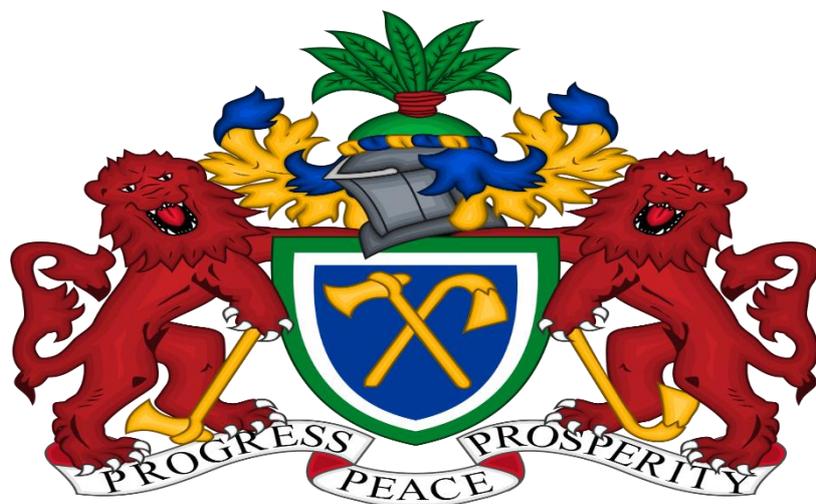


2022 PUBLIC DEBT BULLETIN



FOR THE

REPUBLIC OF THE GAMBIA

APRIL, 2023

FOREWORD

As defined in section 51 of the Public Finance Act (2014), the Ministry of Finance and Economic Affairs (MoFEA) through the Directorate of Loans and Debt Management (DLDM) is required to prepare and publish an annual debt bulletin. This bulletin provides an account of the public debt management operations during the year under review.

Effective public debt management plays a crucial role in an effort to attain economic growth and stability, and also enhance government's accountability and transparency. In the law, the primary objectives of public debt management is to ensure that Government's financing requirements are met at the lowest possible cost consistent with a prudent degree of risk and has a secondary objective of promoting the development of the domestic debt market.

The total public and publicly guaranteed (PPG) debt at the end of 2022 stood at USD 1.63 billion equivalent to GMD 99.03 billion, of which external debt constitutes USD 1.01 billion (62.22%) and USD 615.53 million (37.78%) is domestic debt. The nominal debt as a percentage of GDP decreased to 81.95 percent in 2022 from 84.74 percent as at end 2021, this is largely attributed to the improvements in the overall economic performance.

The Government would continue to design and implement resounding macroeconomic frameworks allowing for robust debt management strategies to be implemented, thereby meeting both government's financing requirements and at the same time, enhance public debt sustainability. The year 2022 was marked with global macroeconomic challenges however, the government would continue to implement robust macroeconomic frameworks to mitigate its impact domestically and enhance the attainment of debt sustainability in the medium to long term.

In a bid to promote accountability and transparency, I would like to thank the MoFEA team, especially the Directorate of Loans and Debt Management (DLDM), Central Bank of The Gambia and all other stakeholders for their relentless effort in producing this publication for the consumption of the public.



.....
SEEDY K.M KEITA
Honorable Minister of Finance and Economic Affairs
Ministry of Finance and Economic Affairs

ACRONYMS AND ABBREVIATIONS

CREDITORS

ADFD	Abu Dhabi Fund for Development
AfDB	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
EBID	ECOWAS Bank for International Development
EIB	European Investment Bank
EIBI	Export Import Bank of India
EIBC	Export Import Bank of China
IDA	International Development Association
IsDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
KFAED	Kuwait Fund for Arab Economic Development
OFID	OPEC Fund for International Development
SFD	Saudi Fund for Development
WB	World Bank

CURRENCIES

CNY	Chinese Yuan
EUR	Euro
GBP	Great Britain Pound
GMD	Gambian Dalasi
JPY	Japanese Yen
KWD	Kuwait Dinar
SAR	Saudi Arabia Riyal
SDR	Special Drawing Right
USD	United States Dollar

OTHERS

BOP	Balance of Payment
CBG	Central Bank of the Gambia
DLDM	Directorate of Loans and Debt Management
DOD	Disbursed Outstanding Debt
GDP	Gross Domestic Product
MoFEA	Ministry of Finance and Economic Affairs
NAWEC	National Water and Electricity Company
NDP	National Development Plan
RCF	Rapid Credit Facility
SAS	Sukuk-Al-Salaam
SOE	State Owned Enterprise

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1. OVERVIEW & RECENT MACROECONOMIC DEVELOPMENT

1.1. GDP Growth

The Gambian economy continues to recover from the impact of the pandemic, and the ripple effects of the Russia-Ukraine war, key among these being high inflationary pressures. Real GDP growth is estimated at 4.8 percent in 2022, which is an improvement from a growth rate of 4.3 percent in 2021. The GDP growth is supported by improved growth in all sectors in the economy.

In terms of share contribution to GDP, Agriculture share contribution to GDP stands at 24.4 percent in 2022, a 0.2 percentage point expansion from 2021. Industry share to GDP is estimated to account for 19.1 percent in 2022, compared to 18.4 percent in 2021. Although the Services sector remains the dominant sector in terms of share contribution to GDP, it lost a bit of its share to the other sectors, accounting for 56.5 percent in 2022 compared to 57.5 percent in 2021.

1.2. Fiscal Sector

In 2022, Government fiscal operations amounted to an overall budget deficit of D5,887.7 million (5 percent of GDP) compared to a deficit of D6,094.4 million (5.8 percent of GDP) in 2021. The fiscal balance excluding grants worsened from a deficit of D10,525.3 million in 2021 (10 percent of GDP) to D12,678.1 million (10.5 percent of GDP) in 2022.

Total Revenue, and Grants for the fiscal year 2022 amounted to D21,286.5 million (18 percent of GDP) compared to D19,353.2 million in 2021 (18 percent of GDP). This increase of 7.7 percent over the period was due to a significant increase in Grants and a modest increase in tax revenues during the period.

Total expenditure and net lending for 2022 registered an increase of D27,174.2 million (22.5 percent of GDP) compared to D25,856.2 million (24.6 percent of GDP) in 2021. In growth terms, total expenditure rose by 5.1 percent between 2021 and 2022. This increase is primarily due to increases recorded in both current and capital expenditure, most especially, an increase in externally financed capital expenditure by 15.6 percent over the review period.

1.3. Monetary and External Sector

The preliminary balance of payments estimates shows a deteriorated current account balance to a deficit of US\$102.7 million (5.2 percent of GDP) in 2022 from a deficit of US\$86.9 million (4.5 percent of GDP) in 2021, due to the deterioration of the Goods Account, and normalization of the Secondary Income Account (current transfers).

The Monetary policy Rate (MPR) was increased to 14 percent during the last Monetary Policy Committee (MPC) in 2022 following an expansionary policy stance through out 2021. As at December 2022, interest rate on 91-days, 182-days and 364-days treasury bills averaged at 9.54 percent, 10.62 percent and 12.62 percent respectively from 0.72 percent, 0.71 percent and 1.55 percent during the same period the previous year. The weighted average T-bills yield stood at 7.6 percent as of December 2022 from 2.08 Percent in December 2021.

Real interest rate was negative during the fourth quarter although the weighted average T-bill rate increased to 7.6 percent during the period. Moreover, inflation rose to 13.7 percent as at end-December 2022 from an inflation rate of 7.6 percent at end-December 2021.

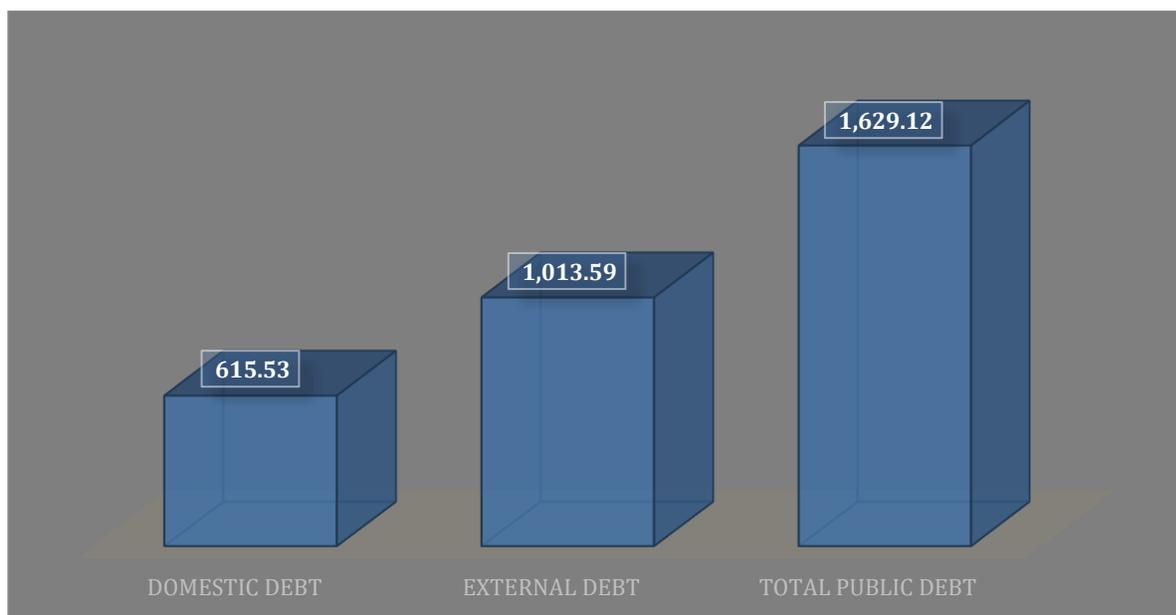
Growth in private sector credit is reverting to its pre-pandemic levels as confidence returns to the economy. Annual reserve money contracted relative to a year ago occasioned by decline in the Net Foreign Asset (NFA) of the Central Bank.

2. TOTAL DEBT PORTFOLIO ANALYSIS

2.1. Total Public Debt

The total public and publicly guaranteed (PPG) debt stock as at end 2022 stood at USD 1.63 billion (GMD 99.03 billion), of which external debt constitutes USD 1.01 billion (62.22%) and USD 615.53 million (37.78%) is domestic debt. The nominal debt as a percentage of GDP decreased to 81.95 percent in 2022 from 84.74 percent by end 2021 this is largely attributed to the improvements in the economic performance.

Figure 1: Total Public Debt Stock End 2022 in millions of USD



3. EXTERNAL DEBT ANALYSIS

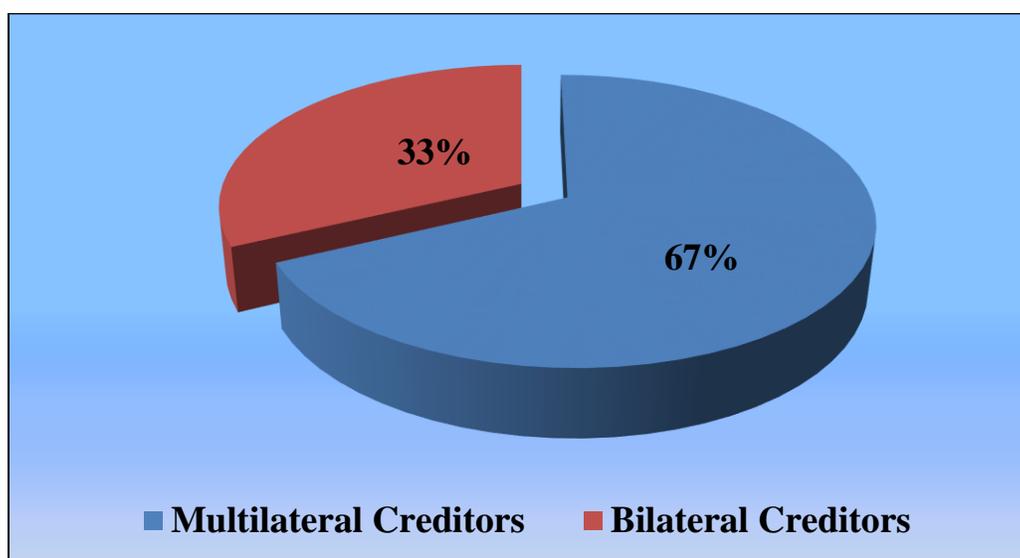
3.1. External Debt Stock

The total external debt stock as of the end of 2022 stood at USD 1.01 billion, equivalent to GMD 61.65 billion, representing 62.22 percent of the entire debt portfolio. On a year-to-year basis, the total external debt stock increased to USD 1013.59 billion in 2022 from USD 981.1 million in 2021, representing a 3.27 percent increment in external debt stock.

3.2. External Debt Stock by Creditor Category

The external debt stock comprises debt from multilateral creditors, which accounts for 67 percent of the total external debt portfolio, and bilateral creditor's accounts for the remaining 33 percent of the portfolio.

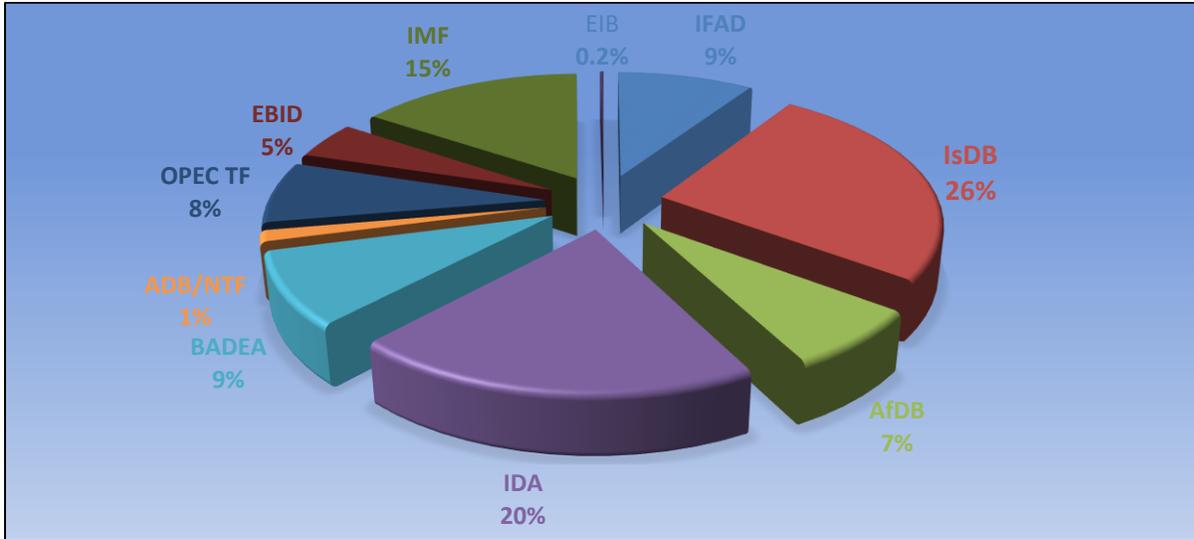
Figure 2: External Debt by Creditor Category



3.3. Share of the External Multilateral Debt stock

A greater portion of the country's external debt comes from multilateral creditors; the Islamic Development Bank has the largest share with 26 percent followed by International Development Association which accounted for 20 percent.

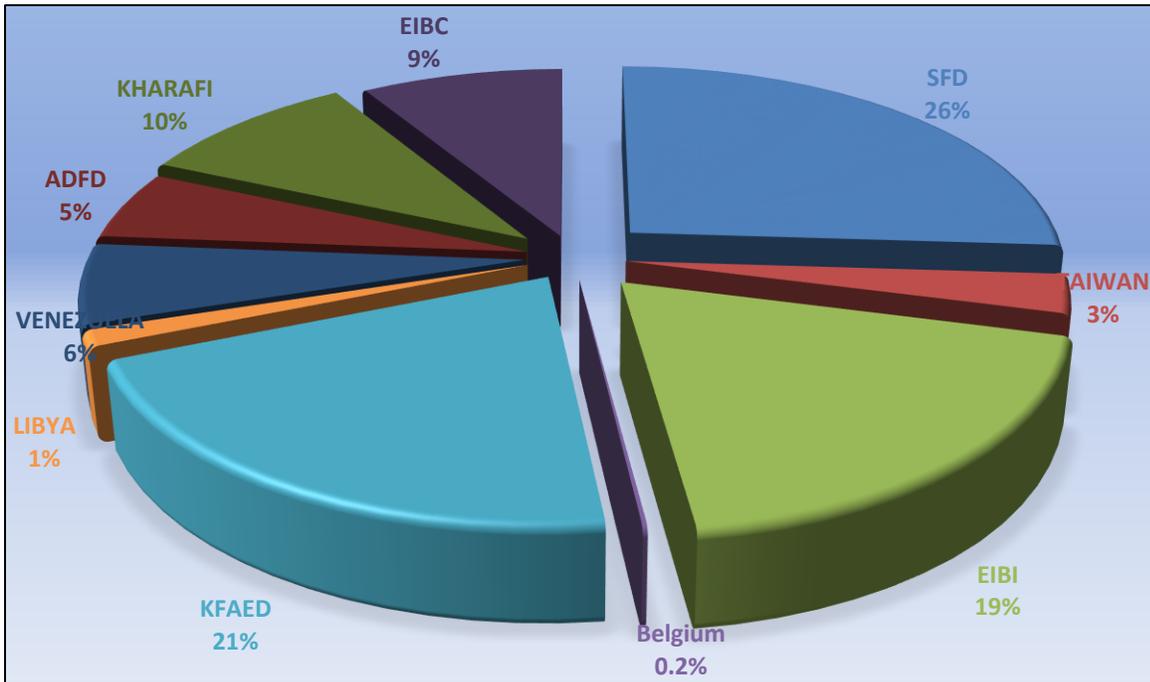
Figure 3: Multilateral Debt



3.4. Share of the External Bilateral Debt stock

Bilateral creditors provided 32 percent of the total external debt stock; of which the Saudi Fund for Development is has the largest share followed by Kuwaiti Fund for Arab Economic Development with 26 percent and 21 percent respectively.

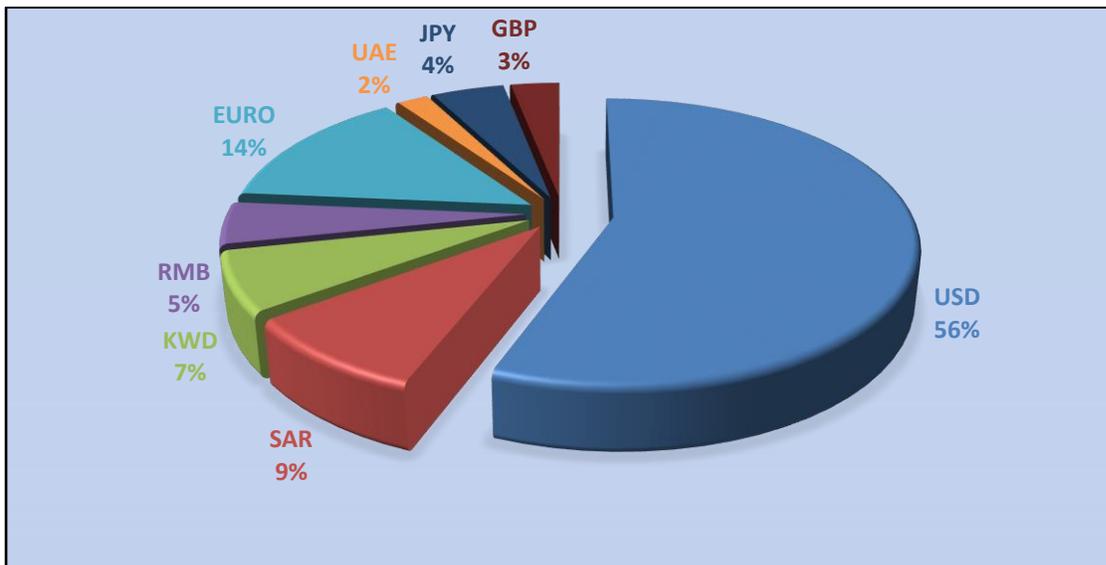
Figure 4: Bilateral Debt



3.5. Currency Composition of External Debt

Most of the external debt stock is exposed to the US Dollar accounting for 56 percent share of the currency exposure, followed by Euro, Saudi Riyals, Kuwaiti Dinar, Chinese Yuan, Japanese Yen, Pound Sterling, and UAE with 14 percent, 9 percent, 7 percent, 5 percent, 4 percent, 3 percent and 2 percent respectively.

Figure 5: Currency composition of external debt



4. DOMESTIC DEBT ANALYSIS

4.1. Domestic Debt Stock

The total domestic debt stock at the end of 2022 stood at GMD 37.4 billion (book value) equivalent to 30.96 percent of GDP. The stock of domestic debt comprises both marketable and non-marketable debt instruments. The marketable instruments includes Treasury bills, Sukuk-Al-Salaam bills, 2-year, 3-year and 5-year bonds, on the other hand, the non-marketable instruments comprise of 7-Year NAWEC Bond and 30-year Government Bond. Below is a table showing the distribution of domestic debt stock.

Table 1: Domestic Debt Stock Distribution by Holder 2022

Instrument	Holder	Face Value	Book Value
	Central Bank	0.00	0.00
T-Bills	Comm Banks	14,465,490,000.00	13,903,147,561.00
	Other Non Banks	2,797,015,000.00	2,663,955,723.50
		17,262,505,000.00	16,567,103,284.50
	Central Bank	0.00	0.00
SAS	Comm Banks	665,470,000.00	632,116,207.00
	Non Banks	381,170,000.00	368,073,653.50
		1,046,640,000.00	1,000,189,860.50
7% 30-Year Gov't Bond (held by CBG) (Mar 01, 2017)	Central Bank	8,623,332,950.74	8,623,332,950.74
12% 7-Year NAWEC Bond (Commence Sept 01.2017)	Banks	361,381,017.58	361,381,017.58
9% 3-Year Govt. Bond (Iss July 29, 2020)	Banks	390,000,000.00	377,431,012.47
9% 3-Year Govt.Bond (Iss.29.07.20 & reopen Aug 19,20)	Banks	250,000,000.00	242,761,894.62
9% 3-Year Govt. Bond (Iss.29.07.20 & reopen Aug 31,20)	Banks& non-banks	700,000,000.00	675,124,188.41
9% 3-Year Govt. Bond (iss Nov 02 & reopen Nov 18, 20)	Banks& non-banks	900,000,000.00	894,244,491.30
9% 3-Year Govt.Bond (iss Dec 07 & reopen Dec 23,20)	Banks& non-banks	869,750,000.00	869,240,494.15
9.66% 3-Year Govt. Bond (iss. Mar 10, 2021)	Banks	800,000,000.00	800,055,353.51
9.66% 3-Year Govt.Bond (iss Mar 10 & reopen Mar 24, 21)	Banks	750,000,000.00	747,463,721.51
8.94% 3-Year Govt.Bond (iss June 23, 2021)	Banks	750,000,000.00	749,996,037.94
8.85% 5-Year Govt. Bond (iss Sept 22, 2021)	Banks& non-banks	1,000,000,000.00	1,000,141,545.52
8.85% 5-Year Govt.Bond (iss Sept 22, 21 re-open 27.10.21)	Banks	1,000,000,000.00	1,119,385,265.57
3.79% 3-Year Govt. Bond (iss. Mar 09, 2022)	Banks& non-banks	1,500,000,000.00	1,500,192,812.97
8.59% 5-Year Govt. Bond (iss. Jun 01, 2022)	Banks& non-banks	670,000,000.00	671,998,306.87
9.77% 3-Year Govt. Bond (iss September 14, 2022)	Banks& non-banks	951,000,000.00	951,612,297.20
9.77% 3-Year Govt.Bond (iss Sept.14, 2022 &Re-open N	Banks& non-bank	295,000,000.00	285,161,191.06
		19,810,463,968.32	19,869,522,581.43
Total		38,119,608,968.32	37,436,815,726.43

4.2. Domestic Debt by Instrument

A significant proportion of the domestic debt stock is constituted by T-Bills & SAS with 48 percent share, followed by 30-year Government bond with 23 percent, 21 percent on 3-year Bonds, 7 percent on the 5-year Bond, and then the remaining 1 percent on 7-year NAWEC Bond.

Table 2: Share of Domestic Debt by Instrument

Security Type Short-Term Instruments	Amount	Share
<i>Marketable:</i>		
Treasury Bills	17,262,505,000.00	45.29%
Sukuk Al-Salaam	1,046,640,000.00	2.75%
	18,309,145,000.00	48.03%
Medium-Long Term Debt Instruments (Beyond 1yr)		
9% 3-Year Govt. Bond (Iss July 29, 2020)	390,000,000.00	1.02%
9% 3-Year Govt.Bond (Iss.29.07.20 & reopen Aug 19,20)	250,000,000.00	0.66%
9% 3-Year Govt. Bond (Iss.29.07.20 & reopen Aug 31,20)	700,000,000.00	1.84%
01.2017)	361,381,017.58	0.95%
9% 3-Year Govt. Bond (iss Nov 02 & reopen Nov 18, 20)	900,000,000.00	2.36%
9% 3-Year Govt.Bond (iss Dec 07 & reopen Dec 23,20)	869,750,000.00	2.28%
9.66% 3-Year Govt. Bond (iss. Mar 10, 2021)	800,000,000.00	2.10%
9.66% 3-Year Govt.Bond (iss Mar 10 & reopen Mar 24, 21)	750,000,000.00	1.97%
8.94% 3-Year Govt.Bond (iss June 23, 2021)	750,000,000.00	1.97%
8.85% 5-Year Govt Bond (iss Sept & reopen Oct 27,21)	2,000,000,000.00	5.25%
3.79% 3-Year Govt.Bond (iss. Mar 9, 2022)	1,500,000,000.00	3.93%
8.59% 5 Year Govt.Bond (iss. 01 June, 2022)	670,000,000.00	1.76%
9.77% 3-Year Govt. Bond (iss September 14, 2022)	951,000,000.00	2.49%
9.77% 3-Year Govt.Bond (iss Sept.14, 2022 &Re-open Nov 16)	295,000,000.00	0.77%
Sub-total (Bonds)	11,187,131,017.58	29.35%
Total Marketable	29,496,276,017.58	
<i>Non Marketable:</i>		
7% 30-Year Gov't Bond (held by CBG) (Mar 01, 2017)	8,623,332,950.74	22.62%
	8,623,332,950.74	
Total Outstanding Domestic Debt	38,119,608,968.32	100.00%

4.3. Domestic Debt by Holder

The holders of Government domestic debt as at end 2022 comprised of commercial banks, SSHFC, other non-banks, and the Central Bank. See Table below.

Table 3: Domestic Debt Distribution by Holder

	TREASURY BILLS	SAS BILLS	BONDS
Central Bank	0.00%	0.00%	43.53%
Comm Banks	83.80%	63.58%	52.51%
SSHFC	0.00%	0.00%	2.56%
Other Non Banks	16.20%	36.42%	1.39%
Total Share	100.00%	100.00%	100.00%

5. Total Debt Service

The total debt service payment in 2022 amounted to GMD 4.9 billion (USD 81 million), of which GMD 2.2 billion is External Debt Service payments and GMD 2.7 billion is Domestic Debt Service payments. (See table below)

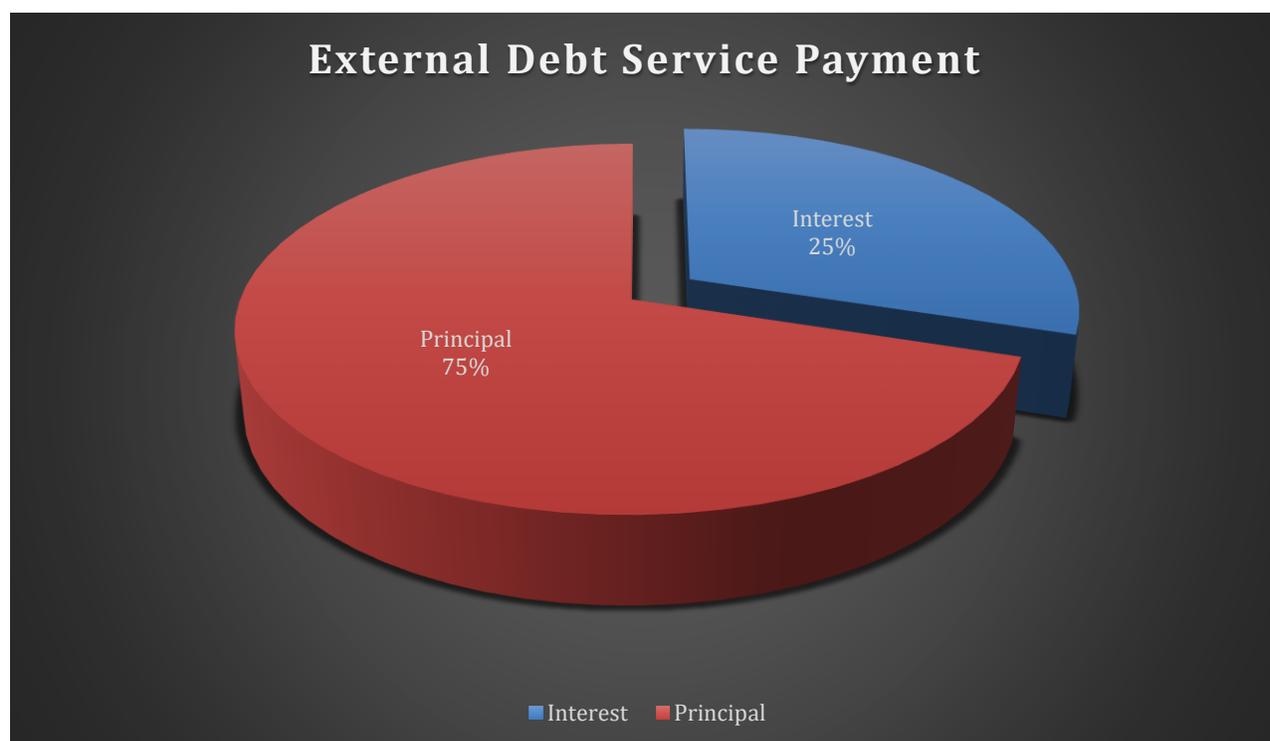
Table 4: Total Debt Service in GMD

TOTAL DEBT SERVICE IN 2022			
	Domestic Debt	External Debt	Total
Interest	2,063,827,722.51	547,093,046.98	2,610,920,769.50
Amortization/Principal	642,212,568.45	1,680,016,564.87	2,322,229,133.32
Total Debt Service	2,706,040,290.96	2,227,109,611.85	4,933,149,902.81

5.1. External Debt Service

External Debt Service payments for the 2022 fiscal year amounted to USD 36.6 million (GMD 2.2 billion). The principal payment of USD 27.6 million (GMD 1.7 billion) represent 75% of the total External Debt Service Payments and the remaining USD 9 million (GMD 547 million) is interest payments representing 25%.

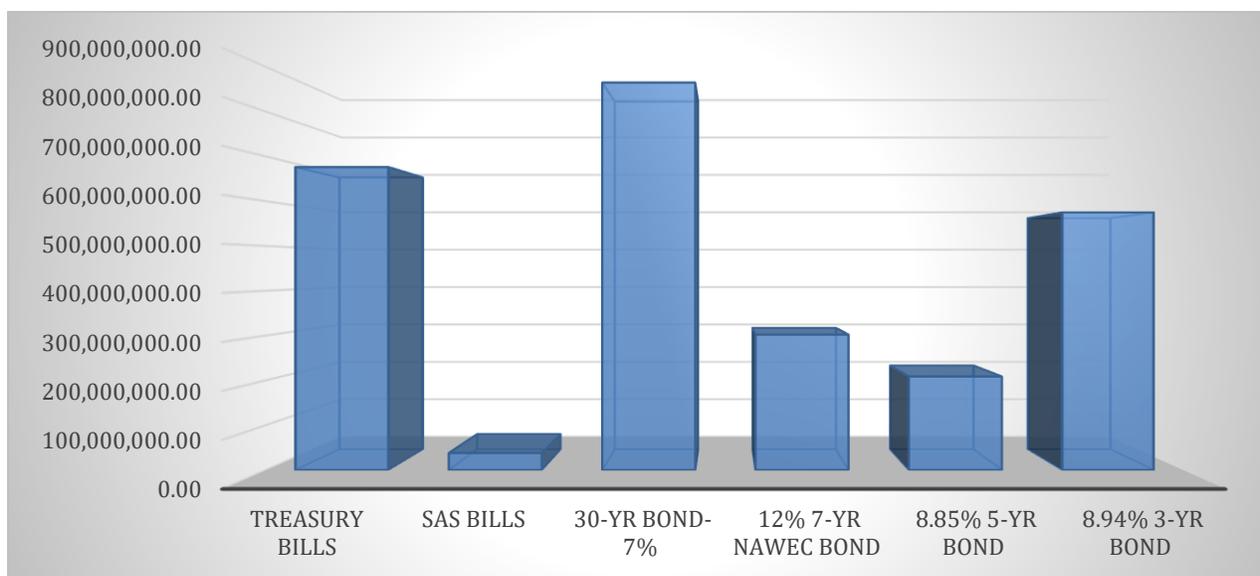
Figure 6: External Debt Service in 2022



5.2. Domestic Debt Service Payment

The Total Domestic Debt service payment in 2022 amounted to GMD 2.66 billion, of which the interest and amortization of the non-marketable debt instruments i.e. The 30 year Government and the 7 year NAWEC bond, amounting to GMD 1.2 billion (43.78%). The interest payments on Treasury Bills and Sukuk-Al-Salam, and 3Year Bond amounted to GMD 714.15 million (26.81%), and 574.78 million (21.58%) respectively.

Figure 7: Domestic Debt Service in millions GMD by Instruments



The total debt service payment has decreased from GMD 5.0 billion in 2021 to GMD 4.9 billion in 2022. However, the External debt service as a percentage of the total debt service has increased by 16.72 percent from 2021 to 2022. This increment is largely explained by FX rate loss on the foreign debt stock.

Table 5: Total Debt Service Payment for 2021 compared to 2022

Debt service Comparison	2021	2022	Difference
Domestic Debt	3,108.67	2,706.04	-402.58
External Debt	1,908.04	2227.11	319.07
Total	5,016.71	4,933.15	-83.56

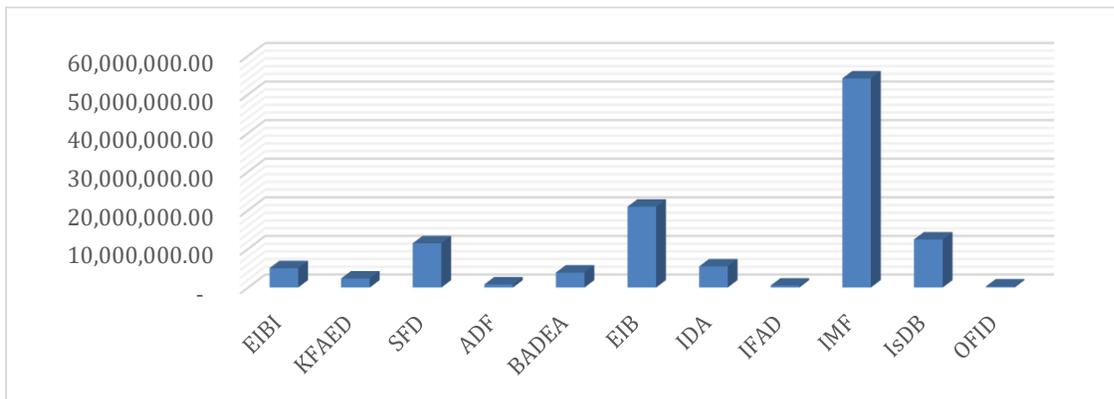
6. Total Loan Disbursements

The total Loan Disbursements for the fiscal year 2022 amount to USD 117.31 million (equivalent to GMD 7.14 billion).

6.1. Disbursement by Creditor

International Monetary Fund (IMF) provided the highest Loan Disbursement in 2022 of total Disbursement followed by EIB, IsDB, SAUDI, IDA, EXIM BANK INDIA, BADEA, KUWAIT FUND, and the rest from, AfDB, IFAD, and OPEC.

Figure 8: Disbursement by creditor



6.2. New commitments in 2022

The total amount of the new signed loan agreements in 2022 amount to USD 65.65 million, of which IsDB constitutes the largest share of the financing with 40.57 percent. See table below.

Table 6: New Commitments in 2022

Agreement Date	Creditor Name	Instrument Title	Status	Commitment Amount (USD)
26/01/2022	Islamic Development Bank	Widening of the Bertil Harding Highway Project - The Gambia	Effective	14,093,597.65
24/03/2022	Kuwait Fund for Arab Economic Development	Widening of the Bertil Harding Highway Project	Effective	19,698,965.19
09/09/2022	Islamic Development Bank	ENHANCING VALUE ADDITION IN THE GROUNDNUT SECTOR PHASE II PROJECT	Effective	5,540,000.00
05/02/2022	Islamic Development Bank	The Development of the University of The Gambia PHASE II Project	Effective	7,000,000.00
14/02/2022	International Monetary Fund	ON LENDING OF SDR 14,320,000 TO THE GOVERNMENT OF THE GAMBIA, THE SPECIAL SDR ALLOCATIONS	Effective	14,320,000.00
21/06/2022	International Monetary Fund	ONLENDING OF CREDIT FACILITY OF SDR 5 MILLION OF THE GOVERNMENT OF THE GAMBIA	Effective	5,000,000.00
Total				65,652,562.84

6.3. Loan Guarantees

The Government may provide guarantees for financing to other economic actors considered essential in the economy however, In 2022, there was only a single guarantee provided to the Gambia Ports Authority and has been fully repaid without a recourse to Government.

External Loan Disbursement

The total disbursement has increased from USD 92.87 million in 2021 to USD 117.3 million in 2022. Net flows have consistently remained positive over the years indicating increasing disbursements to finance capital and development-related projects and programs. Net transfers on debt increased from USD 56.62 million in 2021 to USD 80.7 Million in 2022.

Table 7: External Loan Disbursement

FLOWS	2021	2022
Disbursement (A)	92.87	117.3
Principal Repayment (B)	10.82	27.6
Net Flows on Debt (C) = (A-B)	82.05	89.7
Interest Payments (D)	25.36	9.0
Net Transfers on Debt E = (C-D)	56.69	80.7

7. 2022 DOMESTIC DEBT ISSUANCE

In operationalizing the MTDS (2022-2026), The Debt Management Directorate prepared the 2022 annual borrowing plan in line with the Debt Management Strategy (DMS) and the same time meeting government financing requirement.

This was communicated through the Ministry of Finance and Economic Affairs and Central Bank of the Gambia websites. The table below shows the summary of the 2022 issuance calendar.

Table 8: 2022 Domestic Debt Issuances

Issuance profile									
Month	91-Day T/Bills	182-Day T/Bills	364-Day T/Bills	91-Day SAS	182-Day SAS Bills	364-Day SAS Bills	3 year Bond	5 year Bond	Total
Jan	60	200	1,400	20	20	40	-	-	1,740
Feb	40	140	1,720	20	20	60	-	-	2,000
Mar	60	120	1,170	25	50	75	1,500	-	3,000
Apr	40	120	1,200	20	40	80	-	-	1,500
May	40	120	1,200	20	40	80	-	-	1,500
Jun	60	160	1,200	25	25	50	-	1,500	3,020
Jul	60	160	1,200	20	20	40	-	-	1,500
Aug	50	100	1,750	25	25	50	-	-	2,000
Sep	45	120	1,200	20	40	80	1,500	-	3,005
Oct	40	140	1,200	20	40	60	-	-	1,500
Nov	40	200	1,200	25	45	50	-	1,500	3,060
Dec	40	160	1,200	20	40	40	-	-	1,500
Total	575	1,740	15,640	260	405	705	3,000	3,000	25,325

8. CONCLUSIONS

In our relentless effort to enhance accountability and transparency, the Government through the ministry would continue to provide regular public debt publications (i.e. Annual, Quarterly etc) accompanied by detail analysis for the comprehension of the general public, donor community and other stakeholders.

The Medium Term debt Management Strategy of the Government would be reviewed annually to ensure relevant updates are incorporated to guide the overall debt management operations for the attainment of the set objectives.