Monetary Policy Instruments

The central bank uses the following instruments in the conduct of monetary policy: open market operations, interest rates, reserves requirements, and foreign exchange intervention and discount and rediscount windows.

6.2.1 Open market operations (OMO)

The central bank has continued to rely on open market operations as the primary instrument of monetary policy, with the treasury bills rediscount rate serving as the main signaling mechanism. The aims of OMO are to mop up excess liquidity, achieve positive real interest rates and contribute to price stability.

6.2.2 Treasury Bills

The Central Bank conducts OMO using Gambia Government Securities, mainly Treasury bills. Due to the build-up of inflationary pressures, OMO were intensified in 2007 resulting in an increase in the stock of outstanding Treasury bills to D4.3 billion, or by 2.9 percent.

Figure 12: Treasury Bills

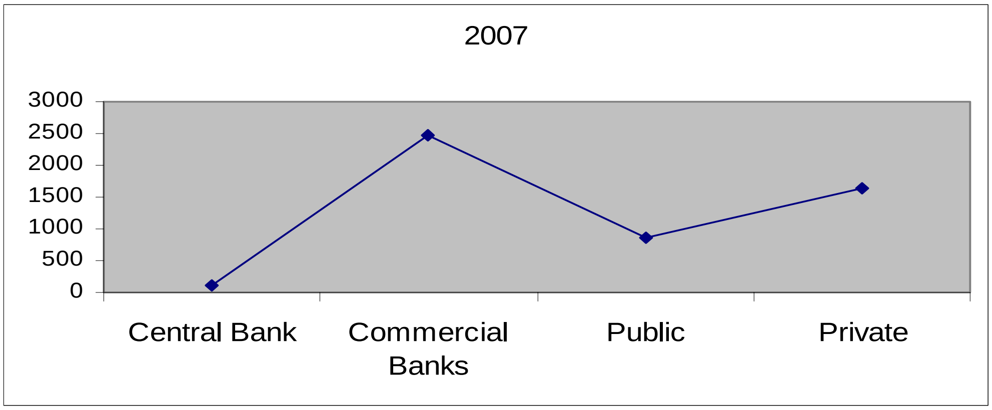
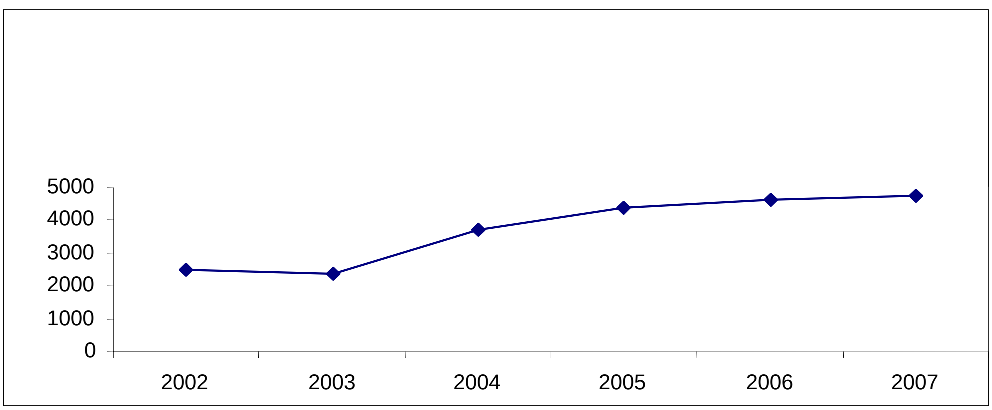


Figure 13: Outstanding Treasury Bills

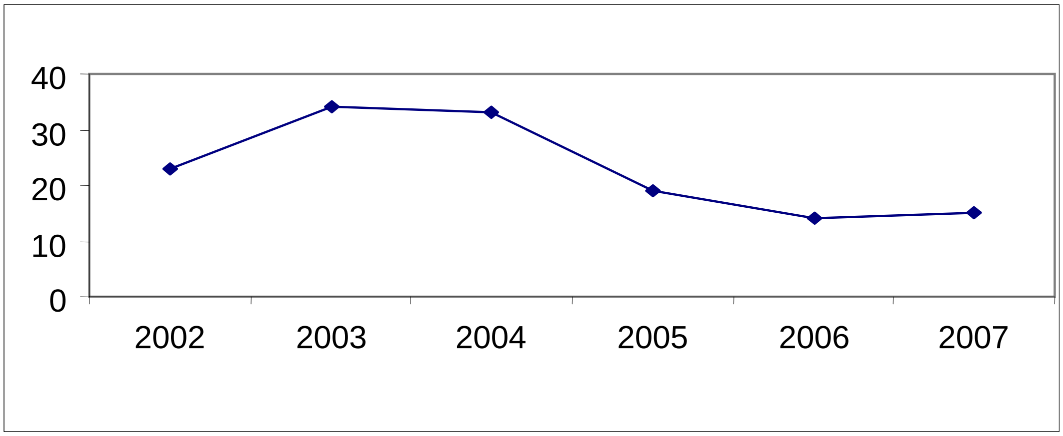


6.2.3 Interest rates

Interest rates policy continued to focus on achieving efficient resource allocation of loanable funds and effective resource mobilization to promote macroeconomic stability. Through the monetary policy transmission mechanism, changes in the official interest rates are transmitted to the real economy through the money, credit and exchange rate channels.

The formation of the monetary policy committee in 2004 saw the Bank shifting from the use of the treasury bills discount rates as the policy rate to the rediscount rate. The decision for the rediscount rate provides a better signaling mechanism about policy stance.

Figure 14: CBG Rediscount Rate



The rediscount rate was 14.0 per cent in 2006. Due to the build-up of inflationary pressures emanating from developments in the global energy and food prices, the rate was increased by one percentage point to 15.0 per cent during the year under review.

Commercial banks lending rates changed from a range of 18.0 to 27.0 per cent in 2007 compared to 18.0 to 28.0 per cent in 2006. Deposit rates ranged from 7.0 to 12.9 per cent for one year time deposits and 5.0 to 7.0 for savings deposits compared to 6.0 to 13.0 percent and 5.0 to 7.0 per cent in 2006 respectively.

6.2.4 Reserve Requirements

Commercial banks are mandated to maintain reserve deposits with the central bank. The reserves are held on a bi-weekly basis but are allowed to go below the required ratio at times, provided that on average, the ratio is maintained. The Bank does not remunerate balances held as part of reserves but imposes a penalty on banks that do not meet the requirement equivalent to 3.0 percentage points above the policy rate on a daily basis.

6.2.5 Rediscount Window

The Central Bank is obliged to rediscount treasury bills in the rediscount window at a penalty rate equivalent to 3.0 percentage points above the policy rate. In addition, banks in need of short-term liquidity may also borrow from the central Bank discount window at the market rate. The facility was used by only one bank in 2007 reflecting the fact that they could resort to rediscounts but mainly because banks were generally liquid.

6.2.6 Foreign Exchange Intervention

Foreign exchange intervention which is the buying and selling of foreign exchange, is generally undertaken by the Central Bank to defend the exchange rate, achieve the desired level of international reserves, pay for imports and meet debt service obligations. Foreign exchange interventions also impact the banking system's liquidity levels and stance of monetary policy. In other words, foreign exchange interventions are used to complement OMO.

During the year under review, the Bank purchased and sold foreign exchange amounting to D484.3 million and D131.8 million, compared to D551.7 million and D0.0 million in 2006 respectively.

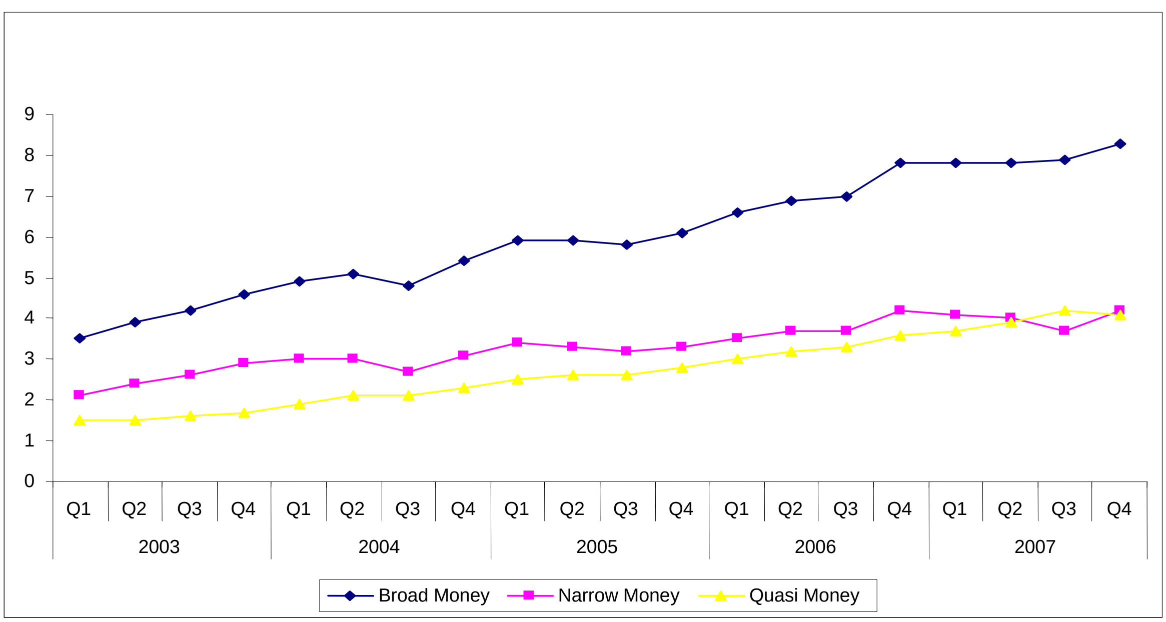
6.3 Money Supply Growth

Broad money (M2) growth in 2007 was 6.7 percent, down from a high of 26.2 percent a year earlier but below the rate of 13.3 percent projected under the PRGF Program. The growth in M2 during the period under review was underpinned by the marked increase in the net domestic assets of the banking system, which was partly moderated by the decline in its net foreign assets.

The growth in money supply resulted from increased deposit growth, in particular, quasi money. Quasi money, which comprises savings and time deposits, rose to D4.1 billion or by 13.8 percent from the previous year. Savings and time deposits increased by 5.4 percent and 33.0 percent respectively. Correspondingly, the share of quasi money to broad money grew from 46.1 percent at end- December 2006 to 49.1 percent at end-December 2007.

Narrow money (M1), comprising currency outside banks and demand deposits increased to D4.2 billion or by 0.6 percent from end-December 2006.
While demand deposits rose by 12.1 percent, currency outside banks declined by 12.8 percent during the same period. The ratio of narrow money to broad money, declined from 54.0 percent at end-December 2006 to 50.9 percent at end-December 2007.

Figure 15: Money Supply in (D'millions)



6.4 Factors Affecting Money Supply

6.4.1 Net Foreign Assets (NFA)

The NFA of the banking system fell to D4.0 billion from D4.3 billion in 2006 largely as a result of the significant decline in the NFA of deposit money banks by 33.5 percent. Comparatively, the NFA of the Monetary Authorities rose slightly by 6.5 percent to D3.1 billion. Central Bank's gross official reserves and foreign liabilities declined by 4.4 percent and 66.7 percent respectively. Contrarily, deposit money banks' foreign assets decreased to D1.5 billion or by 4.1 percent whilst their foreign liabilities increased to D0.5 billion, or by 760.8 percent.

Table 3: Monetary Survey in (D'millions)

	Dec. -06	% Δ	Dec.-07	% Δ
Net Foreign Assets	**4330.40**	**36.4**	**4026.71**	**-7.0**
Monetary Authorities	**2866.27**	**36.1**	**3053.67**	**6.5**
Foreign assets	3369.36	22.7	3221.03	-4.4
Foreign liabilities	-503.09	-21.3	-167.36	-66.7
Commercial banks	**1464.13**	**37.0**	**973.04**	**-33.5**
Net Domestic Assets	**3427.20**	**15.4**	**4247.20**	**23.9**
Domestic Credit	**4259.20**	**21.3**	**4200.46**	**-1.4**
Claims on Government, net	1504.12	94.4	1188.62	-21.0
Advances to Govt. in Foreign currency	74.74	-87.0	0	-100.0
Claims on Public Entities	267.54	3.0	228.57	-14.6
Claims on Private Sector	2412.80	31.4	2783.27	15.4
Other items, net	**-832.00**	**26.8**	**46.74**	**-105.6**
o/w: Revaluation account	-116.79	-54.3	457.69	-491.9
Broad Money	**7757.60**	**26.2**	**8273.90**	**6.7**
Narrow Money	**4185.40**	**133.6**	**4208.52**	**0.6**
Quasi-Money	**3572.20**	**26.5**	**4065.39**	**13.8**

6.4.2 Net Domestic Assets (NDA)

The NDA of the banking system rose to D4.24 billion or by 23.9 percent due in the main to the increase in other items net. Other items net grew from negative D832.0 million to D46.7 million, reflecting revaluation losses, emanating from the appreciation of the Dalasi. Domestic credit, on the other hand, fell slightly to D4.2 billion or by 1.4 percent, of which credit to government and public entities decreased by 21.0 percent and 14.6 percent respectively. In contrast, private sector credit rose markedly by 15.4 percent to D2.8 billion at end-December 2007 compared to 2006.

6.5 Reserve Money Growth

In the Bank's monetary framework, reserve money is used as the operating target and money supply and inflation as the intermediate and ultimate targets respectively. The government in consultation with the IMF set the annual reserve money target, the basis on which the Bank conducts its monetary policy.

Reserve money growth year-on-year contracted by 4.3 percent in 2007 compared to a growth rate of 24.3 percent a year earlier but far below the 10.6 growth rate projected for 2007. The contraction in reserve money reflects tightened monetary policy by the CBG in 2007 evidenced in the contraction in currency issued as reserves of commercial banks rose marginally.

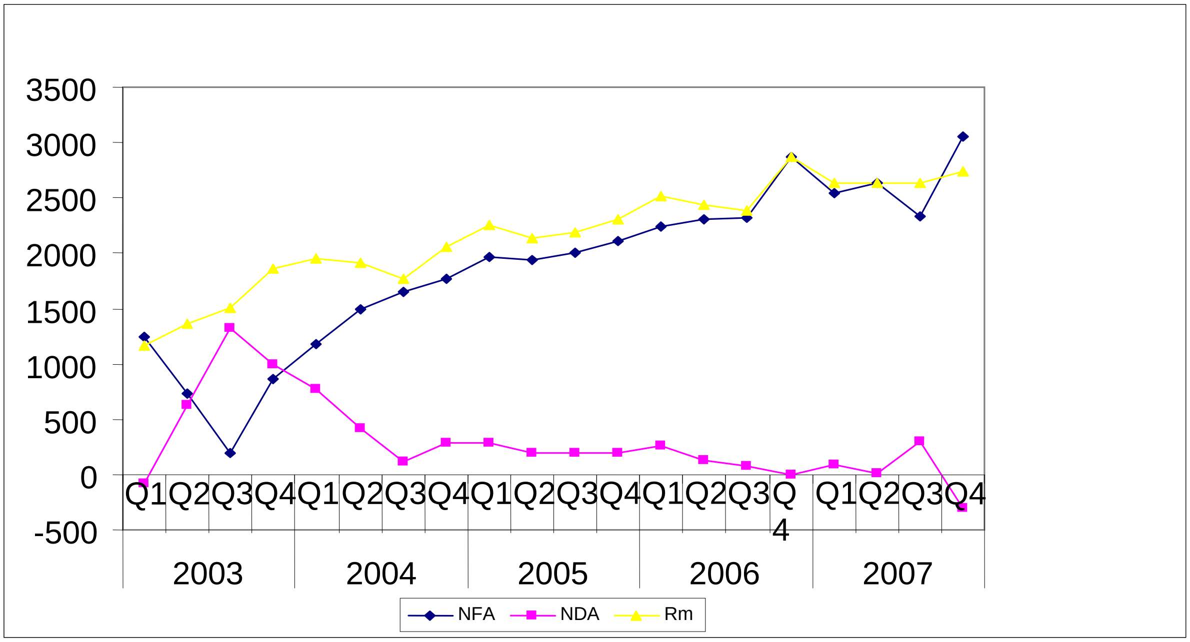
Table 4: Summary Accounts of the Central Bank of The Gambia in (D'millions)

	Dec-06	% Δ	Dec-07	% Δ
Net Foreign Assets	**2866.27**	**36.1**	**3053.67**	**6.5**
Foreign assets	3369.36	22.7	3221.03	-4.4
Foreign liabilities	503.09	-21.3	167.36	-66.7
Net Domestic Assets	**0.2**	**-99.9**	**-309.13**	**-154665.0**
Domestic Credit	**-167.98**	**460.8**	**-903.44**	**451.0**
Claims on Government, net	-623.25	-37.0	-1294.04	107.6
Gross claims	338.88	-51.3	371.8	9.2
less Government deposits	962.13	-42.9	1665.87	73.1
Adv. to Govt. in Foreign currency	**74.74**	**-87.0**	**0**	**-100.0**
Claims on Public Entities	136.91	0.0	136.91	0.0
Claims on Private Sector	214.00	0.0	220.07	2.8
Claims on Deposit Money Banks, net	33.62	0.0	33.62	0.0
Other items, net	**164.18**	**-28.7**	**594.31**	**262.0**
o/w Revaluation account	-116.79	-136.0	457.69	-491.9
Reserve Money	**2866.47**	**24.3**	**2744.54**	**-4.3**
Currency in circulation (I.e issued)	2087.17	35.8	1893.50	-9.3
Reserves of the commercial banks	779.30	1.3	851.04	9.2

The NFA of the Bank increased modestly by 6.5 percent over the twelve-months ending December 2007 relative to a remarkable growth of 36.1 percent in the corresponding period of the previous year. CBG's net domestic assets (NDA) decreased significantly from D0.2 million in 2006 to negative D309.13 million in 2007 reflecting revaluation losses, resulting from the appreciation of the Dalasi.

Actual reserve money for 2007 fell below its quarterly targets of D2,643.7 million, D2,653.5 million, D2,639.8 million and D3,052.5 for end- March, June, September and December by D15.6 million, D17.1 million, D4.3 million and D308.0 million respectively.

Figure 16: NFA, NDA and RM of the Central Bank in (D'millions)



7.0 FOREIGN EXCHANGE DEVELOPMENTS

The relative stability attained in the external sector in the recent past, attributable to the implementation of prudent monetary policies with some fiscal consolidation, has facilitated the stability and strengthening of the Dalasi against other internationally traded currencies, in particular, the US dollar. This follows the sharp appreciation in the third quarter of 2007 which saw the Dalasi gain momentum against all the major international currencies traded in the inter-bank foreign exchange market. Volume of transactions increased to D38.5 billion (US $1.7 billion) in 2007 from D34.0 billion (US $1.2 billion) in 2006. Year-on-year, the domestic currency remains strong, although it did lose some grounds against all the major currencies from the third quarter of 2007 to the end of the fourth quarter of 2007. The US dollar remains the most traded currency in the domestic inter-bank market accounting for 62.34 percent of total transaction volumes in 2007.

7.1 Volume of Transactions

Total volume of transactions in the inter-bank market measured by aggregate sales and purchases of foreign exchange increased to D38.5 billion, or by 12.9 percent from 2006, reflecting mainly increased foreign inflows. Supply of foreign currency gauged by total purchases, grew to D19.1 billion, or by 6.4 percent whilst sales, indicative of demand rose to D19.3 billion or by 20.4 percent from 2006.

Table 5: Volume of Transactions in the Inter-bank Market (in D'millions)

	2006				2007			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Purchases	3812.56	4277.55	4446.0	5454.3	5662.5	5388.6	4744.4	3341.0
Sales	3800.59	3826.35	3738.4	4714.9	4968.7	5721.5	5070	3582.9
Total	**7613.15**	**8103.90**	**8184.4**	**10169**	**10631**	**11110**	**9814.3**	**6923.9**

7.2 Market Share of Key Currencies

A decomposition of transaction volumes in the inter-bank market by currency revealed that the US dollar remains the dominant currency, accounting for 62.34 percent of the total, slightly up from 61.67 percent in 2006. The market share of the Pound Sterling increased from 14.6 percent in 2006 to 15.24 percent during the review period whilst the market share of the euro edged up slightly to 21.21 percent from 21.19 percent in the preceding year. Transactions in Swedish Kroner dropped from 0.46 percent in 2006 to 0.43 percent in 2007. Similarly, transactions in other currencies declined from 0.99 percent in 2006 to 0.51 percent in the year under review.

Table 6: Market Share of Key Currencies (%)

	2006	2007			
Period	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
USD	59.27	60.38	63.35	61.92	64.3
GBP	15.71	15.48	14.81	13.99	13.84
CFA	0.5	0.46	0.55	0.57	0.53
EURO	23.02	22.06	20.39	22.24	19.7
CHF	-	0.35	0.32	0.57	0.23
SEK	0.49	0.51	0.37	0.51	0.46
Other	0.99	0.76	0.2	0.29	0.93

Figure 17: Market Share of Key Currencies in the Inter-bank Market as at Quarter 4, 2007

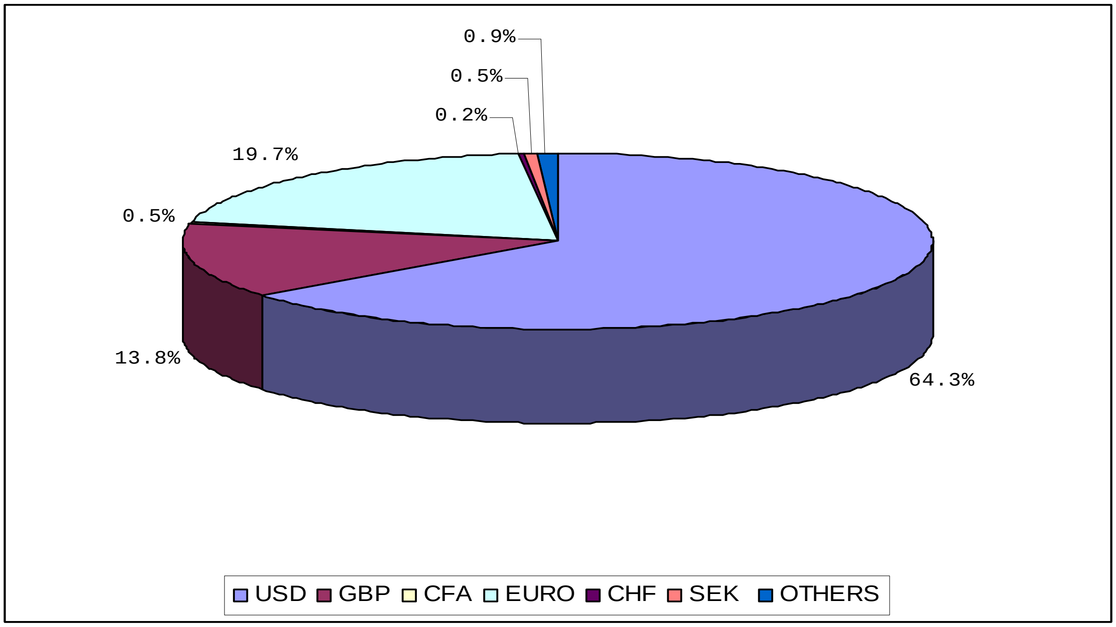


Table 7: Market Share by Participant

2007				
Participant	**Q1 Mkt. Share (%)**	**Q2 Mkt. Share (%)**	**Q3 Mkt. Share (%)**	**Q4 Mkt. Share (%)**
Commercial Banks	86.5	85.3	87.3	86.3
Bureaux	13.5	14.7	12.7	13.7

7.3 Exchange Rate Movements

Year-on-year, the domestic currency appreciated against all the major currencies in the inter-bank foreign exchange market. In 2007, the Dalasi appreciated by 19.6 percent, 17.5 percent, 9.3 percent, 8.1 percent and 14.2 percent against the US dollar, British Pound, Euro, CFA Franc and Swedish Kroner respectively.

Exchange rate movements at the end of the last quarter of 2007 indicated a reversal of the appreciation of the Dalasi relative to all major international currencies that had characterized the major part of the second half of 2007. From end-September 2007, the Dalasi weakened by 18.2 percent to D22.5394 per US Dollar at end-December, 2007. The Domestic currency depreciated by 14.4 percent, 19.7 percent, 23.3 per cent and 8.1 percent against the British Pound, Euro, CFA Franc and Swedish Kroner respectively.

Table 8: Nominal Exchange Rate Movements from Quarter 1, 2006 to Quarter 4, 2007

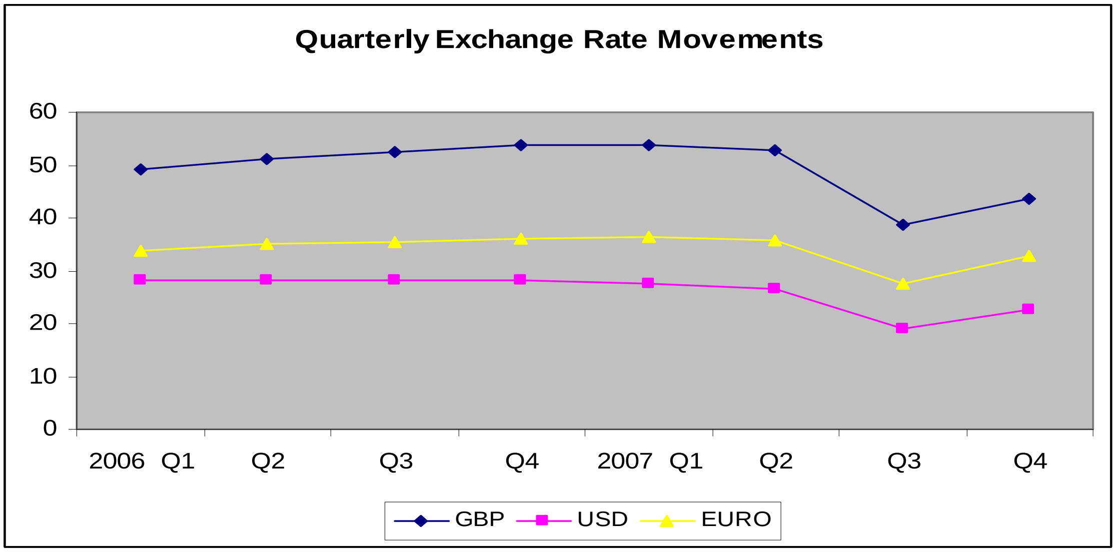
	GBP	USD	SEK	CFA	EURO
2006 Q1	49.22	28.14	354.20	256.62	33.86
Q2	51.01	28.05	355.25	267.35	34.92
Q3	52.36	28.04	362.17	264.48	35.47
Q4	53.89	28.05	383.72	277.37	36.20
2007 Q1	53.61	27.68	367.55	274.54	36.29
Q2	52.76	26.52	373.92	272.31	35.68
Q3	38.85	19.069	304.7	206.68	27.43
Q4	43.46	22.54	329.25	254.82	32.82

Table 9: Monthly Exchange Rate Movements in 2007

Period	GBP	USD	CHF	SEK(100)	CFA(5,000)	Euro
January	-0.09	-0.24	0.00	1.31	-2.16	0.00
February	0.07	-0.30	-1.37	-0.46	0.10	-0.45
March	-0.51	-0.76	1.57	-4.86	1.03	0.59
April	0.07	-0.66	0.97	3.07	-0.28	0.25
May	-0.70	-0.90	-1.71	-3.32	2.42	-0.64
June	-0.95	-2.70	-3.87	2.09	-2.88	-1.30
July	-1.77	-4.55	4.92	-1.59	-3.11	-0.75
August	-8.46	-8.24	-14.49	-3.38	-7.44	-10.22
September	-18.12	-17.90	-17.07	-14.29	-15.37	-13.73
October	3.11	1.99	5.04	-11.64	6.49	-0.90
November	8.83	9.73	14.47	9.75	6.97	11.47
December	1.98	5.6	2.95	11.43	8.23	8.33

Note: (+) Depreciation and (-) Appreciation

Figure 18: Exchange Rate Movements



7.4 Nominal effective Exchange Rate (NEER)

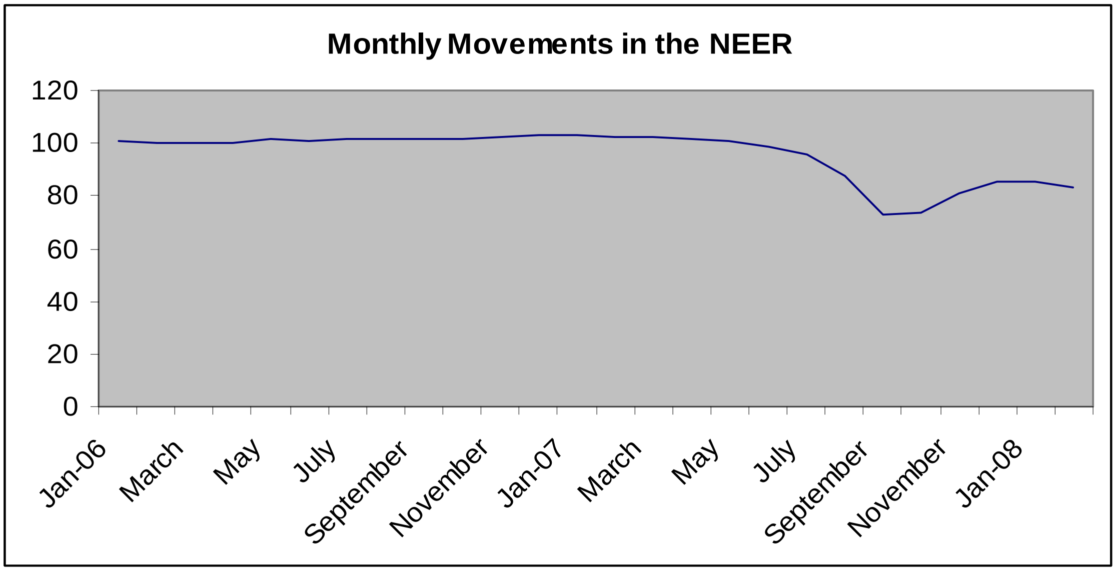
The nominal effective exchange rate (Weighted, 2005=100) index measures the value of the Dalasi vis-à-vis the five major partner currencies in the inter-bank market. In nominal effective terms, the Dalasi appreciated by 16.9 percent in 2007 relative to 2006. From December 2006, the Dalasi appreciated by 0.8 per cent, 3.9 per cent and 29.4 percent in March, June and September 2007 respectively. In contrast, the Dalasi depreciated by 17.8 percent in nominal effective terms from end- September 2007 to December 2007.

Table 10: Nominal Exchange Rate Index

	GBP	USD	SEK	CFA	Euro	OVERALL	Monthly Changes*
Weights (2005=100)	**18.1**	**59.7**	**0.7**	**0.6**	**20.9**	**100.0**	
2006 Dec.	108.2	99.7	110.6	110.1	107.4	**103.0**	**0.9**
2007 Jan	108.1	99.4	111.8	107.8	107.5	**102.8**	**-0.1**
Feb	108.2	99.1	111.3	107.9	107.0	**102.6**	**-0.3**
Mar	107.7	98.4	105.9	109.0	107.6	**102.1**	**-0.4**
Apr	107.8	97.7	109.1	108.7	107.9	**101.8**	**-0.3**
May	107.0	96.9	105.5	111.3	107.2	**101.0**	**-0.8**
Jun	106.0	94.2	107.7	108.1	105.8	**99.0**	**-2.0**
Jul	104.1	90.0	106.0	104.7	105.0	**95.9**	**-3.1**
Aug	95.3	82.6	102.4	96.9	94.3	**87.5**	**-8.7**
Sep	78.0	67.8	87.8	82.0	81.4	**72.7**	**-17.0**
Oct	80.5	69.1	77.6	87.4	80.6	**73.7**	**1.4**
Nov	87.6	75.9	85.1	93.5	89.9	**81.1**	**9.9**
Dec	89.3	80.1	94.9	101.16	97.4	**85.6**	**5.5**

* (+) indicates depreciation and (-) indicates appreciation

Figure 19:



8.0 DEVELOPMENTS IN THE FINANCIAL SECTOR

Banking Sector

8.1 Assets

Total assets of commercial banks increased to D10.4 billion in 2007, a growth of 12.0 percent from the previous year. All asset components increased except bills purchased and discounted and acceptances, endorsements and guarantees which fell significantly from D0.5 billion and D1.3 billion in 2006 to D9.3 million and D1.2 billion respectively.

Investments which accounted for 28.5 percent of total assets increased by 19.8 percent to D3.0 billion and balances due from other banks also increased by 4.7 percent to D2.1 billion during the review period. Correspondingly, net fixed assets and other assets also increased to D0.6 billion and 0.7 billion or by 45.6 percent and 23.3 percent respectively and accounted for 5.3 percent and 6.4 percent of total assets respectively.

Government sector investment and loans and advances also rose by 19.2 percent and 13.6 percent respectively from the preceding year.

8.2 Liabilities

Deposit money banks total liabilities amounted to D10.4 billion in 2007, an increase of 12.0 percent from 2006.Total deposit liabilities rose markedly by 13.1 percent to D6.6 billion in 2007. Demand and Savings deposits grew by 12.0 percent and 5.4 percent respectively from the previous year and Time deposits amounted to D1.5 billion, an increase of 33.0 percent from 2006. Deposit liabilities accounted for 63.3 percent of total liabilities compared to 56.0 percent in 2006.

Whilst acceptances, endorsements and guarantees and other liabilities fell by 4.7 percent and 8.6 percent respectively during the review period, balances due to other banks increased significantly by 858.0 percent to D0.2 billion in 2007.

8.3 Commercial Banks' Income Statement

Commercial banks' total profit before tax rose by 173 percent to D153 million in 2007. Even though interest income rose, interest and non-interest expenses also rose as well during the same period.

8.4 Revenue

Commercial banks derive revenue from both interest and non-interest sources. Net interest is the difference between the income earned and interest paid to depositors and non-interest income comprises mainly revenue from commission on turnover, purchase and sale of foreign currency and bank charges.

Interest income amounted to D0.2 billion or an increase of 23.8 percent while net interest income increased by 22.6 percent. Correspondingly, non-interest income also rose to D0.2 billion from D0.1 billion in 2006 and accounted for 47.0 percent of gross income.

8.5 Expenditure

Total operating expenditure of deposit money banks amounted to D209.9 million, or 36.4 percent above the 2006 level. Salaries and other expenses rose to D66 million and D97.3 million from D57.6 million and D54.9 million in 2006 respectively.

8.6 Liquidity Position of Banks

Banks need liquidity to meet obligations to borrowers, provide credit and meet other short-term commitments. Total liquid assets of commercial banks rose slightly to D2.6 billion, or 0.1 percent from 2006 attributed to increased holdings of Treasury bills. Treasury bill holdings, accounting for 41.1 percent of total liquid assets, increased to D1.1 billion in 2007 from D719.0 million in the preceding year. Foreign cash holdings and foreign bank balances decreased to D171.6 million and D237.2 million, or 11.6 percent and 70.4 percent from 2006 respectively.

The industry continued to maintain liquid assets over and above the statutory requirement of 30.0 percent of total deposit liabilities. In 2007, excess liquidity amounted to D756.0 million or 40.0 percent above the legal requirement, down from D984.1 million or 60.0 percent above the statutory requirement in 2006. Banks' cash reserves also exceeded the requirement by D585.7 million, or 61.0 percent compared to D1.0 billion or 119.0 percent in 2006.

8.7 Micro-Finance Sector

The Microfinance Department (MFD) of the Central Bank continues to play a pivotal role in the development of the Microfinance sector. In line with the changing nature of the sector, the Department carried out a review of the microfinance policy guidelines aimed at further deepening and building more resilient and sustainable Microfinance Institutions (MFIs) as complement to the formal banking sector.

The revised guidelines have raised the minimum paid-up capital for finance companies and Village Savings and Credit Associations (VISACA) from D0.5m and D3,000 to D10m (D5.0m by June 2008 and D10.0m by June 2009) and D0.3m respectively. This is aimed at having a more competitive sector geared towards meeting the financial requirements of the non-bank sector. Additionally, they are required to observe capital adequacy ratios of 16 percent and gearing ratios of 10.0. Under the new policy, finance companies can now conduct Foreign Exchange transactions if they meet the Foreign Exchange Bureau Licensing requirements.

Finance companies and promoters of VISACAs have recently been briefed on the new policy objectives during which finance companies were encouraged to buy shares in the VISACAs of their choice and use them as agencies/branches. It is hoped that the increased capitalization would spur in more viable MFIs that encourage a competitive environment which would enhance linkages of MFIs with the banking sector.

In 2007, there were 62 VISACAs monitored by the Central Bank and membership to the VISACAs decreased by 4,968 members to level at 36,543. Reflecting this decrease in membership, total savings declined by D1.2 million to level at D13.7 million. Total loans, on the other hand, registered an increase of D5.8 million, rising to D27.1 million in 2007.

During 2007, total membership of Savings and Credit Companies or Finance Companies increased to 65,347 or by 20 percent from 2006. Reflecting this growth in membership, overall deposits increased significantly from D35.6 million in 2006 to D120.7 million in 2007. Similarly overall loans rose from D30.9 million in 2006 to level at D94.9 million by the end of 2007. These large increases can be attributed mainly to the entry of Reliance Financial Services in the microfinance sector, bringing the total number of Finance Companies in the country to five.

The National Association of Credit Unions (NACCUG) the umbrella organization of credit unions increased its total membership from 25,936 in 2006 to 27,054 in 2007. Mirroring this increase in membership, deposits and loans rose to D121.1 million and D111.1 million in 2007. This is up 21 percent and 41 percent from the 2006 level respectively.

Despite the improved performance, VISACAs continue to be stymied by weak managerial capabilities, the inability to attract and retain qualified personnel and weak linkages with the formal financial sector. With the revised microfinance policy guidelines, it is hoped that the proposed linkages with some VISACAs will add value and further ensure sustainable financial service delivery at all corners of the country. The new capital requirements will enable MFIs to have adequate resources to finance their operations for the sake of viability and sustainability.

9.0 BALANCE OF PAYMENTS (BOP) DEVELOPMENTS

Overall balance of payments estimates for 2007 indicated a surplus of D741.68 million ($29.82 million) compared to a surplus of D309.31 million ($11.02 million) in 2006. The capital and financial account balance increased to a surplus of D2.2 billion from a surplus of D2.15 billion in 2006.

Current account balance

9.1 Merchandise Trade

The trade deficit worsened during 2007 compared to the preceding year. At D3.52 billion, the trade deficit widened by 10.7 percent over the previous year. The deterioration in the trade balance during the year under review is largely attributable to the expansion in imports which more than offset the increase in exports.

Table 11:

(D' millions)	2003	2004	2005	2006	2007
Goods Balance	**-1874.74**	**-2881.87**	**-3379.99**	**-3181.28**	**-3520.38**
Exports	1847.25	3207.32	2981.13	3055.35	3288.79
Imports	-3721.99	-6089.18	-6361.12	-6236.63	-6809.17

Total exports (including re-exports) rose to D3.29 billion in 2007 from D3.06 billion in 2006, representing an increase of 7.6 percent. Re-exports increased to D2.78 billion or by 9.2 percent from D2.55 billion in 2006 and accounted for 91.3 percent of overall exports. Domestic exports declined to D266.34 million or by 17.2 percent and represents the remaining 7.8 percent of total export. Total imports rose to D6.81 billion in 2007 or by 9.2 percent compared to D6.24 billion in 2006. The increase in the value of imports mainly reflects the increase in global food and energy prices. Imports of petroleum and petroleum products accounted for 19.1 percent of total imports in 2007.

9.2 Services and Private Transfers

The balance in the services account (net), comprising travel income, communication services, other business services, insurance, transportation and computer and information services rose from a deficit of D56.01 million a year ago to a surplus of D1.05 billion in 2007.

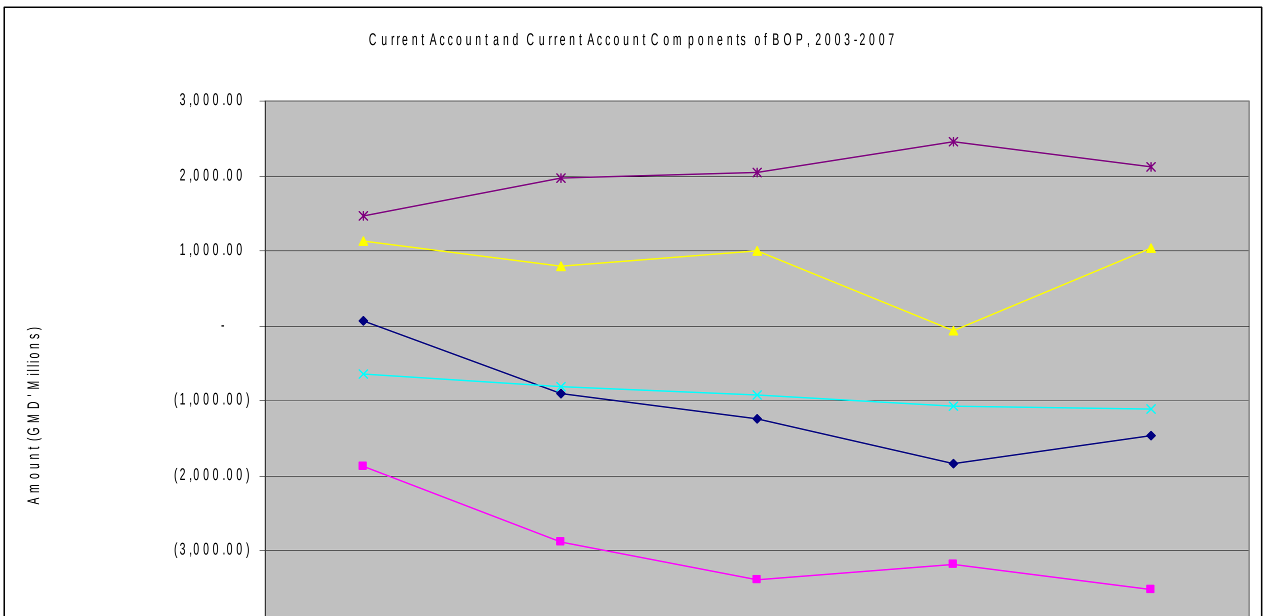
Tourism, private transfers and foreign direct investment continued to be a major source of foreign exchange for the Gambian economy. The value of travel income increased from D1.77 billion in 2006 to D1.87 billion in 2007. Communication services balance, on the other hand, declined to D103.15 million from D181.71 million a year ago.

Private remittances continued to grow over the years largely as a result of the increase in the number of Gambians living and working abroad, increased money transfer channels and improved data collection. However, in 2007, workers' remittances declined by 45.4 percent, attributable to the appreciation of the dalasi against the major international currencies.

Net Income from investment abroad and compensation of employees including embassies remains a deficit and continues to widen. The deficit deteriorated from D1.06 billion in 2006 to D1.11 billion in 2007.

Consequent of the above developments, the current account deficit, including official transfers narrowed to D1.46 billion (10.2 per cent of GDP) in 2007 from a deficit of D1.84 billion (12.9 percent of GDP) in 2006.

Figure 20:

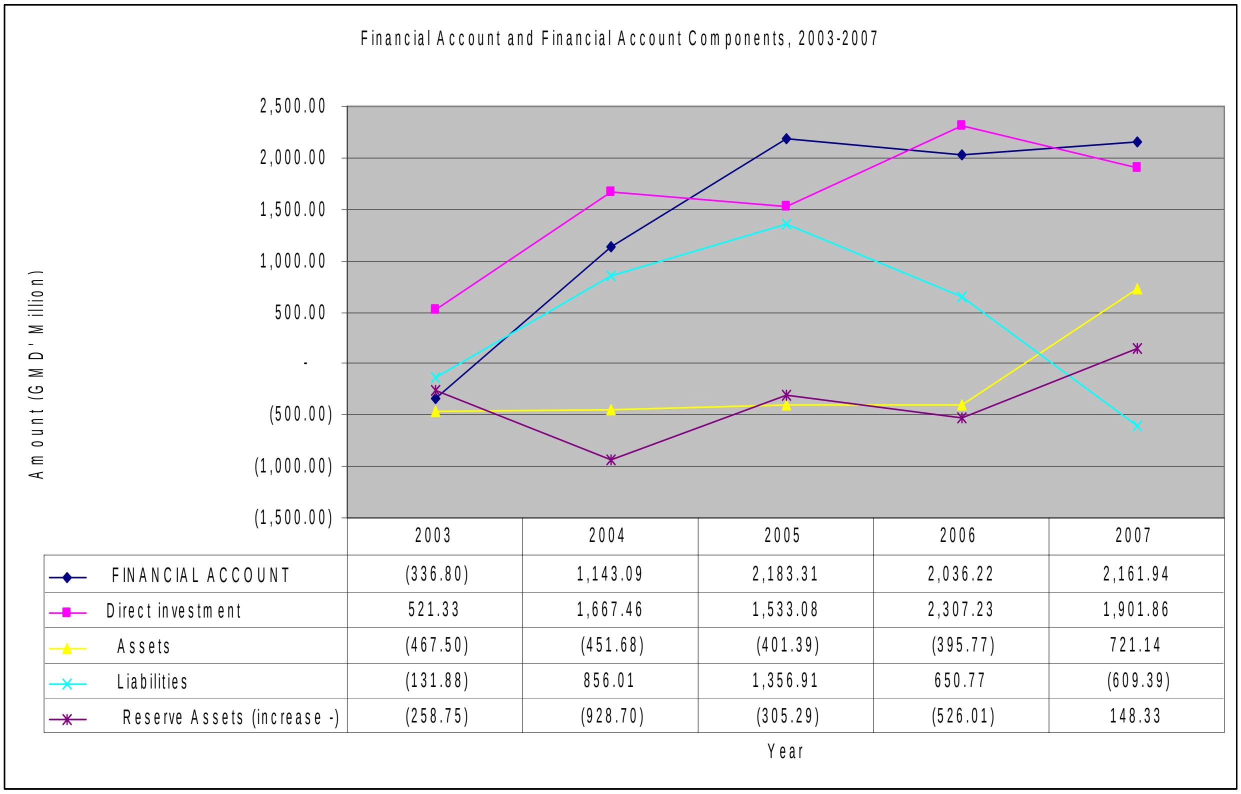


	2003	2004	2005	2006	2007
CURRENT ACCOUNT	75.20	(910.57)	(1,239.93)	(1,841.11)	(1,463.23)
Goods	(1,874.24)	(2,881.87)	(3,379.99)	(3,181.28)	(3,520.39)
Services	1,132.42	805.59	1,009.52	(56.01)	1,045.16
Income	(648.15)	(816.40)	(923.71)	(1,062.58)	(1,110.79)
Current transfers	1,465.18	1,982.11	2,054.25	2,458.76	2,122.79

9.3 Capital and Financial Account

The capital and financial account surplus increased slightly from D2.15 billion in 2006 to D2.20 billion in 2007, due in the main to receipts of HIPC and MDRI debt relief in 2007. Government drawings on new loans declined to D333.64 million in 2007 from D902.17 million in 2006. Similarly, total government loan repayments declined to D414.14 million from D431.26 million in 2006.

Figure 21:



	2003	2004	2005	2006	2007
FINANCIAL ACCOUNT	(336.80)	1,143.09	2,183.31	2,036.22	2,161.94
Direct investment	521.33	1,667.46	1,533.08	2,307.23	1,901.86
Assets	(467.50)	(451.68)	(401.39)	(395.77)	721.14
Liabilities	(131.88)	856.01	1,356.91	650.77	(609.39)
Reserve Assets (increase -)	(258.75)	(928.70)	(305.29)	(526.01)	148.33

Foreign direct investment declined to D1.9 billion in 2007 from D2.31 billion in 2006. Equity capital decreased to D1.47 billion in 2007 or by 26.5 percent from D2.0 billion in 2006. However, re-invested earnings increased to D433.36 million or by 40.5 percent from D308.44 in 2006. Reserve accumulation for the period under review is estimated at D148.33 million.

10.0 GOVERNMENT FISCAL OPERATIONS

Introduction

The fiscal operations of the government have a major impact on the overall economic output and resource allocation in any economy. In view of this fundamental macroeconomic role, the 2007 budget was drawn based primarily on the objectives of the government's second Poverty Reduction Strategy Paper (PRSP II) and the goals of the Poverty Reduction and Growth Facility (PRGF) with the International Monetary Fund (IMF).

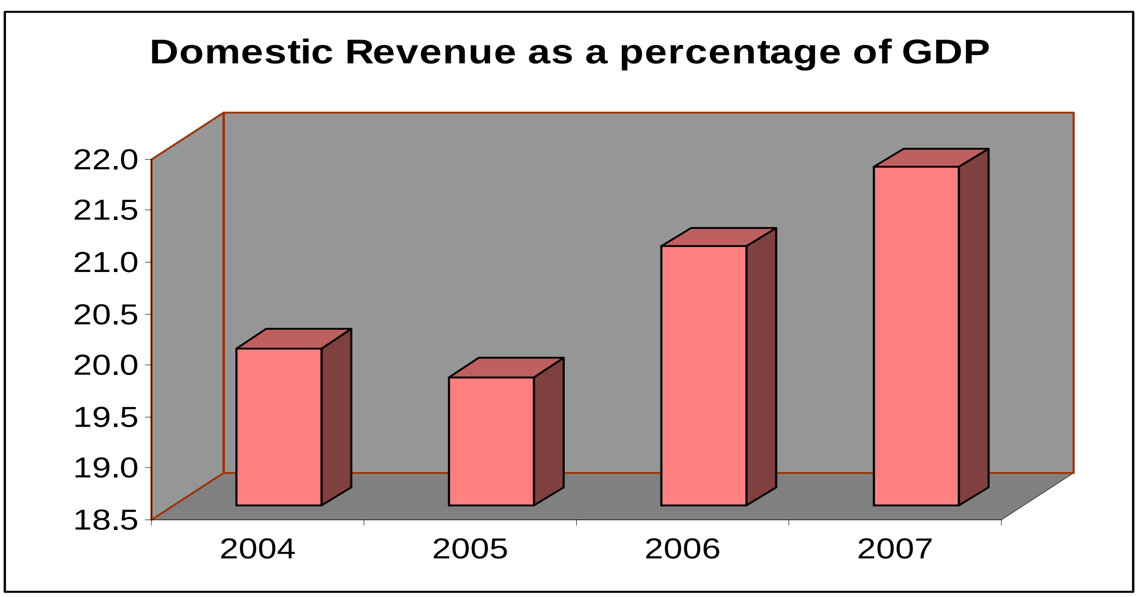
Statistics on Government fiscal operations in 2007 indicated strong outcome due largely to improved performance in revenue collections and fiscal discipline. The overall budget balance including grants registered a surplus of 0.1 percent of GDP relative to a deficit of 2.2 percent of GDP in 2006. The overall budget deficit excluding grants also narrowed to 1.0 percent of GDP from 2.7 percent of GDP in 2006.

10.1 Total Revenue and Grants

Total revenue and grants generated during 2007 amounted to D3, 608.7 million (22.9 percent of GDP), an increase of 16.8 percent over the outturn for 2006. This constituted 81.8 percent of the 2007 budget projection, the difference being accounted for by shortfall in grants. Grants totaled D181.4 million and were below target by D909.7 million, reflecting the lower-than-projected performance of project grants.

Domestic revenue rose to D3, 427.3 million or by 13.7 per cent from 2006 and amounted to 21.8 per cent of GDP.

Figure 22:



The domestic revenue mobilization in 2005 could not keep pace with the growth in economic activity, hence, a decline in revenue as a percentage of GDP.

Total tax revenue mobilized during the 2007 fiscal year amounted to D3,035.7 million, an annual growth rate of 12.8 percent. Revenue generated from direct taxes rose to D884.1 million or by 10.1 per cent and was D23.1 million over the 2007 budget. The boost in direct taxes is largely attributable to the marked increase in personal taxes by 42.0 percent, year-on-year. In contrast, corporate tax revenue declined by 7.9 per cent during the same period.

Table 12: Government Receipts

	2006	2007				
RECEIPTS (In Millions of Dalasis)	Outturn	Outturn	Budget	Above(+) Below(-) Target	Percent of Budget	Annual Growth
Tax Revenue	**2,691.3**	**3,035.7**	**2,904.8**	**130.9**	**104.5**	**12.8**
Direct Tax	**803.2**	**884.1**	**861.0**	**23.1**	**102.7**	**10.1**
Personal	246.4	349.9	314.8	35.1	111.1	42.0
Corporate	506.3	466.4	485.0	-18.6	96.2	-7.9
Capital Gains	27.1	29.3	35.0	-5.7	83.7	8.1
Payroll	17.9	18.9	20.2	-1.3	93.4	5.6
Other	5.4	19.6	5.9	13.7	330.5	261.5
Indirect Tax	**1,888.1**	**2,151.6**	**2,043.8**	**107.8**	**105.3**	**14.0**
Domestic Tax on goods & services	474.8	548.4	581.5	-33.1	94.3	15.5
Tax on International Trade	**1,413.5**	**1,603.2**	**1,462.3**	**140.9**	**109.6**	**13.4**
Duty	764.5	806.7	764.4	42.3	105.5	5.5
Sales tax on imports	648.8	796.5	697.9	98.6	114.1	22.8
Non-tax Revenue	322.0	391.6	416.4	-24.8	94.0	21.6
Grants	**76.2**	**181.4**	**1,091.1**	**-909.7**	**16.6**	**138.1**
Program	17.0	0.0	0.0	0.0	-	-100.0
Projects	59.2	173.9	902.7	-728.8	19.3	193.8
HIPC	0.0	0.0	177.3	-177.3	0.0	-
Other	0.0	0.0	11.1	-11.1	0.0	-
Domestic Revenue	**3,013.3**	**3,427.3**	**3,321.2**	**106.1**	**103.2**	**13.7**
Total Revenue and Grants	**3,089.5**	**3,608.7**	**4,412.3**	**-803.6**	**81.8**	**16.8**
Percentage of GDP	**21.6**	**22.9**	**28.0**	**-5.1**	**-**	**-**

Data source: DOSFEA

Total revenue collected from indirect taxes amounted to D2,151.6 million in 2007, reflecting a significant growth of 14.0 per cent over 2006 and exceeded the 2007 budget estimate by D107.8 million. Domestic taxes on goods and services rose from D474.8 million in 2006 to D548.2 million in 2007 but fell below budget by D33.1 million.

Revenue from taxes on international trade exceeded the 2007 budget projections by D140.9 million. In 2007, taxes on international trade totaled D1,603.2 million compared to D1,413.3 million in 2006.

Non-tax revenue generated during the year under review amounted to D391.6 million representing an annual growth of 21.6 percent. Non-tax revenue mobilized in 2007 was below budget by D24.8 million.

10.2 Expenditure and Net Lending

Total expenditure and net lending for 2007 reached D3,588.5 million or 22.8 per cent of GDP. This represents an annual increase of 5.4 percent and constitutes 80.7 percent of the annual expenditure budget.

Capital expenditure and net lending rose to D1,003.8 million or by 13.1 percent relative to 2006. Capital expenditure increased marginally to D913.5 million or by 2.3 per cent from the previous year and represented less than 50.0 per cent of total capital expenditure budgeted for 2007. Capital expenditure was financed largely from external sources, consisting of loans (D549.0 million) and grants (D183.1 million). Government local Funds (GLF) amounted to D183.1 million.

In 2007, current expenditure amounted to D2,584.7 million (16.4 per cent of GDP) representing a modest increase of 2.7 percent over the outturn for 2006. Current budget payments exceeded the 2007 projection by some 4.9 per cent or D120.5 million. About 89.0 per cent of personal emoluments bill budgeted for 2007, amounting to D680.4 million, was paid during the year and remained below budget by D84.3 million. Other Charges outlay increased to D1,089.3 million or by 15.6 per cent in 2007.

Interest payments declined to D815.0 million (5.2 percent of GDP) and represents 96.3 percent of the annual budget allocated for interest payments. Domestic interest payments, which accounted for 71.7 per cent of total interest payments, declined to D584.0 million or by 15.3 percent from the outturn recorded in 2006. Domestic interest payments were below the 2007 budget by D31.0 million.

Figure 23:

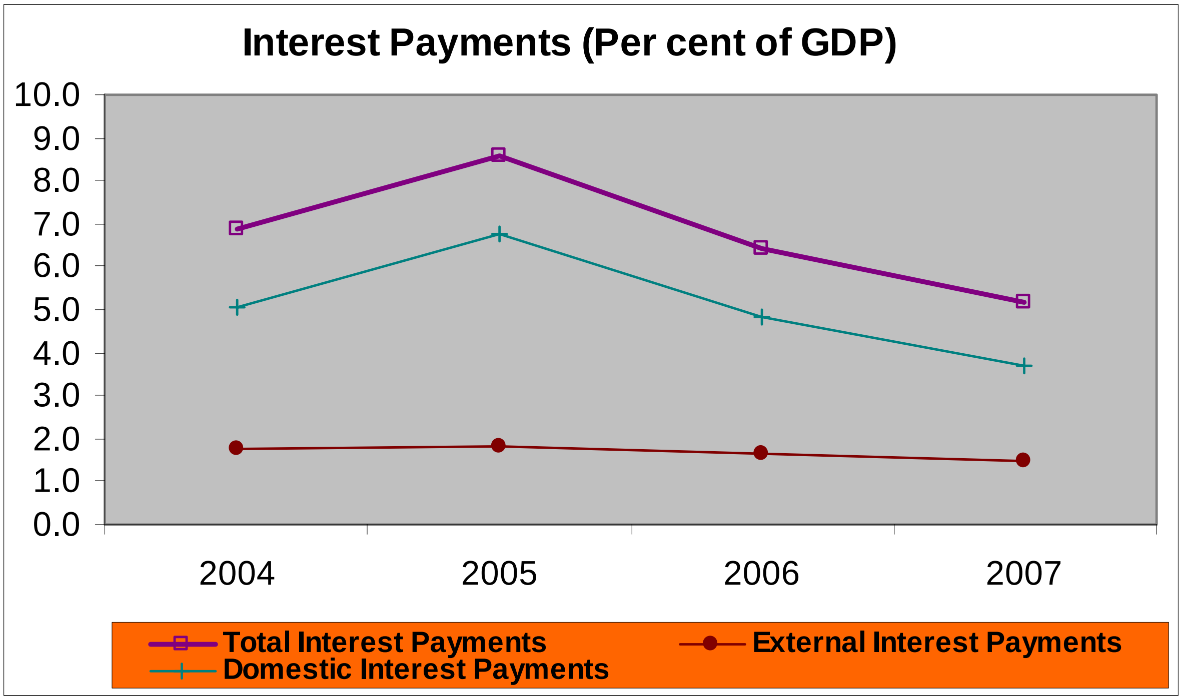


Table 13: Government Payments

	2006	2007				
PAYMENTS (In Millions of Dalasis)	Outturn	Outturn	Budget	Above(+) Budget(-) Target	Percent of Budget	Annual Growth
Personnel Emoluments	**652.5**	**680.4**	**764.7**	**-84.3**	**89.0**	**4.3**
Interest	921.4	815.0	846.3	-31.3	96.3	-11.5
External	232.2	231.0	231.3	-0.3	99.9	-0.5
Domestic	689.2	584.0	615.0	-31.0	95.0	-15.3
Capital Exp. & Net Lending	**887.4**	**1,003.8**	**1,935.8**	**-932.0**	**51.9**	**13.1**
Capital Expenditure	**893.3**	**913.5**	**1,864.0**	**-950.5**	**49.0**	**2.3**
Externally Financed	**816.5**	**730.4**	**1,606.4**	**-876.0**	**45.5**	**-10.5**
Loans	740.3	549.0	703.7	-154.7	78.0	-25.8
Grants	76.2	181.4	902.7	-721.3	20.1	138.1
GLF Capital	**76.8**	**183.1**	**151.3**	**31.8**	**121.0**	**138.4**
Expenditure and Net Lending	**3,403.3**	**3,588.5**	**4,445.5**	**-857.0**	**80.7**	**5.4**
% of GDP	**23.7**	**22.8**	**28.3**	**-5.4**	**-**	**-**

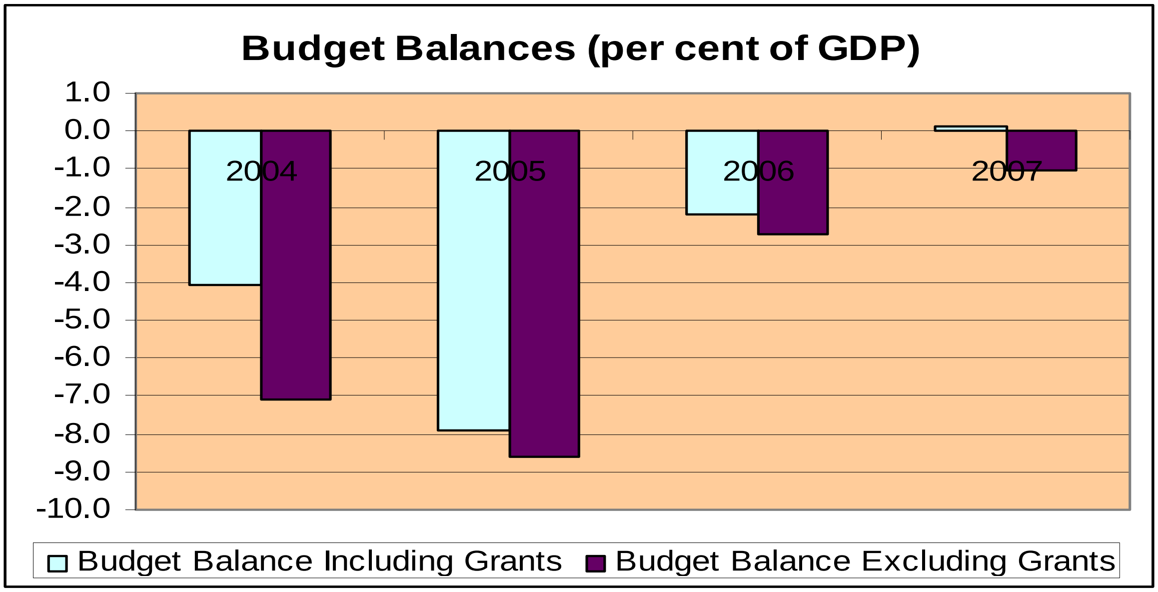
Data source: DOSFEA

External interest payments which totaled D231.0 million were 0.5 per cent below the outlays for last year. Almost the entire budget allocated for foreign interest (99.9 per cent) payments was executed.

10.3 Budget Balance

The overall budget balance including grants recorded a surplus of D20.2 million in 2007, equivalent to 0.1 per cent of GDP. The budget balance, excluding grants, was a deficit of D161.2 million or 1.0 percent of GDP.

Figure 24:



The basic balance recorded a surplus of D569.3 million or 3.6 per cent of GDP whilst the basic primary balance was a surplus of 8.8 per cent of GDP. In 2006, the basic balance was 2.1 percent of GDP whilst the basic primary balance as a percent of GDP was 3.8 percent.

Table 14: Budget Balance and Financing

In Millions of Dalasis	2006	2007	2007 Budget
Overall Balance (Commitment)	**(313.8)**	**20.20**	**(33.14)**
Percent of GDP	2.19	0.10	0.20
Overall Balance (Cash)	**(937.6)**	**(805.9)**	**(33.14)**
Percent of GDP	6.54	5.12	0.21
Financing	**937.60**	**805.87**	**33.14**
External (net)	**309.06**	**661.58**	**115.70**
Borrowing	740.34	549.04	703.70
Amortization	-431.28	112.54	-588.00
Domestic	**628.5**	**144.3**	**-82.56**
Borrowing	713.1	329.8	129.04
Bank	730.6	291.5	148.03
Non-bank	101.5	-132.23	74.01
Accumulation of arrears	-		-232.50
Privatization proceeds	-	155.7	0.00
Repayment of debt/arrears	-136.66	(82.0)	-93.00
Capital revenue	31.55	22.4	20.90
Bank capitalization	-69.00	10.0	0.00

Note: Overall balances include grant
Data source: DOSFEA

The overall budget balance for 2007 was financed mainly from external sources. External financing amounted to D661.6 million or 4.2 per cent of GDP. Domestic financing of the budget balance was a modest D144.3 million or 0.9 per cent of GDP.

10.4 Domestic Debt

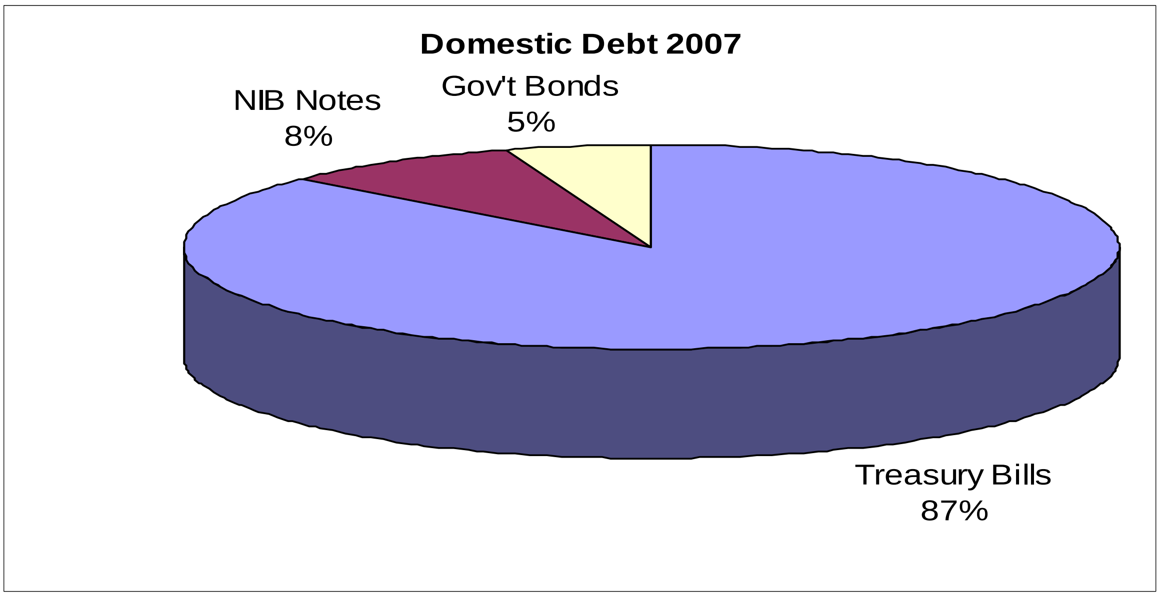
Total domestic debt at D4.96 billion in 2007 decreased by 1.5 percent compared to a year earlier. The domestic debt comprises Advances to government in Foreign Currency, Government Bonds, None-Interest Bearing notes (NIB) and Treasury bills. Treasury bills, amounting to D4.3 billion, accounted for 86.6 percent at total domestic debt while Government Bonds and NIB notes accounted for 5.0 percent and 8.4 percent respectively.

The moderate increase of 2.9 percent in Treasury bills is largely attributable to the marked decline in public sector borrowing requirements during the year under review. In the review year, NIB notes declined to D415.4 million or by 22.4 percent while stock of Government Bonds remained unchanged at D250 million relative to 2006.

Table 15:

Domestic Debt in (D'millions)				
	2006	% △	2007	% △
Treasury Bills	4174.30	9.6	4295.73	2.9
NIB Notes	534.94	169.2	415.38	22.4
Gov't Bonds	250.00	0.00	250.00	0.00
Forex Loan to Gov't	74.74	-62.5	0.00	-100.
Total	**5033.98**	**941.6**	**4961.11**	**-1.5**

Figure 25:



The Treasury bills market continued to be dominated by the banking sector. This sector held D2.6 billion or 60.2 percent of the total, whilst the non-bank sector accounted for the remaining D1.7 billion or 39.8 percent. A year ago, the percentage distribution of outstanding treasury bills was 53.1 percent for banks and 46.9 percent for non-banks. Of the banking system holding of short-term securities, deposit money banks held D2.4 billion or 95.2 percent with the Central Bank accounting for the rest (D0.1 billion or 4.8 percent). During the year under review, 34.4 percent (or D0.85 billion) of non-bank holdings of securities was held by the public sector relative to D1.1 billion or 51.0 percent a year ago.

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

Table 16:

Treasury bills Holdings in (D'millions)				
	2006	**% of Total**	**2007**	**% of Total**
Central Bank	88.88	2.1	121.53	2.9
Deposit Money Banks	2127.37	51	2433.94	57.0
Non-Bank	1958.05	46.9	1691.24	40.1
Total	**4174.3**	**100.0**	**4246.71**	**100.0**

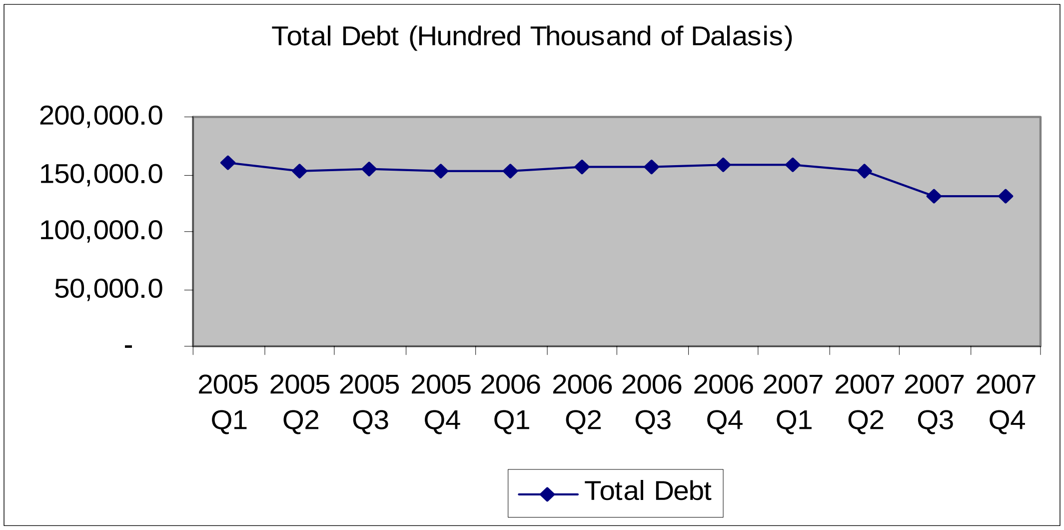
10.5 External Debt

The Government of the Gambia has over the past couple of years directed its policies towards meeting the criteria for slashing its debt portfolio. In December 2007, the Gambia reached completion point under the Heavily Indebted Poor Countries (HIPC) Initiative which is an IMF and World Bank sponsored program.

This welcomed achievement availed the Gambia a substantial amount of debt write-off from the International Community and potentially the ADB, International Monetary Fund (IMF) and World Bank. The immense benefit will usher in a reduction of the stock of debt by more than half and a freeing up of a huge chunk in debt service payments.

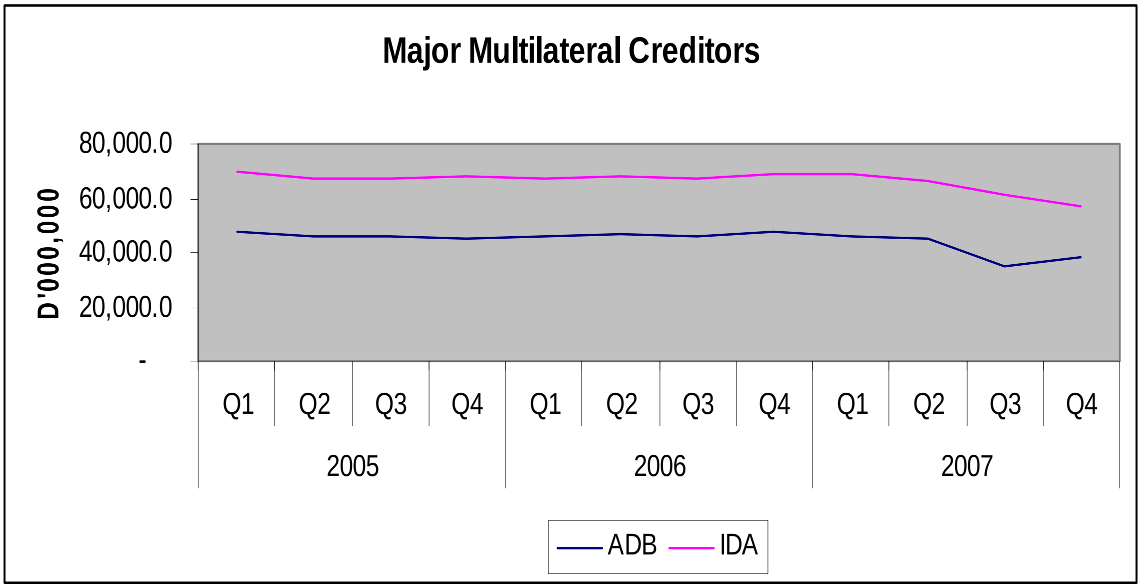
Although, The Gambia is yet to fully benefit from the above mentioned developments, the disbursed outstanding debt (total) declined in 2007. It declined from D158.9 billion at end-December 2006 to D130.6 billion at the end of 2007 of which a staggering 86.8 percent is owed to multilateral institutions. The decline in the total debt portfolio was most pronounced in the third quarter of 2007 when it dropped to D130.1 billion from D153.5 billion a quarter earlier.

Figure 26: Total Debt Outstanding



The African Development Bank (ADB) and International Development Association (IDA) remained the main multilateral creditors to the Gambia accounting for 29.5 percent and 43.8 percent of the total stock of debt at end-December 2007 respectively.

Figure 27: Major Multilateral Creditors



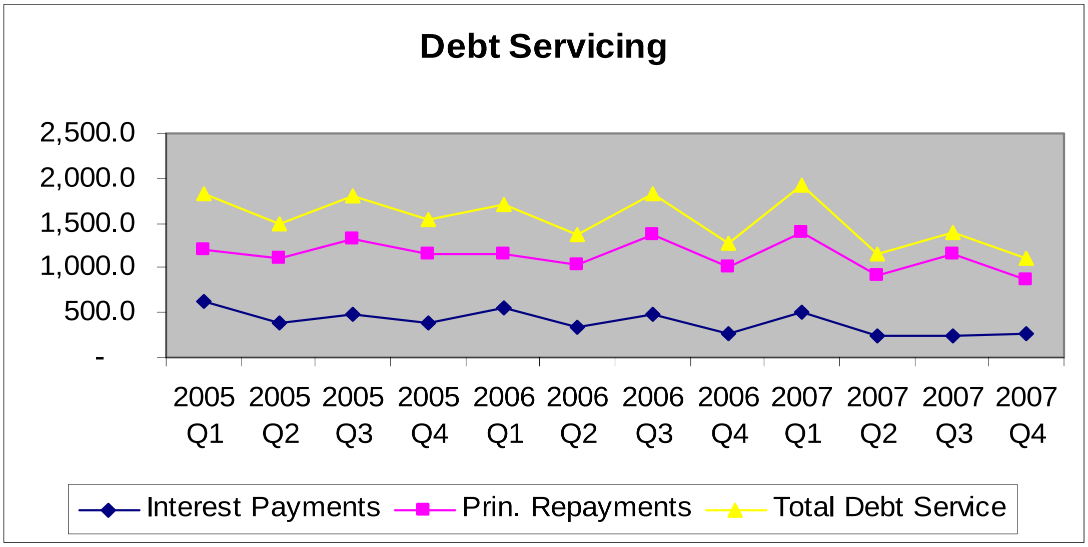
The substantial reduction in the total debt could be attributed to the adoption of concessional loan agreements which are tied to economic performance and the improved bilateral relationships with international organizations (ADB, IMF, BADEA, Kuwait Fund and World Bank). These loan arrangements do at times include some grant elements, longer repayment periods and extended grace periods. Improved fiscal conditions also played a major part in the improvement of the external debt position in 2007.

External interest payments almost doubled in the first quarter of 2007 to D512.4 million from D258.0 million at end-December 2006. However, by the end of the review period, interest payments stood at D254.5 million, comparing favorably with the D258.0 million a year earlier.

By end-December 2007, principal loan repayments had dropped by more than D150.0 million to D860.2 million, due in the main, to the benefits of concessional loan agreements and debt relief. This position was further aided by a sharp reduction in the disbursement of loans to the Gambia from D1.57 billion at end-December 2006 to D683.2 million at the end of the review period.

Due to the marked decline in principal loan repayments, total debt service payments fell to D1.11 billion from a peak of D1.9 billion in 2006. The total debt service payment in the last quarter of 2007 represents the lowest cash outflow since quarter one of 2005.

Figure 28: Debt Servicing (in D'millions)



11.0 REGULATION AND SUPERVISION OF BANKS: POLICIES AND PROCEDURES

The Gambia's financial sector remains attractive to both domestic and foreign investors as evident in the increased number of deposit money banks from seven in 2005 and eight in 2006 to nine as at end 2007. Eight of the mentioned banks are engaged in conventional banking while the remaining one is practicing banking in accordance with the teachings of the Islamic doctrine. In addition to the nine commercial banks, the financial sector also comprised nine insurance companies, 40 foreign exchange bureaux, five micro finance institutions, 62 village savings and credit associations, four credit companies and one post office savings institution.

11.1 Banking Sub-Sector

The banking sub-sector is the dominant and most active of the country's financial sector. It remains safe and sound with a total industry assets base of D10.4 billion and capital & reserves of D1.14 billion as at end December 2007 as opposed to D9.29 billion and D1.07 billion for the corresponding period in the preceding year. The increase in the assets base was largely due to increases in the banks' total loans and advances and net fixed assets which moved from D2.2 billion and D0.38 billion, respectively, in 2006 to D2.65 billion and D0.55 billion as at end December, 2007. However, increases in the capital and reserves were mainly on account of increases in the paid-up capital and statutory reserves which increased by 18.0 percent and 45.0 percent to D0.60 billion and D0.23 billion respectively.

In spite of increases in the number of players and the increasingly stiff competition in the industry, banks are still deemed profitable although accumulated net income declined by 26.0 percent from D247.73 million in 2006 to D181.97 million in 2007. The drop in profitability was mainly driven by sharp increases in both interest and non-interest expenses with a less than proportionate increase in interest and non-interest incomes and huge revaluation losses experienced by major banks on account of the sudden appreciation of the domestic currency over foreign currencies in the third quarter of 2007.

In spite of the decline in net income, the industry remains well capitalized with a risk weighted adjusted capital adequacy ratio of 22 percent and a liquid assets ratio of 75 percent. It is worth mentioning that the two ratios are well above the statutory 8 per cent and 30 percent requirements for capital adequacy and liquidity respectively.

11.2 Regulatory Requirements

The Financial Supervision Department (FSD) continues to monitor bank compliance with regulatory requirements for Capital Adequacy, Liquidity Ratio, Required Reserves, Provision for Credit Losses, Single obligor Limit and Net Open Position.

11.3 Regulatory Reforms

A number of reform measures have been taken with a view to strengthening the financial sector for efficient financial service delivery. To ensure a save and sound financial system, the supervisory tools of the Department have been further strengthened during the review period. To this effect, a Prompt Corrective Action (PCA) framework was issued to banks and took effect from August 2007.

The Prompt Corrective Action (PCA) Framework is a means to promote a safe and sound financial system by monitoring each bank's compliance and performance against five "critical elements" The framework also ensures the implementation of corrective measures in response to the deterioration of the performance indicators of a bank. The "Critical Elements" which are capital, Non-performing Loans, Liquidity Ratio, earnings and Foreign Exchange Exposure are rated using parameters of 1 to 5 as follows:

PCA Rating	Definition:
1	Strong
2	Satisfactory
3	Marginal
4	Unsatisfactory
5	Unacceptable

Within 90 (ninety) calendar days following the end of each calendar year, the Financial Supervision Department (the "FSD") will complete a PCA review for each bank and notify each bank's board of directors of the results of the PCA review and the prescribed action plan for implementation where necessary. The result of a PCA assessment assists the Department to engage in risk- based supervision as it highlights the areas of concern for decision-making vis-a vis on site examination.

In addition to the above reforms, guideline one on Regulatory Reporting Requirements was revised and issued to banks. The proposed Regulatory Reporting Requirement (RRR) is an improvement over the existing framework. The previous requirement imposed fines on late and inaccurate submission of returns only. It does not carter for non-monetary penalties which are also conspicuous by their absence. The salient changes to the RRR include:

1. Increase in monetary fine from D300.00 to D1000.00 per day per return.

2. Imposition of fines and other sanctions with respect to: (1) Deficiency in provisioning (2) Publication of Annual Accounts without CBG approval (3) Failure to submit management service contracts for vetting and approval by the Central Bank on an annual basis (4) violation of the single obligor limit (5) Failure to submit management letters (6) Failure to disclose penalty charges and key financial ratios in published financial statements (7) Failure by the external auditors to validate returns (8) Failure to comply with the “fit and proper” person test (9) Failure to observe the required reserves requirement (10) Operating a foreign currency deposit without CBG approval (11) Failure to notify the CBG of cases of fraud, etc.

11.4 Risk Based Supervision (RBS)

During the review period, the Department developed a Risk Focused Examination document for implementation on a pilot base in 2008. The new strategy is a move from the current Compliance-based approach of examination. Under the RBS model, attention is devoted to high risk areas, thus saving time and supervisory resources.

11.5 On-site Visits

The Financial Supervision Department concluded 3 full scale on site examinations, 5 prudential visits and 6 branch inspections, thanks to the development of an on site examination Manual during the period under review. Under the Risk Based Supervision model, the Department is committed to examining all systemic banks once every year and the non systemic banks once every two years.

11.6 Competitive Environment

The banking industry continues to be attractive and highly profitable supported by the number of new entrants into the market. Full operating license was issued to ECO Bank Gambia Limited, thus increasing the number of banks to nine. In addition, a number of new applications were received and analysed. The increase in the number of banks in the industry intensified competition, and improved serviced delivery of the banking sector.

11.7 Disclosure requirements

The Department continues to improve the disclosure requirements for banks in order to enhance public awareness and to create a level playing field for all players. Banks are required to submit monthly return on fees and charges for publication by the Central Bank. In addition, banks are also required to disclose key financial ratios and central Bank Penalty charges in their annual published accounts.

11.8 Credit Reference Bureau

Since 2006, the Central Bank of the Gambia has been working closely with the commercial banks to set up a Credit Reference Bureau (Credit Risk Management System). The main objective of the project is to better inform the banks thereby enabling them make value judgment in their credit granting process. It is also hoped that good decisions in the credit process will reduce the instances of delinquent loan facilities.

In 2007, a tour to Nigeria by officials of the Central Bank and the commercial Banks was conducted to understudy their Credit Risk Management System (CRMS). In addition, a team comprising senior officials of the Central Bank and the Gambia Bankers Association visited the Valtech (Software developers) in India to appreciate the developmental process of the software. It is hoped that the negotiations, for the procurement will be completed by June 2008 and the Bureau be functional by the end of 2008.

11.9 Financial Intelligence Unit (FIU)

Following the appointment of the Central Bank of the Gambia as the Supervisory Authority and with the mandate to set up a Financial Intelligence Unit, efforts have been concentrated on the identification and training of the staff of the FSD in the area of anti-money Laundering and Counter Terrorism Financing. The immediate task of the FIU is to work with the relevant government institutions to amend the Money Laundering Act 2003 to meet international standards and best practices. Other tasks include the drafting of a Customer Due Diligence Policy and reporting formats for suspicious cash transactions.

PART II

DEVELOPMENTS IN THE INTERNATIONAL ECONOMY

The key development on the international economic stage during 2007 has been the bout of turbulence in international financial markets that began in the summer, and has not fully abated. Despite the instability of financial markets, the world economy continued to show signs of considerable dynamism especially in the third quarter of 2007, driven by the strength of the emerging economies whose financial markets have barely been affected by recent developments.

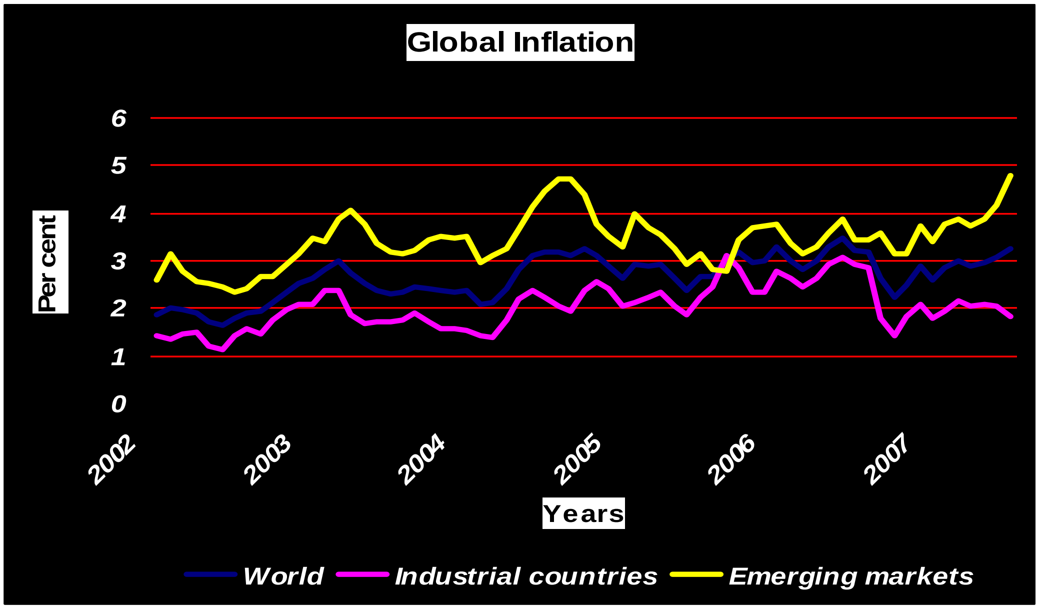
Figure 29:

Source: IMF WEO October 2007

Global growth is estimated at 5.0 percent in 2007, however most forecasters have revised downwards their outlook for 2008. The World Economic Outlook (October 2007) published by the International Monetary Fund (IMF) revised downwards its forecast for 2008 by 0.4 percentage points to 4.8 percent. Growth in the United States is expected to remain below trend in 2008, and forecasts for Japan and the euro area have been revised downward to around long-run average rate of 2.1 per cent and 1.7 per cent respectively due to domestic and external factors. Strong growth is expected to continue in India, Africa, China and the rest of East Asia.

Core inflation measures have been more contained in the main developed economies. Nonetheless, rising food and energy prices have recently contributed to increased inflationary pressures in several countries. Headline consumer price inflation in the US increased sharply in September and October 2007, but core inflation declined moderately from the beginning of the year. In the Euro area, annual headline inflation remained well contained until August 2007, but has exceeded the European Central Bank's aim of maintaining inflation below but close to 2.0 per cent since September, due to higher food, housing and energy prices. Japan's year-on-year rate of change in core consumer prices, however, remained in the negative from January 2007. In emerging-market countries, annual consumer price inflation accelerated, while inflation developments were mixed in the European region.

Figure 30:



Source: IMF WEO October 2007

Since the beginning of September 2007, monetary policy has been tightened in Australia, Chile, China, Ghana, Nigeria, Mexico, Poland, Sweden, Switzerland and Taiwan in response to rising inflationary pressures. In contrast, monetary policy has been relaxed in UK, Brazil, Hong Kong, Hungary, Turkey and the US. The US Federal Open Market Committee cut its target for the federal funds rate by 50 basis points in September 2007 and by a further 25 basis points in October to counter the disruptions in financial markets and promote growth.

The outlook for the global economy encompasses a number of uncertainties and downside risks. Major concerns relate to the turbulence in the financial markets, surging oil and commodity prices and increasing risk from disorderly unwinding of global imbalances.

United States
After a strong third quarter output growth of 4.9 percent, initial government estimates released by the Bureau of Economic Analysis showed that the US economy slowed down to a standstill in the fourth quarter of 2007. GDP growth slowed to an annual rate of 0.6 percent in October through December 2007. A spate of negative economic data revealed that the economy may be shrinking into recession. Residential investment contracted by 24 percent in the fourth quarter; the unemployment rate has risen from a historical low of 4.4 percent in March 2006 to 5.0 percent in December 2007; and services activity dropped sharply.

Euro Zone
Real GDP grew by 0.4 per cent quarter-on-quarter in the fourth quarter of 2007, about half the 0.8 percent growth in the third quarter but higher-than-expected. Economic prospects have weakened in the euro zone since the start of the year as a result of the increasingly strong euro and the dampening effects of the credit squeeze.

Headline inflation picked up to 3.0 per cent in November, from 2.6 per cent in October, and 2.1 per cent in September 2007. This largely reflected movements in food and energy prices. It is expected that annual HICP inflation rate will remain elevated before moderating sometime in 2008.

United Kingdom (UK)
The economy has continued to expand at a solid pace, with quarterly rate of real GDP at 0.6 percent in the fourth quarter of 2007, slightly lower than the previous quarter. Consumer sentiment remained firm, however, activity in the housing market and consumption growth have eased.

Headline inflation rose to 2.1 percent from 1.8 percent attributable to higher fuel, lubricants and some food prices. Inflation is expected to remain above 2.0 per cent in the short run on the back of higher energy, food and import prices.

The Bank of England cut its official rate to 5.5 percent at its December 2007 meeting.

Emerging Asia
Economic activities have continued to expand at a sustained pace in most of Asia's large economies. Inflationary pressures have risen further in China, but remained broadly stable in the other large economies.

China maintained steady and fast growth in 2007. According to preliminary data, GDP for the year 2007 was up by 11.4 percent (the fifth year of growth of over 10 percent). The external sector continued to make a solid contribution to growth, reflecting strong export growth. However, in recent years, the expansion in domestic demand has made the largest contribution to China's growth. Some downside risks to the Chinese economy began to appear lately. It is expected that the recent stormy weather in China might have an effect on the Chinese economy in 2008 and the slowdown in the US would impact on Chinese exports.

Inflation continues to rise in China, accelerating to 6.5 percent in December 2007 from 2.8 percent in December 2006. Much of this growth reflects higher prices for food, which accounts for around one-third of the CPI; excluding food, consumer price inflation has been broadly stable at around 1 per cent.

In response to high inflation, the government turned to price control polices. As a result, prices for food, electricity and fuels were fixed by government decrees.

India's GDP growth is expected to moderate in 2008, according to the Central Statistical Organization. GDP growth is expected to be 8.7 percent, down from 9.6 percent last year. Data released by Central Statistical Organization revealed that industrial production grew by 7.6 percent in 2007, much lower than the 13.4 percent growth in 2006, reflecting the impact of higher interest rates and high base effect.

Japan

In Japan, economic growth for the fourth quarter has rebounded after slowing in the third quarter of 2007. Japan's real GDP grew by 3.7 percent from 1.3 percent in the third quarter. Rising exports coupled with a revival in corporate fixed investment contributed to the recovery while public and residential investment continued to decline. For 2008, it is expected that Japan's economic growth will be revised down to 1.2 percent from 1.9 percent in 2006.

Consumer price inflation (CPI) increased from negative 0.2 percent in August to 0.6 percent in November. In December, the annual change in the CPI was 0.7 percent. This is attributed largely to the rise in imported raw materials. Excluding food and energy, the annual change in the CPI remained slightly negative at 0.1 percent.

Sub-Saharan Africa

In Sub-Saharan Africa, economic activity continued to expand at a steady pace. Real GDP growth was 4.9 percent in 2007 aided by favorable international conditions such as strong commodity prices, greater flows of capital, debt relief and a substantially improved domestic policy environment. As a result, despite some countries having double-digit food price inflation, inflation for the region on average hovered around the 6-9 percent range. Despite the fact that financial market turbulence has limited impact on the region, growth prospects for 2008 have been lowered to 4.1 percent from 4.9 percent in 2007, according to the IMF WEO.

Commodity Prices

Oil

Crude oil prices, which softened to around USD 53 per barrel in January 2007, have rebounded since July 2007 to close at record levels. According to the Energy Information Administration (EIA), the main drivers of recent oil price movements are fundamentals such as strong world economic growth, moderate production increase by OPEC, low spare production capacity, inventory tightness in developed countries, worldwide refining bottlenecks, ongoing geopolitical risks and concerns about supply availability. Continued high demand and low surplus capacity leave the crude oil scenario vulnerable to unexpected supply disruptions through 2008.

The decision by the Organization of Petroleum Exporting Countries (OPEC) in September 2007 to raise output by 500,000 barrels per day, effective November 1, failed to dampen the surge in crude oil prices. This was largely due to weather related oil production disruptions in the North Sea, supply concerns ahead of peak northern hemisphere winter demand and geopolitical tensions between Turkey and Kurdish separatists in northern Iraq. These conditions were reinforced by the Dollar weakness which diverted investment into commodities. The decline in the exchange value of the US dollar to record-low levels against the Euro was aided by sub-prime fears, declining US interest rates and concerns that China and other countries could diversify their foreign-exchange reserves by holding fewer dollars. However, oil prices subsequently moderated towards the end of November on expectations of increased OPEC production and concerns about the US economy.

Non-Oil

Agricultural commodity prices rose sharply in 2006 and, in some cases, are soaring at an even faster pace this year. The surge in prices has been led primarily by dairy and grains, but prices of other commodities, with the exception of sugar, have also increased significantly.

Based on the FAO All Rice Price Index, world **rice** prices gained 14 percent between September and December 2007. Prospects are that this trend will continue at least until March 2008. This price strength reflects a tightening of market conditions in key exporting countries and a rebound in import demand, particularly in Asia. Global rice trade for 2008 is projected at 30.3 million tonnes, up 1.5 percent from 29.9 million tonnes traded in 2007.

Wheat prices remained generally firm and volatile, reaching a record high in December 2007 on account of repeated downward revisions of production forecasts in a number of major exporting countries, most notably Australia. World wheat output is now estimated to have risen by only 1.3 per cent in 2007. One month wheat futures at the Chicago Board of Trade (CBOT) rose from USD 9.53 per bushel on October 1, 2007 to USD 9.74 on December 19, 2007. Trade is expected to contract because of high and volatile prices, coupled with soaring freight rates.

World **sugar** prices have continued to weaken after the highs reached in 2006. The major factor behind the market weakness has been the rising production in traditional importing countries, which depressed import demand. World sugar production in 2007/08 is forecast to reach a new record, with developing countries accounting for most of the growth. The greatest increase in demand is expected among developing countries with strong economic performances, such as China and India. Consumption in developed countries is anticipated to remain relatively unchanged, due to low population growth and dietary concerns. For the remainder of 2007/08, world sugar prices are expected to remain weak.

Global production of **Groundnuts Unshelled** for 2007/2008 is forecasted to grow by 2.96 per cent from 33.8 million tons in 2006 to 34.8 million tons, according to the FAO Food Outlook (November 2007). The expansion in production is mainly due to India's improved performance. China and India are the major producers of groundnut oil, followed by Sub-Saharan African countries and Central and South America.

Figure 31: Brent Crude Oil $/barrel

Source: BBC

Figure 32: Forex Gold Index $/oz

Source: BBC

PART III

OPERATION AND ADMINISTRATION OF THE BANK

A. Banking Services Department

i) Currency in Circulation

At year-end 2007, currency in circulation decreased to D1,894 million, or 9.25 per cent from the end 2006 level of D2,087 million. This development reflects a departure from the trend over the years of continued growth in the value of currency in circulation largely due to increased public demand for money. The drop is principally due to the fact that in 2006 (high base), The Gambia hosted the African Union Summit and held general elections. The demand for money in The Gambia is in the first and fourth quarters of the year, during which economic activity is at its peak. The 100 Dalasi note has since its introduction claimed the greatest popularity. As at year-end 2006, the D100 banknote accounted for 62.89 per cent of the value of banknotes in circulation compared to a proportion of 55.44 per cent a year earlier.

Following the introduction of new designed banknotes in July 2006, and in order to maintain the value of and confidence in the currency, the Central Bank of The Gambia in 2007 embarked on a public education campaign to sensitize the public on the proper way of handling banknotes.

Amongst the family of Gambian coins, the 1 Dalasi coin accounts for 63.00 per cent of the value of coins in circulation during the period under review.

ii) Commemorative Coins

Commemorative coins are issued in limited quantities to celebrate or honour a particular occasion, person or institution. In 2007, The Central Bank of The Gambia continued to sell gold and silver commemorative coins issued on the occasion of the African Union Summit and other events.

The Bank derives income from royalties on the sale of commemorative coins worldwide. The coins are also sold locally to the general public and tourists. The Commemorative coins available for sale at the Bank are:

- Millennium Coin
- Save the Children
- The Gambia Silver Jubilee
- Papal Visit
- UN 50th Anniversary
- African Union Summit

iii Deposits

The Central Bank acts as depository and fiscal agent for government. It also provides depository services to other government agencies and deposit money banks. In 2007, Government deposits increased by 69.35 per cent to D1,662.07 million compared to D981.42 million as at end 2006. During the year 2007, nearly fifteen new deposit accounts for development projects were opened. Government deposits accounted for 64.42 per cent of total deposits of the Central Bank as at end- year 2007.

Local Commercial Banks deposits on the other hand registered a significant increase of 9.39 per cent to D852.49 million from D779.30 million at end 2006 partly on account of enhanced savings mobilization.

iv Government Securities

As at end-2007, total Gambia Government Securities held by the Central Bank of The Gambia stood at D1,255.00 million, up by D490.85 million or 64.21 per cent from end 2006 level of D764.46 million These securities comprised Government bonds, Government Treasury Bills and Government Redeemable Interest Bearing Notes (RINB). Redeemable Interest Bearing Notes are issued in accordance with Section 9(4) of the Central Bank of The Gambia Act 2005. They represent interest bearing bonds that the Government of The Gambia issues to cover any operating or foreign exchange revaluation losses that the Bank incurs. As at end-year 2007, RIBN accounted for nearly 70 per cent of total value of securities.

The Central Bank of the Gambia purchases Government Treasury Bills either from the primary or secondary market and may hold such securities until maturity. As at end-2007, the discounted value of government Treasury bills held by the Bank stood at D132.24 million compared to D0.10 million a year earlier.

In November 2007, the Bank introduced the Islamic Financial Instrument, Sukuk Al-Salam, on behalf of Government. The instrument operates on similar terms and conditions as the conventional Treasury Bills with similar policy objectives. So far, only the 91-Day bills have been issued.

B. Administration

The Administration Department continued to play a strategic role in the Bank acting as adviser to Management and providing necessary support services to the departments. The Bank’s strategic plan 2006-2010 mandated the Administration Department to improve its ability to attract, retain, and motivate its employees and to institute appropriate performance evaluation measures.

i Board of Directors

The composition of the Board of Directors changed in 2007 with the appointment of Mr. Geoffrey Renner as a Board Member. The contracts of the other two members Messrs Benjamin Carr and Mustapha Kah were renewed for another term of five years. The Board held 4 regular meetings in 2007.

ii **Staff**

The staff strength of the Bank totaled 239 in 2007 of which 76 are professional staff and the rest are support personnel. 16 new personnel joined the Bank in 2007 out of which 11 are officers.

iii **Staff Training**

The Bank in its drive to promote excellence in staff performance continues to play a key role in building capacity by providing academic and professional training both locally and overseas. In 2007, eight members of staff were offered sponsorship for long term training in the U.K ranging from Bachelors Degrees to Masters Degrees in various disciplines and a significant number of clerical staff benefited from local sponsorship by pursuing professional courses such as AAT, CAT, Banking and Finance, Human Resource Management and Auditing.

iv **Support to the Social Sector**

The Bank continues to actively participate in its corporate social responsibility by providing financial assistance in the areas of health, education, sports, and various other social activities.

v **Retention Policy**

As part of the Bank's strategy to attract and motivate staff, a review of fringe benefits and other packages were approved by the Board in 2007. Fringe benefits such as **Basic Car Allowance, Transport Allowances, Duty Allowances, Responsibility, Telephone Allowances, Night Allowance, Overseas Travel Allowances, and Overseas Student Allowances** were revised upwards. Advances to staff such as **Housing, Transport, Household Appliances, and Personal** advances were also increased. **Professional Allowances** were also introduced for holders of academic and professional qualifications ranging from Masters Degree/ACCA/CIMA, PhD; First Degree holders such as BA or BSc. and for the technically oriented diplomas such as AAT, CAT, and ICM. **Allowances for local workshops/seminars** were also approved for staff attending courses run in the Gambia by regional and international organizations.

vi **Operational Efficiency**

As part of operational efficiency, the Bank developed a Delegation of Authority document that will give more operating responsibility to Heads of Department. The objectives of delegating authority are as follows:

- Relieve senior officials of routine matters which can be handled at lower levels of the Bank.
- Reduce the amount of paperwork that senior officials have to deal with to allow them to focus on strategic issues.
- Give appropriate authority to staff commensurate with their responsibilities.
- Provide in summarized form, a list of actions and who is authorized to perform those actions in the Bank.

vii **Corporate Responsibility**

The Bank in recognition of the invaluable contribution by its staff in achieving its goals approved the payment of bonus to staff in March 2007 for the 2006 financial year. The amount of bonus paid to eligible staff was equivalent to two months salary to each employee. An increase of monthly Board allowances of appointed Directors was also effected.

viii **Staff Movement**

Mr. Famara Jatta, Governor was offered international appointment by the African Development Bank to serve as Resident Representative in Sudan. He was replaced by the then First Deputy Governor Mr. Momodou Bamba Saho following his appointment by His Excellency The President with effect from 1st August 2007. In the same vein, His Excellency the President re-designated Mr. Basirou A. O. Njai as First Deputy Governor and Mrs. Oumie Savage-Samba as Second Deputy Governor with effect from 1st August 2007 respectively. The Administration Department will continue its mandate as contained in the Banks' Strategic Plan 2006-2010 by instituting competitive recruitment policies and to devise strategic retention policies that will take the Bank forward. It will also continue to lend its support to the departments to ensure that they achieve their targets and goals.

C. Assets and Liabilities of the Central Bank

Assets of the Central Bank totaled D4.97 billion compared to D4.71 billion in 2006.All components of assets decreased with the exception of government securities and tangible fixed assets. Government securities, accounting for 25 percent of total assets, rose to D1.26 billion, or 64.2 percent. Tangible fixed assets also increased to D84.8 million, compared to 78.1 million in 2006, while cash and bank balances, constituting 44 percent of total assets decreased to D2.18 billion compared to D2.53 billion in 2006. Foreign securities also decreased to D450.40 million, compared to D557.60 million in 2006.Loans and advances and other assets both declined significantly, from the previous year, by 19.2 percent and 14.8 percent respectively. Long term investment, accounting for 6.7 percent of total assets in 2007, stood at D331.9 million.

On the liability side, currency in circulation, accounting for 38.4 percent of total liabilities, decreased significantly to D 1.89 billion compared to D2.09 billion in 2006, while long-term liabilities stood at D381.6 million, or 47.2 percent lower than in 2006. Deposits, including government and deposit money banks' deposits, accounting for 52.4 percent of total liabilities, increased to D2.58 billion compared to D 1.80 billion in 2006. Other liabilities, also rose to D73 million, or 8.9 percent from the previous year.

Total equity rose to D37.8 million, or 11.6 percent above the 2006 level. The share capital, accounting for 108.5 percent of total equity, increased to D41 million, or by 95.2 percent. Other reserves were unchanged at D4.3 million. Statutory reserves, however, decreased by 100 percent from the previous year.

Income statement

The Bank's operating loss amounted to D16.1 million against a surplus of D16.6 million in 2006, due in main, to increases in operating expenses.

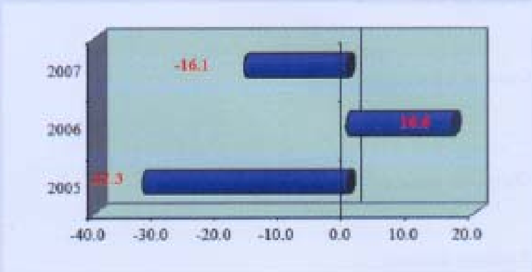
Net interest income, that is, interest income less interest expenses slightly decreased to D132.2 million or by 1.02 percent compared to D133.6 million in 2006.This decrease is attributed to the Central Bank's effort to combat rising inflationary pressures originating from rising global and energy prices. Other income, however, increased to D3.46 million, or by 78.2 percent.

Net operating revenue (operating revenue less interest expenses) increased slightly to D135.7 million compared to D135.5 million in 2006.

FINANCIAL HIGHLIGHTS

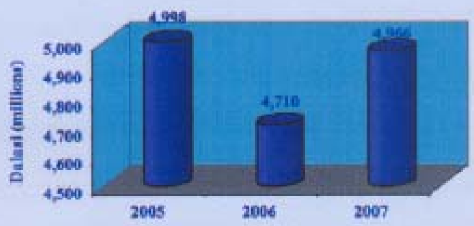
Net loss for the year (Dalasi millions)

2005	2006	2007	*Change vs. 2006*
-32.3	16.6	**-16.1**	*50%*



Total Assets (Dalasi Millions)

2005	2006	2007	*Change vs. 2006*
4,998	4,710	**4,966**	*5%*



Structure of total assets (Dalasi Million)

	2005	2006	*2007*	*Change against 2006*
Cash and bank balances (Foreign Assets)	2067	2,531	**2180**	-16%
Government securities	669	764	**1255**	39%
Foreign securities	173	558	**450**	-24%
Other investments	283	349	**681**	49%
Loans and advances	724	223	**138**	-62%
Other assets	124	207	**177**	-17%
Tangible fixed assets	41	78	**85**	8%
	4081	**4710**	**4966**	5%

Structure of total liabilities (Dalasi Millions)

	2005	2006	*2007*	*Change against 2006*
Deposit liability	1,713	1,799	**2580**	30%
Other liabilities	106	67	**73**	8%
Long-term liabilities	749	723	**382**	-89%
Currency in circulation	1486	2087	**1,893**	-10%
Equity	27	34	**38**	10%
	4,081	**4,710**	4,966	5%

GENERAL INFORMATION

EXECUTIVE DIRECTORS	Mr. Famara Jatta	*Governor & Chairman (up to June 07)*
	Mr. Momodou Bamba Saho	*Governor & Chairman (from July 07)*
NON-EXECUTIVE DIRECTORS	Mr. Benjamin Carr	*Director*
	Permanent Secretary DOSFEA	*Director*
	Mrs. Juka Fatou-Jabang	*Director (up to June 07)*
	Mr. Mustapha A. Kah	*Director*
	Geoffrey M. Renner	*Director (from October 07)*
FIRST DEPUTY GOVERNOR	Mr. Basiru AO Njai (from August 07)	
SECOND DEPUTY GOVERNOR	Mrs. Oumie Savage Samba (from August 07)	
DIRECTOR OF FINANCE	Mrs. Oumie Savage Samba (up to August 07)	
OFFICER IN CHARGE	Mr. Ousainou Corr (from August 07)	
COMPANY SECRETARY	Mrs. Ebironke Janneh-Jagana (up to September 07) Haddy Joof (from October 07)	
AUDITORS	Deloitte & Touche Audit, Tax, Consulting, Financial Advisory 1 Paradise Beach Place Bertil Harding Highway P O Box 268 Banjul, The Gambia	
REGISTERED OFFICE	1-2 ECOWAS Avenue Banjul The Gambia	
BANKERS	Bank of England International Monetary Fund Federal Reserve Bank of New York Banque De France Bank of International Settlements HSBC Standard Chartered Bank Plc Union Des Banque Arabes Et Francaises Credit Suisse	

DIRECTORS' REPORT

The Directors present the audited financial statements and results of The Central Bank of The Gambia for the year ended 31st December 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

PRINCIPAL ACTIVITIES OF THE BANK

The principal activities of the bank are as follows:

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

RESULTS

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

EMPLOYEES

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

DONATIONS

During the year the bank made charitable donations amounting to D191,600 (*2006: D227,300*).

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year are as shown on page 4. The Central Bank Act requires non executive directors to serve a maximum term of 3 years so far as possible, and that not more than one director's term of office shall expire in any one year. An appointive director shall be eligible for reappointment.

AUDITORS

The Directors will consult with the National Audit Office for the renewal of the mandate of Deloitte & Touche as the bank's external auditors.

By order of the Board of Directors

Secretary

Date:..31st...March............2008

AUDITOR'S REPORT

Deloitte.
1 Paradise Beach Place
Bertil Harding Highway
P O Box 268, Banjul
The Gambia

TO THE MEMBERS OF THE CENTRAL BANK OF THE GAMBIA

We have audited the financial statements on pages 8 to 24, which have been prepared under the historical cost convention and the accounting policies, set out on pages 12 to 14.

Respective responsibilities of directors and auditors

As described on page 5 the directors of the bank are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the bank's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the possible effect of material non compliance with the Central Bank of The Gambia Act 2005.

Opinion

In our opinion, proper books of account were maintained and the financial statements give a true and fair view of the state of the bank's affairs as at 31 December 2007 and of its loss for the year then ended and have been properly prepared in accordance with generally accepted accounting principles and the requirements of the Central Bank of The Gambia Act 2005.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants
Registered Auditors

Dated: 31 MARCH 2008

INCOME STATEMENT

For the year ended 31 December 2007

	Notes	31-Dec-07 D'000	31-Dec-06 D'000
Interest income	2.	**143,759**	143,989
Interest expense	3.	**(11,560)**	(10,422)
Net interest income		**132,199**	133,567
Other income	4.	**3,458**	1,941
Total operating revenue less interest expense		**135,657**	135,508
Personnel costs	5a	**(39,777)**	(30,542)
General and administration cost	5b	**(104,910)**	(82,572)
Depreciation and amortisation	14.	**(7,088)**	(5,761)
		(151,775)	(118,875)
Net Income (Deficit) on ordinary activities	6.	**(16,118)**	16,633
Provisions for credit losses		-	-
Net (Loss)/Surplus for the Financial year		**(16,118)**	16,633

In accordance with Section 8 (7) of the Central Bank Act 2005, a net loss incurred by the Bank during a financial year shall be charged to the General Reserve Fund and if the General Reserve Fund is inadequate to cover the entire amount of the loss the balance of loss shall be carried forward in an account for accumulated loss.

The notes on pages 12 to 24 form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2006

	Notes	31-Dec-07 D'000	31-Dec-06 D'000
ASSETS			
Cash and bank balances	7.	**2,180,215**	2,531,008
Government securities	8.	**1,255,303**	764,456
Foreign securities	9.	**450,395**	557,560
Other investments	10.	**348,730**	348,730
Loans and advances	11.	**137,627**	222,632
Other assets	12.	**176,821**	207,462
Long term investment	13.	**331,900**	-
Tangible fixed assets	14	**84,845**	78,118
TOTAL ASSETS		**4,965,836**	4,709,966
LIABILITIES			
Deposits	15.	**2,579,889**	1,798,642
Other liabilities	16.	**73,049**	67,095
Long-term liabilities	17.	**381,623**	723,202
Currency in circulation	18.	**1,893,502**	2,087,169
		4,928,063	4,676,108
EQUITY			
Share capital	19.	**41,000**	21,000
Statutory reserves	19.	-	8,544
Other reserves	19.	**4,314**	4,314
Accumulated Loss	19.	**(7,541)**	-
		37,773	33,858
TOTAL EQUITY AND LIABILITIES		**4,965,836**	4,709,966

These financial statements were approved by the Board of Directors on 31st MARCH 2008, and were signed on their behalf by:

.... ***Governor***

.... ***Second Deputy Governor***

.... ***Director***

The notes on pages 12 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2007

	Share capital D000.	General Reserve Fund D000.	Revaluation reserves D000.	Other reserves D000.	Accumulated Profit/(Loss) D000.	Total D000.
At 1 January 2006	1,000	3,000	-	4,314	(32,335)	**(24,021)**
Surplus for the year	-	-	116,789	-	16,633	**133,422**
Additional Capital	20,000	-	-	-	-	**20,000**
Transfers in accordance with Sec 9 (5)	-	-	(116,789)	-	-	**(116,789)**
Transfers in accordance with Sec 9 (5)	-	-	-	-	32,335	**32,335**
Transfers in accordance with Sec 8 (2)	-	5,544	-	-	(5,544)	**-**
Transfers in accordance with Sec 8 (3)	-	-	-	-	(2,772)	**(2,772)**
Transfers in accordance with Sec 8 (5)	-	-	-	-	(8,317)	**(8,317)**
At 1 January 2007	21,000	8,544	-	4,314	-	**33,858**
Loss for the year	-	-	-457,692	-	(16,118)	**(473,810)**
Additional Capital	20,000	-	-	-	33	**20,033**
Transfers in accordance with Sec 8 (7)	-	(8,544)	-	-	8,544	**-**
Transfers in accordance with Sec 9 (4)	-	-	457,692	-	-	**457,692**
At 31 December 2007	**41,000**	**-**	**-**	**4,314**	**(7,541)**	**37,773**

In accordance with Section 8(7) of the Central Bank Act 2005, a net loss incurred by the Bank during a financial year shall be charged to the General Reserve Fund, and if the General Reserve Fund is inadequate to cover the entire amount of the loss, the balance of loss shall be carried forward in an account for accumulated losses.

In accordance with Section 9(4) of the Central Bank Act 2005, the Government of The Gambia is required to issue Redeemable Negotiable Interest Bearing (RNIB) Notes in the form of Promissory notes to the Central Bank to cover for foreign exchange revaluation and operational losses. Redeemable Interest Bearing (RNIB) notes amounting to D457,692,000 were issued to cover the net aggregate revaluation gains and losses.

The notes on pages 12 to 24 form an integral part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2007

	Notes	31-Dec-07 D'000	31-Dec-06 D'000
Cash inflow from operating activities			
Cash generated from operations	20.	**893,818**	70,541
Cash inflow from investing activities			
Acquisition of property and equipment		**(13,816)**	(15,522)
Proceeds from the disposal of fixed assets		-	198
Net (decrease) increase in Government securities		**(490,847)**	126,592
Net increase(decrease) in foreign securities		**107,165**	(394,568)
Net decrease in other investments		-	(68,822)
Net increase in long term investments		**(331,900)**	-
Cash outflow (inflow) from investing activities		**164,420**	(281,581)
Cash inflow from financing activities			
Increase in share capital		**20,033**	20,000
Net decrease in long term liabilities		**(341,579)**	(142,553)
Net (decrease)/increase in currency in circulation		**(193,667)**	549,621
Cash (outflow)/inflow from investing activities		**(515,213)**	427,068
(Decrease)/Increase in cash and cash equivalent		**(350,793)**	145,487
Cash and cash equivalents at the beginning of the year		**2,531,008**	2,385,521
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER 2007		**2,180,215**	2,531,008
REPRESENTED BY:			
Foreign Reserves		**2,157,864**	2,515,772
Cash holdings		**22,351**	15,236
	7.	**2,180,215**	2,531,008

The notes on pages 12 to 24 form an integral part of these financial statements.

NOTES – forming part of the financial statements

1. ACCOUNTING POLICIES

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

1.1) Basis of presentation

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

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

1.2) Financial instruments

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

a) Trade receivables

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

b) Investments

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

Current asset investments are translated to dalasi at the year end.

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

Non interest bearing notes are accounted for at the originated cost.

c) Borrowings

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

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

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

d) Trade payables

Trade and other payables are stated at their nominal value.

e) Equity instruments

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

Tangible fixed assets

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

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

	Rate
Land & Buildings	1%
Furniture and equipment	10%
Office machines	20%
Computer equipment	20%
Vehicles	20%

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised and depreciated when the asset becomes operational. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of the assets. All other expenditure of a revenue nature are charged to the profit and loss account as incurred. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Foreign currency activities

Monetary assets and liabilities in foreign currencies are converted to Dalasi at the rates ruling at the close of the financial year. Exchange profits and losses of the Bank are for the account of the Government and are transferred to the foreign exchange revaluation reserve account in accordance with section 9 of the Central Bank of The Gambia Act 2005. Losses that cannot be covered by gains are converted to redeemable negotiable interest bearing securities under section 9(2) of the Act after the issue of the statutory accounts for the year.

Transactions in foreign currencies are translated to Dalasi at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Dalasi at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies, are translated to Dalasi at the foreign exchange rate ruling at the date of the transaction.

Taxation

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

Pension and retirement funds

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

Provisions

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

1.8) Revenue recognition

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

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

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

1.9) Impairment of assets

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

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

2. INTEREST INCOME

	31-Dec-07 D'000	31-Dec-06 D'000
Interest on securities USD	1,189	299
Interest on deposits GBP	16,659	18,856
Interest on deposits USD	40,117	59,754
Discount on treasury bills USD	28,889	11,045
Interest on deposits EURO	27,998	11,984
Interest on deposits SDR	553	485
Interest on deposits CHF	660	1,351
Interest on securities GMD	12,500	24,362
Interest on loans and Advances	2,550	4,659
Discount on treasury bills GMD	12,644	11,194
	143,759	143,989

3. INTEREST EXPENSE

	31-Dec-07 D'000	31-Dec-06 D'000
Interest payments to IMF	11,553	10,422
Interest payments on CBG bills	7	-
	11,560	10,422

4. OTHER INCOME

	31-Dec-07 D'000	31-Dec-06 D'000
Profit on sale of investments	807	200
Miscellaneous income	2,598	1,705
Sale of commemorative coins	53	36
	3,458	1,941

5a. PERSONNEL COSTS

The average number of staff employed during the year were 228(2006: 221)

	31-Dec-07 D'000	31-Dec-06 D'000
Salaries	**20,069**	20,562
Transport Allowance	**4,839**	3,295
Leave Allowance	**209**	166
Cashier's Allowance	**31**	26
Directors fees and Allowances	**166**	105
Contribution to SSHFC provident fund	**1,675**	1,554
Medical Expenses	**10,271**	2,516
Other Pension Cost	**2,517**	2,318
	39,777	30,542

5b. GENERAL ADMINISTRATION COSTS

	31-Dec-07 D'000	31-Dec-06 D'000
Bank Transport Operating Cost	**1,594**	1,062
Contribution to Regional Organisations	**16,696**	16,202
Replacement of Currency	**28,365**	18,525
Electricity and Water	**4,439**	3,317
Training Expenses	**20,216**	12,741
Travel Expenses	**11,065**	9,765
Telephone, Telex and Fax	**2,024**	2,212
Miscellaneous	**3,454**	6,022
Software Licence Fees	**2,776**	1,827
Commission to Primary Dealers	**3,437**	1,066
Audit Fees	**1,250**	970
Other Operating Cost	**9,594**	8,863
	104,910	82,572

5c. DIRECTORS' EMOLUMENTS

	31-Dec-07	31-Dec-06
EXECUTIVE		
D5,000-D10,000	**1**	1
NON-EXECUTIVE		
D5,000-D45,000	**4**	4

6. NET INCOME/(DEFICIT) BEFORE LOAN LOSSES

		31-Dec-07	31-Dec-06
		D'000	D'000
Profit (loss) before loan losses is stated after charging:			
Auditor's remuneration:	Annual Audit	**750**	600
	Half yearly	**500**	370
Directors fees and sitting allowances		**166**	105
Gains on disposal of investments assets		**(807)**	(200)
Depreciation		**7,088**	5,761

7. CASH AND BANK BALANCES

	31-Dec-07 D'000	31-Dec-06 D'000
Balances with foreign banks (Nostros)	**2,157,864**	2,515,772
Foreign currency cash holdings	**22,351**	15,236
	2,180,215	2,531,008

8. GOVERNMENT SECURITIES

	31-Dec-07 D'000	31-Dec-06 D'000
5% Bonds	**250,000**	250,000
Gambia Government treasury bills	**132,236**	99,080
Redeemable interest bearing notes (RNIB notes)	**873,067**	415,376
	1,255,303	764,456

5% Government bonds

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

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

GG Treasury bills

The money market in The Gambia is undeveloped and there is no secondary securities exchange market as yet. The lack of the secondary market forces the Central Bank of The Gambia to act as the secondary market and to purchase any unsubscribed or redeemed Government Treasury Bills in the market place. The resulting effect is that CBG is a holder of Government Treasury Bills until they are resold, or held until maturity. The Central Bank has given approval to financial institutions to act as primary dealers for Gambia Government Treasury Bills market.

Redeemable Interest Bearing Notes (RNIB)

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

. FOREIGN SECURITIES

	31-Dec-07 D'000	31-Dec-06 D'000
US Treasury bills	**450,395**	557,560
	450,395	557,560

0. OTHER INVESTMENTS

	31-Dec-07 D'000	31-Dec-06 D'000
FIXED		
Africa Export Import Bank	**12,388**	12,388
Africa Re-insurance	**13,627**	13,627
Africa Bank for Development Commerce	**36,030**	36,030
West African Central Bank	**175,203**	175,203
	237,248	237,248
CURRENT		
WAMI Stabilization Co-op fund	**101,232**	101,232
ECOWAS credit guarantee scheme	**10,250**	10,250
	111,482	111,482
Total Other Investments	**348,730**	348,730

FIXED ASSET INVESTMENTS

Central Bank of The Gambia Subscription to Africa Export Import Bank

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

Africa Re insurance

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

African Bank for Investment and Commerce (BSIC)

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

West African Central Bank Building

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

CURRENT ASSET INVESTMENTS

Ecowas Community of West African States (ECOWAS)

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

WAMI Stabilisation Co-op fund

This represents full payment of $3.5 million made on behalf of the Gambia Government for the stabilisation and co operation fund. This amount has been retranslated using the rate of exchange ruling at the transaction dates.

.1. LOANS AND ADVANCES

	Notes	**31-Dec-07**	31-Dec-06
		D'000	D'000
Loans to Government	*11a*	**136,913**	211,653
Loans to Forex bureaus	*11b*	**183,290**	183,290
Fixed loans to banks		**33,625**	33,625
Overdrawn Government deposit accounts		**715**	10,979
Overdrawn sundry deposit accounts		**3,443**	3,443
		357,986	442,990
Less:			
Provision for sundry deposit and Government accounts		**(3,443)**	(3,443)
Provision for credit losses (Forex Bureaus)		**(183,291)**	(183,290)
Provision for credit losses (fixed loans to Banks)		**(33,625)**	(33,625)
		137,627	222,632

11a. Related Party Transactions

All loans to government were settled in full with the exception of D136,913 which relates to Gambia National Petroleum Company.

11b. The loans to forex bureaus represent advances to various foreign bureaus in respect of spot foreign exchange deals for Swiss franc. The remaining balance of CHF 7.8 million has been fully provided for as these advances were unsecured.

12. OTHER ASSETS

	31-Dec-07 D'000	31-Dec-06 D'000
Accrued interest receivable	11,044	6,082
Treasury Bills accrued interest	525	-
Miscellaneous treasury bills	-	-
West African Monetary Agency	14,598	16,903
International Monetary Fund	62,036	100,982
Staff loans	36,778	30,779
Stock of currencies	48,120	52,455
Others	10,722	7,263
	183,823	214,464
Less:		
Provision for doubtful debts	(7,002)	(7,002)
At end of year	176,821	207,462

West African Monetary Agency

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

International Monetary Fund

The International Monetary Fund is an organisation working to foster global monetary cooperation, secure financial stability, facilitate international trade amongst other things. The balance of D62 Million is the net effect of the IMF quota account and other IMF liabilities.

13. LONG TERM INVESTMENT

	31-Dec-07	31-Dec-06
Bank of France fixed deposit	331,900	-
	331,900	-

This is a long term investment with the Bank of France of Euro 10m for a two year period maturing 12 January 2009 at a coupon rate of 3.5%.

4. TANGIBLE FIXED ASSETS

	Land & Building D'000	Furniture & Equipment D'000	Computer equipment & software D'000	Motor vehicles D'000	Total D'000
Cost					
At 01-Jan-07	57,209	18,693	12,944	10,826	99,672
Additions	29	2,865	2,499	8,422	13,815
Transfers					
At 31-Dec-07	**57,238**	**21,558**	**15,443**	**19,248**	**113,487**
Accumulated depreciation					
At 01-Jan-07	5,312	6,851	4,885	4,506	21,554
Charge for the year	526	2,216	2,511	1,835	7,088
At 31-Dec-07	**5,838**	**9,067**	**7,396**	**6,341**	**28,642**
Net book value					
At 31-Dec-07	**51,400**	**12,491**	**8,047**	**12,907**	**84,845**
At 31-Dec-06	28,285	7,282	7,678	6,320	78,118

15. DEPOSITS

	31-Dec-07 D'000	31-Dec-06 D'000
Government deposits	**1,662,067**	981,418
World Bank deposits	**340**	340
Local commercial banks	**852,488**	779,298
Sundry deposits	**64,130**	37,196
Credit institutions deposits	**864**	390
	2,579,889	1,798,642

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

16. OTHER LIABILITIES

	31-Dec-07 D'000	31-Dec-06 D'000
Accrued interest and Accounts payable	**4,305**	7,543
Staff pension fund	**7,135**	7,017
Staff welfare fund	**348**	348
Payment orders	**15,283**	43,194
Miscellaneous others	**44,941**	555
Payments on account	-	7,211
Miscellaneous treasury bills	**1,037**	1,227
	73,049	67,095

17. LONG-TERM LIABILITIES

	31-Dec-07 D'000	31-Dec-06 D'000
Special drawing rights allocations	**214,263**	220,451
International Monetary Fund [Poverty Reduction Growth Facility]	-	502,751
International Monetary Fund ESAF	**167,360**	-
	381,623	723,202

18. CURRENCY IN CIRCULATION

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

19. STATEMENT OF RESERVE MOVEMENT

	Share Capital reserve D.000	*Statutory reserve* D.000	*Other reserves* D.000	*Accumulated loss* D.000	**Total D'000**
Balance at beginning of year	21,000	8,544	4,314		**33,858**
Loss	-	-		(7,541)	**(7,541)**
Transfers	20,000	(8,544)	-		**11,456**
Balance as at end of year	**41,000**	-	**4,314**	**(7,541)**	**37,773**

20. CASH GENERATED FROM OPERATIONS

	31-Dec-07 D'000	31-Dec-06 D'000
Net (deficit)/Surplus for the year	**(16,118)**	16,633
Adjusted for the following:		
Depreciation	**7,088**	5,761
Profit on disposal of assets	-	(198)
Revaluation reserves		
Net increase (decrease) in reserves	-	21,246
Changes in working capital		
Net increase (decrease) in loans and advances	**85,005**	842,205
Net decrease in accounts receivable	**30,641**	(62,264)
Net increase (decrease) in deposits	**781,247**	(707,373)
Net increase (decrease) in accounts payable	**5,955**	(45,469)
Cash inflow from operating activities	**893,818**	70,541

TABLE I(A): **GROSS DOMESTIC PRODUCT (in D' millions)**

At Constant (2004) Market Prices

INDUSTRIAL ORIGIN	2002	2003	2004	2005	2006	2007
AGRICULTURE	**3,661.43**	**4,374.02**	**4,666.58**	**4,631.49**	**4,813.29**	**5,002.89**
Crops	1,847.62	2,511.67	2,820.50	2,744.34	2,856.86	2,979.71
Livestock	1,356.43	1,397.13	1,439.04	1,482.22	1,526.69	1,587.75
Forestry	99.40	102.38	105.45	108.59	111.86	107.38
Fishing	357.98	362.84	301.59	296.34	317.88	328.05
INDUSTRY	**2,217.88**	**2,274.43**	**2,356.96**	**2,504.19**	**2,966.67**	**2,875.11**
Manufacturing	906.03	921.08	973.36	996.36	991.72	1,005.82
Building & Construction	934.87	962.92	982.18	1,093.51	1,530.90	1,380.10
Mining & Quarrying	203.31	230.61	266.94	278.49	300.07	320.74
Electricity,Gas and Water	173.67	159.82	134.48	135.83	143.98	168.45
SERVICES	**9,943.90**	**9,549.41**	**9,247.25**	**9,540.45**	**10,081.82**	**11,133.32**
Trade	5,383.53	4,910.53	4,380.42	4,437.40	4,371.16	4,680.82
Hotels & Restaurants	525.27	525.27	438.58	447.45	451.58	459.15
Transport & Storage	559.97	574.53	588.90	610.68	645.49	700.36
Communication & Postal Services	1,223.72	1,250.16	1,334.58	1,428.00	1,685.04	2,106.30
Real Estate & Business Services	1,636.13	1,668.86	1,702.30	1,858.13	2,126.68	2,335.66
Government Services	376.39	376.39	376.39	371.49	371.49	401.23
Other Services	238.89	243.67	426.08	387.30	430.38	449.80
FISIM	*-665.94*	*-679.26*	*-692.85*	*-782.92*	*-921.49*	*-1,039.27*
Total all Industries	**15,157.27**	**15,518.60**	**15,577.94**	**15,893.21**	**16,940.29**	**17,972.05**
Indirect Taxes (net)	229.11	222.61	239.78	257.53	286.76	332.34
GDP at Constant Market Prices	**15,386.38**	**15,741.21**	**15,817.72**	**16,150.74**	**17,227.05**	**18,304.39**
Annual Growth Rate	***0.42***	***2.31***	***0.49***	***2.11***	***6.66***	***6.25***

Source : Gambia Bureau of Statistics

TABLE I (B) : GROSS DOMESTIC PRODUCT (in D' millions)

At Current (2004) Market Prices

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

Source : Gambia Bureau of Statistics

TABLE II: AGRICULTURAL PRODUCTION

TABLE II(A) : AREA UNDER CULTIVATION

(in '000 hectares)

	2002	2003	2004	2005	2006	2007
GROUNDNUTS	**105.60**	**107.94**	**116.63**	**137.28**	**110.38**	**117.59**
COTTON	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
FOOD CROPS	**148.30**	**176.91**	**194.31**	**199.41**	**182.64**	**186.19**
(a) Rice	12.00	17.75	16.61	17.87	15.20	16.59
(b) Other Food Crops	136.30	159.16	177.70	181.54	167.44	169.60
Sanyo (Late Millet)	10.40	14.40	14.96	17.45	14.82	17.57
Sorghum	18.30	24.68	26.05	22.95	18.96	21.72
Suno (Early Millet)	86.50	95.54	108.19	109.88	101.40	94.15
Maize	18.40	21.04	24.20	27.58	32.26	36.16
Sesame	2.70	3.50	4.30	1.79	0.00	0.00
Findo	0.00	0.00	0.00	1.89	0.00	0.00
TOTAL	**253.90**	**284.85**	**310.94**	**336.69**	**293.02**	**303.78**

Source: Department of Planning, Department of State for Agriculture

TABLE II(B) : OUTPUT OF PRINCIPAL CROPS

(in '000 tonnes)

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

Source: Department of Planning, Department of State for Agriculture

TABLE II(C): YIELD OF PRINCIPAL CROPS

(in kg/ha)

	2002	2003	2004	2005	2006	2007
GROUNDNUTS	**603**	**681**	**1,166**	**1,024**	**741**	**617**
	0	**0**	**0**	**0**	**0**	**0**
FOOD CROPS	**4,757**	**12,261**	**6,918**	**5,526**	**5,022**	**3,948**
(a) Rice	1,325	7,417	2,422	1,055	1,042	687
(b) Other Food Crops	3,432	4,844	4,496	4,471	3,980	3,261
Sanyo (Late Millet)	696	917	1,113	1,240	987	761
Sorghum	829	1,221	1,207	993	1,069	826
Suno (Early Millet)	894	1,121	1,104	932	1,021	805
Maize	1,013	1,585	1,072	1,005	903	869
Sesame	0	0	0	417	0	0
Findo	0	0	0	301	0	0

Source: Department of Planning, Department of State for Agriculture

TABLE III : CENTRAL BANK OF THE GAMBIA: ASSETS AND LIABILITIES

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Foreign Reserves	**1,530.04**	**1,934.63**	**2,497.06**	**2,745.12**	**3,369.36**	**3,221.03**
Claims on non-banks:	1,227.83	1,644.24	1,725.40	1,621.73	764.53	728.78
Government	935.32	1,245.01	1,376.38	1,270.76	413.62	371.83
Public entities	0.00	136.91	136.91	136.91	136.91	136.91
Private sector	292.51	262.32	212.11	214.06	214.00	220.04
Claims on Banks	0.00	21.20	33.62	33.62	33.62	33.62
Seasonal Advance	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	21.20	33.62	33.62	33.62	33.62
Revaluation Account	0.00	0.00	0.00	324.16	0.00	457.69
Fixed Assets	22.86	24.86	201.38	185.56	245.91	263.28
Other Assets	375.46	-233.69	-234.37	-433.83	527.09	-32.35
Total Assets = Total Liabilities	**3,156.19**	**3,391.24**	**4,223.09**	**4,476.36**	**4,940.51**	**4,672.05**
Currency Issued	849.34	1,250.85	1,485.57	1,537.55	2,087.17	1,893.50
Notes	829.25	1,228.05	1,460.92	1,537.55	2,087.17	1,893.50
Coins	20.09	22.80	24.65			
Deposits	1,041.95	1,009.57	2,138.31	2,453.63	1,741.43	2,516.91
Banks	291.19	605.03	575.16	769.04	779.30	851.04
Government	750.76	404.54	1,563.15	1,684.59	962.13	1,665.87
Others	0.00	0.00	0.00	0.00	0.00	0.00
Allocation of SDR	113.74	173.63	182.15	224.63	217.80	214.26
Revaluation Account	573.23	536.26	442.19	0.00	116.79	0.00
Foreign Liabilities	527.15	1,069.03	728.38	639.41	503.09	167.36
Capital and Reserves	8.31	8.31	8.31	8.31	28.31	53.85
Other Liabilities	42.47	-656.41	-761.82	-387.17	245.92	-173.83

Source: Central Bank of The Gambia

TABLE IV: COMMERCIAL BANKS : ASSETS AND LIABILITIES

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Cash Holdings	51.97	67.96	69.30	113.35	149.87	204.29
Balance with Central Bank	291.19	605.03	601.63	829.38	821.94	851.04
Treasury bills & Other Govt. securities	916.56	653.96	1195.55	1762.19	2127.37	2482.66
Loans, Advances, Discount & Other Investments	1,274.82	1,814.91	1,511.73	1,811.07	2,329.44	2,654.86
Official Entities	74.69	205.87	86.45	122.85	130.63	91.66
Private Sector	1,200.13	1,609.04	1,425.28	1688.22	2198.81	2563.20
Foreign Assets	568.06	1,055.55	1,507.23	1,105.84	1,520.57	1,458.98
Foreign Currency	21.25	211.08	243.13	164.64	139.79	118.14
Balance held abroad	546.81	844.47	1264.10	941.20	1380.78	1340.84
Fixed Assets	224.38	234.77	283.65	285.53	379.18	548.85
Other Assets	329.22	298.62	500.23	679.95	710.19	1025.44
Total Assets = Total Liabilities	**3,656.20**	**4,730.80**	**5,669.32**	**6,587.31**	**8,038.56**	**9,226.12**
Demand Deposits	959.40	1,690.14	1,691.35	1,896.41	2,248.10	2,519.30
Official Entities	68.44	160.28	174.70	264.95	167.66	219.43
Private Sector	890.96	1,529.86	1,516.65	1631.46	2080.44	2299.87
Time & Savings Deposits	1,445.75	1,720.00	2,324.34	2,824.59	3,572.20	4,065.39
Official Entities	45.52	63.84	77.78	208.67	313.801	375.84
Private Sector	1,400.23	1,656.16	2,246.56	2615.92	3258.402	3689.55
Borrowings from Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Other Domestic Borrowings	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Liabilities	426.09	41.67	80.52	37.49	56.45	485.93
Capital & Reserves	491.54	604.35	652.55	904.39	1067.74	1219.20
Other Liabilities	333.42	674.64	920.56	924.43	1094.07	936.30

Source: Central Bank of The Gambia

TABLE V : MONETARY SURVEY

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
NET FOREIGN ASSETS	**1,144.86**	**1,879.48**	**3,195.39**	**3,174.06**	**4,330.39**	**4,026.72**
Monetary Authorities (net)	**1,002.89**	**865.60**	**1,768.68**	**2,105.71**	**2,866.27**	**3,053.67**
Foreign Assets	1,530.04	1,934.63	2,497.06	2,745.12	3,369.36	3,221.03
Foreign Liabilities	527.15	1,069.03	728.38	639.41	503.09	167.36
Commercial Banks (net)	**141.97**	**1,013.88**	**1,426.71**	**1,068.35**	**1,464.12**	**973.05**
NET DOMESTIC ASSETS	**2,057.66**	**2,713.55**	**2,236.57**	**2,971.14**	**3,427.21**	**4,247.18**
Domestic Credit	**2,664.49**	**3,708.57**	**2,869.53**	**3,510.40**	**4,259.21**	**4,200.43**
Claims on Public Sector	1,171.85	1,837.21	1,232.14	1,608.12	1,846.40	1,417.19
-Claims on Govt.(net)	1,097.16	1,494.43	1,008.78	1,348.36	1,578.86	1,188.62
. Central Bank (net)	184.56	840.47	-186.77	-413.83	-548.51	-1,294.04
. Commercial Banks (net)	912.60	653.96	1,195.55	1,762.19	2,127.37	2,482.66
-Claims on Public Entities	74.69	342.78	223.36	259.76	267.54	228.57
Claims on Private Sector	1,492.64	1,871.36	1,637.39	1,902.28	2,412.81	2,783.24
Other Items (net)	**-606.83**	**-995.02**	**-632.96**	**-539.26**	**-832.00**	**46.75**
O/W : Revaluation account	*-573.23*	*-536.26*	*-442.19*	*324.16*	*-116.79*	*457.69*
SDR allocation	*-113.74*	*-173.63*	*-182.15*	*-224.63*	*-217.80*	*-214.26*
Money Supply (M1)	1,756.77	2,873.03	3,107.62	3,320.61	4,185.40	4,208.51
Quasi-Money	1,445.75	1,720.00	2,324.34	2,824.59	3,572.20	4,065.39
TOTAL MONEY SUPPLY (M2)	**3,202.52**	**4,593.03**	**5,431.96**	**6,145.20**	**7,757.60**	**8,273.90**

Source: Central Bank of The Gambia.

TABLE VI : COMPONENTS OF MONEY SUPPLY

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Narrow Money (M1)	1,756.77	2,873.03	3,107.62	3,320.61	4,185.40	4,208.51
Currency outside banks	797.37	1,182.89	1,416.27	1,424.20	1,937.30	1,689.21
Demand deposits	959.40	1,690.14	1,691.35	1,896.41	2,248.10	2,519.30
Quasi-Money	1,445.75	1,720.00	2,324.34	2,824.59	3,572.22	4,065.39
Savings deposits	1,084.19	1,374.60	1,786.03	1,955.59	2,479.25	2,612.30
Time deposits	361.56	345.40	538.31	869.00	1,092.97	1,453.09
Broad Money (M2)	**3,202.52**	**4,593.03**	**5,431.96**	**6,145.20**	**7,757.62**	**8,273.90**

Source : Central Bank of The Gambia

TABLE VII: LIQUIDITY POSITION OF COMMERCIAL BANKS

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Total Liquid Assets	**972.31**	**1,707.39**	**2,162.68**	**2,150.77**	**2,630.37**	**2,632.33**
Reserves	76.81	1,045.88	1,358.69	1,469.79	1,908.90	1,546.58
Deposits at CBG	292.17	592.05	573.89	762.33	768.83	921.94
Cash Holdings	49.83	68.02	68.99	112.44	143.90	215.82
Foreign Cash Holdings	63.88	167.50	203.91	179.51	194.14	171.58
Foreign Bank Balances	-329.07	218.31	511.90	415.51	802.03	237.24
Treasury Bills	893.00	659.01	801.49	678.48	718.97	1,083.25
Govt. Dev. Stock (182 Days) 1/	0.00	0.00	0.00	0.00	0.00	0.00
Other Liquid Assets	2.50	2.50	2.50	2.50	2.50	2.50
Required Liquid Assets 2/	689.25	1,003.59	1,162.15	1,331.22	1,646.28	1,876.30
Excess Liquidity 3/	283.06	703.80	1,000.53	819.55	984.09	756.03
in % of requirement	41%	70%	86%	62%	60%	40%
Required Cash Reserves 4/	291.21	596.10	684.18	792.39	872.73	960.86
Excess Cash Reserves 5/	-214.40	449.78	674.51	677.40	1,036.17	585.72
in % of requirement	-74%	75%	99%	85%	119%	61%

Source: Central Bank of The Gambia

1/ Introduced March 21, 1993.

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

3/ Total liquid assets less statutory requirements.

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

5/ Reserves less required reserves

TABLE VIII : COMMERCIAL BANKS : LOANS AND ADVANCES TO MAJOR ECONOMIC SECTORS *

(end December figures,in millions of Dalasi)

Sectors	2002	2003	2004	2005	2006	2007
Agriculture	71.70	139.45	181.40	300.98	462.18	189.39
Fishing	5.94	10.50	16.66	31.97	19.06	16.24
Mining and Quarrying	0.00	0.00	0.00	0.00	0.00	0.00
Building & Construction	78.36	94.99	89.06	144.38	164.96	302.17
Transportation	93.61	150.78	128.00	133.41	180.72	325.60
Distributive Trade	539.95	598.19	499.41	478.70	517.95	719.77
Tourism	21.47	100.12	102.92	75.44	205.33	202.27
Personal Loans	314.35	399.52	367.57	533.90	408.62	449.46
Other	212.03	372.26	228.91	283.85	421.09	426.73
Total	**1,337.41**	**1,865.81**	**1,613.93**	**1,982.63**	**2,379.91**	**2,631.63**

Source : Central Bank of The Gambia

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

TABLE IX: TREASURY BILLS DISCOUNT RATES 1/

(in percent per annum)

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

Source : Central Bank of The Gambia

1/ The floatation of Treasury Bills started in July 1986

TABLE X: INTEREST RATE STRUCTURE

(end December figures,in percent per annum)

	2002	2003	2004	2005	2006	2007
Commercial banks						
Lending rates						
Agriculture	17.0-24.0	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0
Manufacturing	17.0-24.1	21.0-36.5	21.0-36.5	21.0-30.0	18.0-28.0	18.0-27.0
Building	17.0-24.2	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0
Trading	17.0-24.3	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0
Tourism	17.0-24.4	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0
Other	17.0-24.5	21.0-36.5	21.0-36.5	21.0-31.0	18.0-28.0	18.0-27.0
Deposit rates						
Short-term deposit account		6.5	6.5	1.25-4.0	1.25-4.0	1.25-4.0
Savings bank account	8.0-9.0	8.0-17.0	8.0-17.0	5.0-10.0	5.0-7.0	5.0-7.0
Time deposits						
Three months	6.0-13.0	7.0-22.0	8.0-22.0	5.0-14.0	5.0-10.0	5.0-12.9
Six months	6.0-13.1	8.0-22.0	8.0-22.0	7.0-15.0	6.0-13.0	6.0-12.9
Nine months	6.0-13.2	8.0-22.0	8.0-22.0	7.0-14.0	6.0-13.0	7.0-12.9
12 months and over	6.0-13.3	10.0-22.0	12.0-23.0	7.0-17.0	6.0-13.0	7.0-12.9
Post office savings bank						
Savings deposits	N/A	N/A	N/A	N/A	N/A	N/A
Government						
Treasury bills	20.0	31.0	30.0	16.0	12.8	13.7
Discount Notes	15.0	25.5	25.5	25.5	-	-
Government development loans						
1999-2002 (F)	15.5	-	-	-	-	-
1999-2002 (G)	20.0	-	-	-	-	-
2002 (H)		15.5	15.5	15.5	-	-
2002 (I)		20.0	20.0	20.0	-	-
Central Bank of The Gambia						
Bank rate	18.0	29.0	28.0	14.0	9.0	10.0
Rediscount rate	23.0	34.0	33.0	19.0	14.0	15.0

Source: Central Bank of The Gambia.

TABLE XI: NATIONAL CONSUMER PRICE INDEX (NCPI)

(Jan. - Dec. 2004 = 100)

	Food and Drink	Housing, Fuel & Lighting etc	Clothing Textiles & Footwear	Furnishing, H/H Equipment	Trans porta- tion	Newspaper, Books & Stationery	Alcoh Beverages Naco & Tobacco	Health	Recreation & Culture	Edu- cation	Hotels, cafes & Restaur	Comm- unica tion	Miscel- laneous	All Item Index	% Change from same period, last year
Weights	*54.7*	*3.4*	*11.2*	*5.2*	*4.4*	*7.1*	*0.7*	*1.2*	*1.5*	*1.5*	*0.4*	*2.9*	*5.8*	***100.0***	
2006 JAN.	104.51	109.81	101.84	104.97	113.83	109.17	100.95	100.38	101.68	101.71	104.38	100.03	102.75	***104.75***	**3.98**
FEB.	104.54	110.35	101.98	105.14	113.86	109.16	101.06	100.39	102.00	101.71	103.50	100.03	102.86	***104.82***	**2.79**
MAR.	104.64	110.58	102.06	105.24	113.87	109.17	101.38	100.40	102.00	101.71	103.56	100.03	103.30	***104.93***	**3.81**
APR.	104.79	110.89	102.12	105.34	114.08	109.18	101.74	100.43	102.22	101.71	103.57	100.04	103.43	***105.06***	**2.74**
MAY	104.91	110.89	102.27	105.45	114.08	109.19	101.76	100.46	102.23	101.71	103.63	100.04	103.46	***105.15***	**2.66**
JUN	104.98	111.27	102.41	105.49	114.08	109.21	102.01	100.46	102.23	101.71	103.64	100.04	103.47	***105.22***	**2.24**
JUL	105.03	111.66	102.53	105.59	114.08	109.22	102.03	100.54	102.45	101.71	103.80	100.05	103.48	***105.29***	**1.53**
AUG	105.12	111.66	102.73	105.93	114.08	109.23	102.11	100.56	102.45	101.71	103.81	100.05	103.49	***105.38***	**1.41**
SEPT	105.24	112.04	102.93	106.07	114.08	109.23	102.12	100.60	102.77	101.71	103.85	100.06	103.55	***105.50***	**1.34**
OCT	105.40	112.04	103.04	106.27	114.18	109.24	102.26	100.60	102.81	101.71	104.14	100.06	103.82	***105.63***	**1.09**
NOV	105.47	112.04	103.17	106.40	114.20	109.24	102.54	100.60	103.36	101.71	104.22	100.06	104.45	***105.74***	**0.85**
DEC	105.57	112.12	103.35	106.49	114.50	109.24	102.58	100.60	103.43	101.71	104.23	100.65	104.89	***105.88***	**0.42**
										101.71					
2007 JAN	106.65	112.12	103.35	108.32	114.50	109.24	102.58	100.60	103.43	101.71	104.29	100.65	109.91	***106.86***	**2.01**
FEB	106.77	112.12	103.35	108.32	114.50	109.67	102.58	100.60	103.43	101.71	104.29	100.65	110.75	***107.01***	**2.09**
MAR	111.07	112.12	103.35	108.32	114.50	109.69	102.58	100.60	103.43	101.71	104.29	100.65	110.75	***109.36***	**4.22**
APR	114.69	113.79	104.18	109.31	114.54	109.67	102.92	100.60	103.54	101.71	106.60	100.78	112.01	***111.64***	**6.26**
MAY	115.19	113.14	104.33	109.37	114.54	109.67	102.92	100.60	103.54	101.71	107.28	100.96	112.01	***112.05***	**6.56**
JUN	115.15	113.94	104.54	109.88	114.54	109.67	103.58	100.60	103.54	101.71	107.28	100.96	112.01	***111.98***	**6.42**
JUL	115.01	114.03	104.75	110.22	114.54	109.67	103.58	100.73	103.54	101.71	107.43	100.96	112.01	***111.95***	**6.33**
AUG	115.19	114.19	104.86	110.34	114.56	109.77	103.64	100.99	103.54	101.74	107.48	101.07	112.07	***112.09***	**6.37**
SEPT	114.77	114.19	104.89	110.34	114.56	109.78	103.64	100.99	103.54	101.74	107.48	101.07	112.07	***111.86***	**6.03**
OCT	114.70	114.19	105.06	110.86	114.78	109.89	103.98	101.00	103.56	101.87	107.56	101.09	112.07	***111.95***	**5.98**
NOV	115.12	114.25	105.21	110.50	114.78	109.90	103.79	101.00	103.56	101.87	105.56	101.09	112.07	***112.13***	**6.04**
DEC	115.32	114.39	105.20	110.51	114.78	109.90	103.79	101.00	103.56	101.87	107.56	101.90	112.29	***112.26***	**6.03**

Source : Gambia Bureau of Statistics (GBoS)

TABLE XII : **INTERBANK EXCHANGE RATES**

TABLE XII(A) : **END OF PERIOD MID-MARKET RATES 1/**

(Dalasi per unit of foreign currency) 2/

Period		GBP	USD	CHF	SEK (100)	CFA (5,000) 3/	FRF(100)/ Euro
2002	December	35.4878	23.3924		263.1515	174.4489	23.6402
2003	December	51.9065	30.9577		367.7336	220.1900	35.9003
2004	December	54.6682	29.6743		404.9517	281.8272	37.7522
2005	December	49.7853	28.1348		347.0767	251.9007	33.7130
2006	January	50.1895	28.1935		346.2241	259.9397	34.2729
	February	49.3645	28.1401		344.9411	251.6937	33.5624
	March	49.2213	28.1445		354.1993	256.6203	33.8570
	April	49.7203	28.1551		356.4342	252.0840	33.9237
	May	51.6324	28.0347		353.5972	263.2818	35.1327
	June	51.0097	28.0544		355.2469	267.3467	34.9224
	July	51.1329	28.0296		362.4179	272.3074	35.1518
	August	52.1222	28.0098		381.0465	265.6812	35.5605
	September	52.3561	28.0357		362.1657	264.4831	35.4737
	October	51.9903	28.0062		351.7928	262.6675	35.2599
	November	52.7105	28.0293		371.9074	268.6539	35.5773
	December	53.8926	28.0469		383.7245	277.3708	36.2002
2007	January	53.8426	27.9784	22.2657	388.1098	271.4724	36.2418
	February	53.8824	27.8940	21.9618	386.3244	271.7511	36.0781
	March	53.6086	27.6833	22.3076	367.5482	274.5384	36.2912
	April	53.6471	27.5000	22.5236	378.8280	273.7724	36.3813
	May	53.2701	27.2533	22.1377	366.2522	280.3950	36.1490
	June	52.7630	26.5164	21.2816	373.9182	272.3123	35.6796
	July	51.8268	25.3112	22.3284	367.9709	263.8399	35.4110
	August	47.4432	23.2257	19.0931	355.5228	244.2167	31.7928
	September	38.8465	19.0691	15.8334	304.7041	206.6795	27.4262
	October	40.0528	19.4488	16.6320	269.2431	220.0940	27.1796
	November	43.5914	21.3420	19.0385	295.4826	235.4311	30.2965
	December	44.4558	22.5394	19.5998	329.2529	254.8222	32.8188

Source : Central Bank of The Gambia

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

TABLE XII(B) : PERIOD AVERAGE MID-MARKET RATES 1/

(Dalasi per unit of foreign currency) 2/

Period	GBP	USD	CHF	SEK (100)	CFA (5,000) 3/	FRF(100)/ Euro
2002 December	35.6825	23.5562		214.5339	174.9403	22.7520
2003 December	51.8146	31.0589		376.7330	237.2917	35.9709
2004 December	54.4447	29.8029		417.2066	279.2442	36.9252
2005 December	49.5216	28.1466		349.9966	252.6027	33.7184
2006 January	49.7212	28.1433		347.9365	256.4575	33.8772
February	49.4539	28.1460		359.8525	252.5878	33.8068
March	49.3002	28.1591		354.8398	256.4291	33.7578
April	49.3598	28.0962		352.1963	253.6445	33.9574
May	50.9723	28.0645		364.0283	261.9490	34.9532
June	51.3099	28.0543		362.3498	261.6006	35.0862
July	51.1569	28.0102		361.2733	268.0624	35.0457
August	51.7510	28.0133		369.6698	265.3082	35.3007
September	52.2605	28.0433		375.8498	264.5564	35.5146
October	52.0336	28.0040		363.2441	264.3067	35.3906
November	52.0348	28.0400		375.7110	265.7902	35.5363
December	53.6391	28.0145		385.2866	273.2792	36.2089
2007 January	53.84	27.9667	22.3615	392.2695	276.3046	36.2022
February	53.6698	27.9018	21.9528	383.5053	271.7030	36.1681
March	53.4653	27.7031	22.4906	378.3452	273.5248	36.1614
April	53.6844	27.5502	22.4240	371.2612	274.6160	36.3859
May	53.4058	27.3359	22.1052	364.4454	278.9243	36.4231
June	52.8957	26.8122	21.9876	370.5155	273.4163	36.0315
July	52.4732	25.9002	22.1945	369.7057	269.6422	35.5635
August	49.2719	24.1629	20.4097	363.0161	255.7193	33.5202
September	41.6234	20.8103	17.7207	312.7972	215.5550	29.2665
October	39.0159	19.1534	15.9752	275.4453	215.4639	27.3757
November	42.4179	20.9465	18.0089	307.8980	238.2992	29.9863
December	44.2843	22.2380	19.8149	320.8898	256.7785	31.5987

Source : Central Bank of The Gambia

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

TABLE XII(C) **VOLUME OF INTERBANK FOREX TRANSACTIONS 1/**

BREAKDOWN BY CURRENCY

(Figures represent Dalasi equivalents; in D' millions)

Period	GBP	USD	CHF	SEK	CFA 2/	FRF/Euro	Others	TOTAL
2002 December	169.07	635.27		16.87	8.789	139.18	86.52	**1,055.70**
2003 December	397.03	1076.35		20.30	11.591	311.69	30.13	**1,847.09**
2004 December	382.67	1,345.20		26.64	5.06	321.92	60.74	**2,142.23**
2005 December	666.51	1,591.65		20.35	11.64	629.42	49.16	**2,968.73**
2006 January	460.37	1,267.11		22.78	9.12	386.12	42.69	**2,188.19**
February	425.56	1,139.31		13.67	8.34	459.99	36.21	**2,083.08**
March	603.43	1,983.73		18.66	13.02	692.10	30.94	**3,341.88**
April	359.08	1,554.25		9.88	6.96	403.49	30.20	**2,363.86**
May	499.57	2,261.39		11.13	16.65	599.06	19.48	**3,407.28**
June	311.21	1,572.57		4.89	15.63	416.29	12.17	**2,332.76**
July	342.56	1,695.00		4.80	10.49	635.95	31.17	**2,719.97**
August	371.84	2,135.41		4.44	13.61	748.62	18.40	**3,292.32**
September	222.86	1,371.34		4.97	14.33	543.91	14.70	**2,172.11**
October	296.19	1,904.90		10.20	8.91	497.10	15.51	**2,732.81**
November	787.44	2,241.96		22.22	23.57	776.41	47.66	**3,899.26**
December	514.37	1,881.42		17.40	18.65	1,067.63	37.70	**3,537.17**
2007 January	636.16	2118.13	21.24	18.33	17.80	730.15	30.27	**3,572.08**
February	550.80	2195.54	8.69	17.58	13.81	893.07	30.22	**3,709.71**
March	459.15	2105.64	7.64	18.04	17.07	721.79	20.06	**3,349.39**
April	567.01	2398.82	16.51	8.99	18.51	903.59	7.19	**3,920.62**
May	559.82	2114.11	10.17	8.51	19.68	652.07	8.40	**3,372.76**
June	518.40	2525.63	8.80	24.10	22.87	709.81	7.06	**3,816.67**
July	423.06	1880.23	20.85	16.79	23.76	709.09	11.66	**3,085.44**
August	468.67	2331.32	12.60	22.07	21.10	824.70	6.47	**3,686.93**
September	481.09	1865.92	13.08	11.60	11.00	649.19	10.10	**3,041.98**
October	362.59	1557.26	3.15	7.08	13.73	558.16	7.03	**2,509.00**
November	325.35	1521.49	5.10	9.83	15.92	501.57	25.12	**2,404.38**
December	270.50	1374.67	7.73	15.14	7.21	302.52	32.73	**2,010.50**

Source : Central Bank of The Gambia

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

2/ Actaul transactions in CFA franc are very insignificant.

TABLE XIII: EXTERNAL TRADE

TABLE XIII (A) : COMPOSITION OF EXPORTS - FOB

(in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Groundnut Shelled	43.24	9.17	31.13	59.00	154.37	28.34
Groundnut Cake	47.38	0.37	39.52	0.00	2.65	37.14
Groundnut Oil	181.57	23.57	167.14	0.13	0.20	78.70
Fish and Fish Preparation	21.18	11.95	9.16	29.49	9.44	83.78
Hide and Skins	1.50	1.57	1.15	1.04	0.40	0.55
Cotton	2.90	6.69	3.20	1.18	4.95	8.10
Fruits and Vegetables	17.81	19.05	39.09	20.76	91.26	37.22
Other Exports	19.34	31.04	52.03	89.44	24.93	38.34
Re-Exports	5.48	30.89	199.33	10.29	33.55	20.60
TOTAL EXPORTS	**340.40**	**134.30**	**541.75**	**211.33**	**321.75**	**332.77**

Source: Gambia Bureau of Statistics (GBOS)

TABLE XIII (B): **COMPOSITION OF IMPORTS - CIF**

(in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Live Animals and Products		124.45	193.47	275.29	205.59	
Vegetable Products		535.14	1,077.26	1,182.18	775.21	
Fats and Oils		164.08	669.51	436.00	486.83	
Prepared Food Stuff, Beverages/ Tobacco		813.14	969.31	916.44	806.90	
Mineral Products		692.49	1,303.92	1,345.00	1,479.07	
Chemicals & Alied Products		303.50	341.32	344.77	390.95	
Plastics, Ethers, Esters & Rubber etc		63.71	98.95	98.14	91.17	
Raw Hides & Skins, Leather & Furskins		9.75	20.22	18.63	15.89	
Wood, Charcoal & Wood Product		45.82	45.58	58.09	47.95	
Paper Making Materials & Articles		118.64	88.93	95.22	105.87	
Textiles & Textiles Articles		320.66	508.35	418.61	476.37	
Footwear, Headgears & Umberellas		72.98	111.67	60.91	58.07	
Articles of Stones Plaster & Cement		74.64	104.70	106.20	110.72	
Natural Pearls, Gemstones, etc		0.25	0.44	0.30	1.50	
Base Metals & Articles ,etc		152.01	173.72	240.78	210.79	
Machinery & Appliance (Other)		144.20	174.84	214.74	340.54	
Electrical Machinery & Appliances		229.72	413.96	595.35	683.79	
Transport Equipment		358.06	653.99	810.02	817.14	
Instruments & Apparatus		50.50	67.10	113.60	75.08	
Arms & Ammunition		0.49	0.77	7.48	1.43	
Works of Arts, Collector Pieces		59.40	85.07	84.13	95.39	
Other Goods & Products (Misc)		0.40	0.23	0.16	1.04	
Personal Effects		0.00	1.93	0.47	0.00	
TOTAL IMPORTS	**3,214.56**	**4,334.03**	**7,105.24**	**7,422.51**	**7,277.29**	**7,945.37**

Source: Gambia Bureau of Statistics (GBOS)

TABLE XIV: BALANCE OF PAYMENTS			
REPORTING CURRENCY: UNITS: IN MILLIONS OF DALASIS			
Period	**2005**	**2006**	**2007**
CURRENT ACCOUNT	**(1,239.93)**	**(1,841.11)**	**(1,463.23)**
Goods	**(3,379.99)**	**(3,181.28)**	**(3,520.39)**
Exports FOB	2,745.41	2,868.80	3,047.22
Exports of goods in trade statistics	147.52	321.75	266.34
Adjustments	2,597.89	2,547.05	2,780.88
For coverage (re-exports)	2,597.89	2,547.05	2,780.88
Goods procured in ports by carriers	235.72	186.55	241.57
In seaports	2.66	5.65	5.64
In airports	233.06	180.90	235.93
Imports FOB	(6,361.12)	(6,236.63)	(6,809.17)
Imports of goods in trade statistics	(7,422.54)	(7,277.28)	(7,945.36)
Adjustments	1,061.42	1,040.65	1,136.19
For classification	1,061.42	1,040.65	1,136.19
Services	**1,009.52**	**(56.01)**	**1,045.16**
Transportation	(554.84)	(501.15)	(454.42)
Sea transport	(542.43)	(597.73)	(746.69)
Air transport	(12.41)	96.58	292.27
Travel	1,506.38	1,677.45	1,868.99
Business travel	(104.55)	(99.55)	(142.01)
Personal travel	1,610.93	1,777.00	2,011.00
Education-related expenditure	(51.70)	(80.16)	(63.51)
Other	1,662.63	1,857.16	2,074.51
Communications services	210.98	181.71	103.15
Postal and courier services	0.33	1.61	(22.35)
Telecommunications services	210.65	180.10	125.50
Insurance services	(133.44)	(131.46)	(163.35)
Freight insurance	(141.03)	(138.27)	(150.96)
Reinsurance	7.59	6.81	(12.39)
Construction Services			223.74
Computer and information services	(19.56)	(22.11)	(32.95)
Other Business Services		(1,260.45)	(500.00)
Income	**(923.71)**	**(1,062.58)**	**(1,110.79)**
Investment income	(923.44)	(1,058.48)	(1,129.38)
Income on equity	(767.95)	(922.52)	(943.01)
Portfolio investment	(159.66)	(137.01)	(187.42)
Other investment	4.17	1.05	1.05
Compensation of employees	(0.27)	(4.10)	18.59
Current transfers	**2,054.25**	**2,458.76**	**2,122.79**
General government	170.39	168.74	130.43
Other sectors	1,883.86	2,290.02	1,992.36
Workers' remittances	1,673.68	1,767.38	964.78
Other transfers	210.18	522.64	1,027.58
CAPITAL AND FINANCIAL ACCOUNT	**2,297.51**	**2,150.42**	**2,204.91**
CAPITAL ACCOUNT	**114.20**	**114.20**	**42.97**
Capital transfers	114.20	114.20	42.97
Debt forgiveness	114.20	114.20	42.97
FINANCIAL ACCOUNT	**2,183.31**	**2,036.22**	**2,161.94**
Direct investment	1,533.08	2,307.23	1,901.86
In reporting economy	1,533.08	2,307.23	1,901.86
Equity capital	1,277.10	1,998.79	1,468.50
Reinvested earnings	255.98	308.44	433.36
Other investment	955.52	255.00	111.75
Assets	(401.39)	(395.77)	721.14
Loans			329.63
Currency and deposits	(401.39)	(395.77)	391.51
Liabilities	1,356.91	650.77	(609.39)
Trade credits	129.40	274.64	(876.69)
Loans			
General Government	1,325.84	470.91	(80.50)
Drawings on new loans	1,735.90	902.17	333.64
Repayments	(410.06)	(431.26)	(414.14)
Monetary Authorities			
Use of Fund Credits and Loans	(55.29)	(113.74)	(81.68)
Drawings			-
Repayments	(55.29)	(113.74)	(81.68)
Currency and deposits	(43.04)	18.96	429.48
Reserve Assets (increase -)	(305.29)	(526.01)	148.33
OVERALL BALANCE	**(1,057.58)**	**(309.31)**	**(741.68)**

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

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

Source : Central Statistics Department

TABLE XVI : THE GAMBIA : ENERGY STATISTICS

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

Source: State Depertment For Trade, Industry & Employment.

TABLE XVII : CENTRAL GOVERNMENT FISCAL OPERATIONS

In D'millions

	2002	2003	2004	2005	2006	2007
Revenue and Grants	**1,518.6**	**1,846.4**	**3,057.8**	**2,829.7**	**3,089.4**	**3,806.0**
Total Revenue	**1,201.7**	**1,573.1**	**2,498.4**	**2,609.6**	**3,013.2**	**3,624.6**
Tax Revenue	**1,040.2**	**1,379.8**	**2,244.9**	**2,263.2**	**2,691.2**	**3,233.1**
Direct Taxes	318.0	441.1	606.4	682.5	803.2	884.1
Indirect Taxes	722.2	938.7	1638.5	1580.7	1888.0	2349.0
Domestic Taxes on Goods & Services	124.9	205.3	291.4	374.5	474.7	548.4
Stamp Duty	6.1	5.7	12.2	13.7	18.6	14.0
Excise Duties	10.8	13.6	39.5	50.4	112.7	148.1
Domestic Sales Tax	108.0	185.9	239.8	310.5	343.4	386.3
Airport Levy	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on International Trade	597.3	733.4	1347.1	1206.2	1413.3	1800.6
Customs Duty	226.1	291.7	577.4	443.4	490.8	512.6
Sales Tax on Imports	209.5	279.0	495.3	468.8	500.9	644.0
Petroleum Taxes	161.7	162.7	274.4	294.0	421.6	644.0
Duty	141.6	124.0	183.1	169.8	273.6	294.2
Sales Tax	20.1	38.7	91.3	124.2	148.0	152.5
Nontax Revenue	**161.5**	**193.3**	**253.5**	**346.4**	**322.0**	**391.5**
Government Services & Charges	134.8	166.9	195.4	147.9	140.2	132.3
Interest and Property	24.1	23.1	54.7	43.3	23.4	17.2
Contribution to Pension Fund	2.6	3.3	3.4	3.7	21.0	0.0
Central Bank Profit / Loss	0.0	0.0	0.0	0.0	0.0	0.0
Other Non tax Revenues	0.0	0.0	0.0	151.5	137.4	242.0
Grants	**316.9**	**273.3**	**559.4**	**220.1**	**76.2**	**181.4**
Program	68.0	0.0	0.0	0.0	17.0	0.0
Projects	126.8	143.8	409.6	203.0	59.2	173.9
HIPC II Assistance	122.1	129.5	149.8	17.1	0.0	7.5
Total Expenditure and Net Lending	**1,870.7**	**2,336.5**	**3,760.9**	**3,721.3**	**3,403.3**	**3,510.5**
Current Expenditure	**1,318.2**	**1,701.3**	**2,159.1**	**2,419.9**	**2,515.9**	**2,584.7**
Expenditure on Goods & Services	690.8	789.8	898.6	1058.4	1238.4	1335.4
Salaries	395.2	459.2	517.7	549.5	652.5	680.4
Other Charges	295.6	330.6	380.9	508.9	585.9	655.0
Interest Payments	370.6	607.4	1003.1	1130.9	921.4	815.0
Internal	286.6	444.1	633.2	890.1	689.2	584.0
External	84.0	163.3	369.9	240.8	232.2	231.0
Emergency Relief (Rural road repairs)	0.0	0.0	0.0	0.0	0.0	0.0
HIPC II Expenditure	39.9	82.5	66.6	0.0	0.0	0.0
Subsidies & Current Transfers	216.9	221.6	190.8	230.6	356.1	434.3
Development Expenditure	**585.3**	**657.8**	**1625.3**	**1196.3**	**893.3**	**913.5**
Extrabudgetary Expenditure	**0.0**	**0.0**	**0.0**	**135.5**	**0.0**	**0.0**
Net Lending	**-32.8**	**-22.6**	**-23.5**	**-30.4**	**-5.9**	**12.3**
Overall Balance (Commitement Basis)						
Excluding Grants (with HIPC II)	-668.9	-763.5	-1262.2			
Excluding Grants (w/o HIPC II)	-596.6	-681.0	-1080.6	-667.1	-390.0	-161.2
Including Grants (w/o HIPC II)	-342.0	-490.1	-702.8	-749.6	-313.8	-313.8
Adjustment to cash basis (Float)	17.8	43.8	742.9	-40.8	-623.8	
Overall Balance - Including Grants (Cash Basis)	**-324.2**	**-446.3**	**40.1**	**-790.4**	**-937.6**	**-805.9**
Financing	**324.1**	**381.3**	**-40.2**	**931.8**	**937.5**	**805.9**
External (net)	140.9	60.8	191.9	457.5	309.0	661.5
Borrowing	725.8	340.5	862.0	868.1	740.3	549.0
Project	368.4	340.5	862.0	868.1	740.3	549.0
Program	0.0	0.0	0.0	0.0	0.0	0.0
Other Loans	357.4	0.0	0.0	0.0	0.0	0.0
Amortisation	-584.9	-279.7	-670.1	-410.6	-431.3	112.5
Domestic	**183.2**	**320.5**	**-232.1**	**474.3**	**628.5**	**114.3**
Bank	22.9	225.4	-872.1	339.6	730.6	291.5
Non-Bank	197.0	95.1	640.0	80.7	101.5	-132.2
Accumulation of arrears	-36.7	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	0.0	0.0	0.0	54.0	0.0	155.7
Repayment of Domestic Debt / Arrears					-134.6	-82.0
Capital Revenue					0.0	22.4
Bank Capitalization					-69.0	10.0
Nominal GDP	*7364.3*	*10005.9*	*12394.3*	*13174.0*	*14333.0*	*14333.0*

Source: Department of State for Finance and Economic Affairs

TABLE XVIII : DISTRIBUTION OF OUTSTANDING GOVERNMENT SECURITIES (Face Value)

(end December figures,in millions of Dalasi)

	2002	2003	2004	2005	2006	2007
Gambia Govt. Treasury Bills	**2,352.72**	**2,272.16**	**3,590.07**	**4,387.65**	**4,647.73**	**4,741.30**
Central Bank	218.34	212.56	94.60	118.04	102.14	137.67
Commercial banks	970.12	713.58	1,396.21	2038.62	2359.46	2724.25
Non-banks	1,164.26	1,346.02	2,099.26	2230.99	2186.13	1879.38
of which: public enterprises	*988.13*	*1,091.12*	*1,368.31*	*1364.97*	*1235.81*	*971.33*
Gambia Govt. Development stocks	**23.18**	**23.18**	**23.18**	**11.88**	**0.00**	**0.00**
Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Commercial banks	5.50	5.50	5.50	0.00	0.00	0.00
Non-banks	17.68	17.68	17.68	11.88	0.00	0.00
of which: public enterprises	*17.18*	*17.18*	*17.18*	*11.88*	*0.00*	*0.00*
Gambia Govt. Discount Note Series	**103.78**	**95.10**	**90.76**	**0.00**	**0.00**	**0.00**
Central Bank	0.00	0.00	0.00	0.00	0.00	0.00
Commercial banks	0.00	0.00	0.00	0.00	0.00	0.00
Non-banks	103.78	95.10	90.76	0.00	0.00	0.00
of which: public enterprises	*100.65*	*92.23*	*88.02*	*0.00*	*0.00*	*0.00*
TOT. OUTSTAND. GOVT. DOMESTIC DEBT	**2,479.68**	**2,390.44**	**3,704.01**	**4,399.53**	**4,647.73**	**4,741.30**
Gambia Govt. Treasury Bills 1/	***2117.61***	***1948.12***	***3018.46***	***3809.04***	***4174.30***	***4295.73***
Central Bank	*197.08*	*192.20*	*80.92*	*110.29*	*88.88*	*121.83*
Commercial banks	*908.14*	*648.46*	*1190.05*	*1762.19*	*2127.37*	*2482.66*
Non-banks	*1012.39*	*1107.46*	*1747.49*	*1936.56*	*1958.05*	*1691.24*
of which: public enterprises	*848.76*	*881.52*	*1098.00*	*1156.50*	*1083.57*	*854.01*

Source : Central Bank of The Gambia

1/ At discounted value