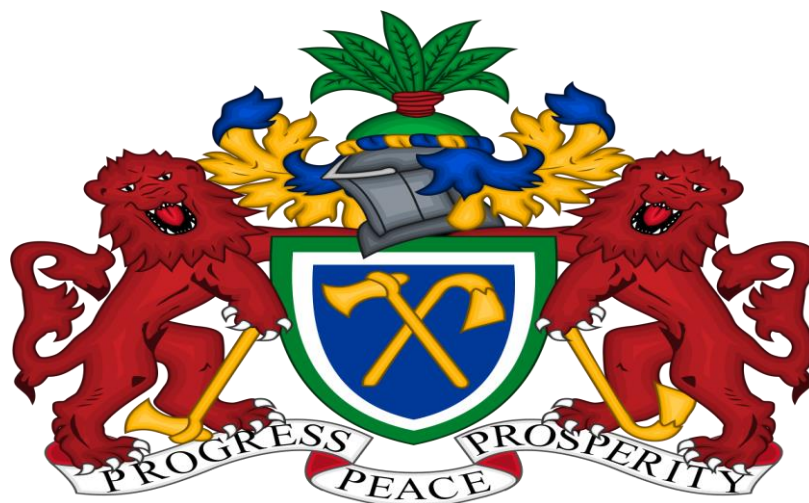


2021 PUBLIC DEBT BULLETIN



FOR THE

REPUBLIC OF THE GAMBIA

MAY, 2022

FOREWORD

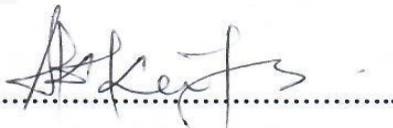
The Ministry of Finance and Economic Affairs (MoFEA) through the Directorate of Loans and Debt Management (DLDM) is required by section 51 of the Public Finance Act, 2014 to prepare and publish an annual debt bulletin. This bulletin provides comprehensive information about the public debt management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

Public debt management is one of the cornerstones for achieving economic growth and stability thus would promote government's accountability and transparency. In accordance with law, the key 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 to promote the development of the domestic debt market.

The total public and publicly guaranteed (PPG) debt stock as at end 2021 stood at USD 1.69 billion equivalent to GMD 88.93 billion, of which external debt constituted USD 981.45 million (58.19%) and USD 705.01million (41.81%) is the domestic debt. The nominal debt as a percentage of GDP slightly increased from 84.1 percent as at end 2020 to 84.74 percent as at end 2021 showing the effect of the debt restructuring program and new disbursements of ongoing projects.

Moving forward, the Government would continue to implement robust debt management strategies to meet government's financing requirements and at the same time achieve public debt sustainability in the medium to long term. For an economy to secure an Extended Credit Facility (ECF) program with the International Monetary Fund (IMF) requires the public debt to be on a sustainable path. It is in this drive that, the Government secured debt restructuring, in the form of principal repayment deferral, with most of the external creditors for at least five years.

In an effort 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 went through a turbulent period between 2019 and 2021, with its effects being felt across all sectors. The COVID 19 pandemic dampened growth levels from 6.2 percent in 2019 to a staggering -0.2 percent in 2020 however, the economic recovery efforts significantly impacted growth positively to a 4.3 percent in 2021. The poor economic performance in 2020 largely resulted from the COVID-19 pandemic over the period, which mostly affected the Services sector and slightly impacted the Industry sector.

In 2021, Government's recovery efforts, coupled with support from the international community helped the economy get on a quick path to recovery, generating a growth of 1.9 percent in the Services sector, compared to -5.0 percent in 2020, and 10.4 percent in Industry compared to 8.2 percent in the previous year. The Agriculture sector however, registered a decline in growth rate from 10.6 percent in 2020 to 4.7 percent in 2021. The main growth driver in this sub sector was fishing and aquaculture, with an impressive growth rate of 20.8 percent whilst all other subsectors registered negative growth during the period.

1.2. Monetary and External Sector

The preliminary balance of payments estimates shows that the current account balance deteriorated to a deficit of US\$94.08 million (4.6 percent of GDP) in 2021 from a deficit of US\$86.55 million (4.56 percent of GDP) in the corresponding period of 2020, due to the decrease in income, service and current transfers.

The Monetary policy stance has been relatively accommodative in the fourth quarter of 2021 aimed at supporting the real economy and the economic policy of the government. The Monetary policy Rate (MPR) was maintained at 10 percent during the last Monetary Policy Committee (MPC) in 2021 to support the economy through private sector growth. The weighted average T-bills fell below 1.0 percent for the review period resulting to negative real interest rates as inflation remains elevated.

Real interest rate was negative during the fourth quarter as the weighted average T-bill rate dropped to below one percent. Moreover, inflation rose slightly relative to the previous quarter. Growth in private sector credit is reverting to its pre-pandemic levels as confidence returns to the economy. Annual reserve money growth slowed relative to a year ago occasioned by decline in the Net Foreign Asset (NFA) of the Central Bank.

Fiscal Sector

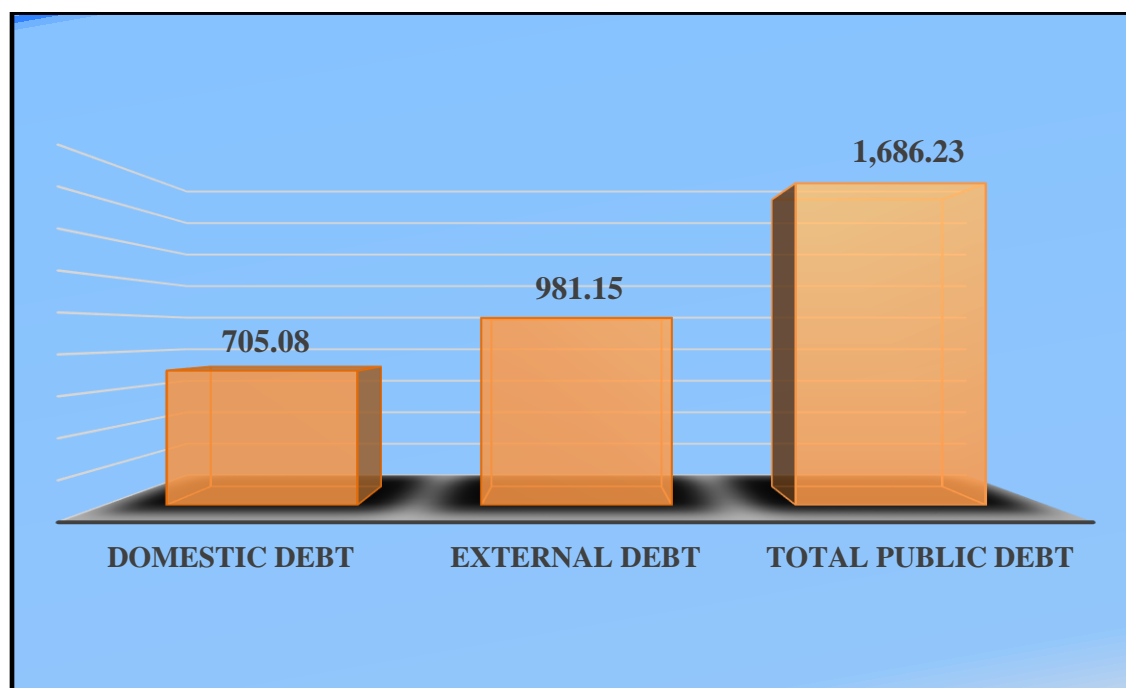
Fiscal performance in 2021 was lower than expected, owing to a major gap in budget support, as well as certain urgent spending. While domestic revenue collections met expectations owing primarily to a good non-tax revenue performance however, tax revenue collection was hampered by a still weak economic recovery.

2. TOTAL DEBT PORTFOLIO ANALYSIS

2.1. Total Public Debt

The total public and publicly guaranteed (PPG) debt stock as at end 2021 stood at USD 1.69 billion (GMD 88.93 billion), of which external debt constitutes USD 981.45 million (58.19%) and USD 705.01 million (41.81%) is domestic debt. The nominal debt as a percentage of GDP increased slightly from 84.1 percent at the end of 2020 to 84.74 percent by end 2021 as result of the partial debt restructuring program and new disbursements of ongoing projects.

Figure 1: Total Public Debt Stock End 2021 in millions of USD



2.2. Total Debt Service

The total debt service payment in 2021 amounted to USD 95 million (GMD 5.0 billion), of which GMD 1.9 billion is External Debt Service payments and GMD 3.1 billion is the Domestic Debt Service payments.(see table below)

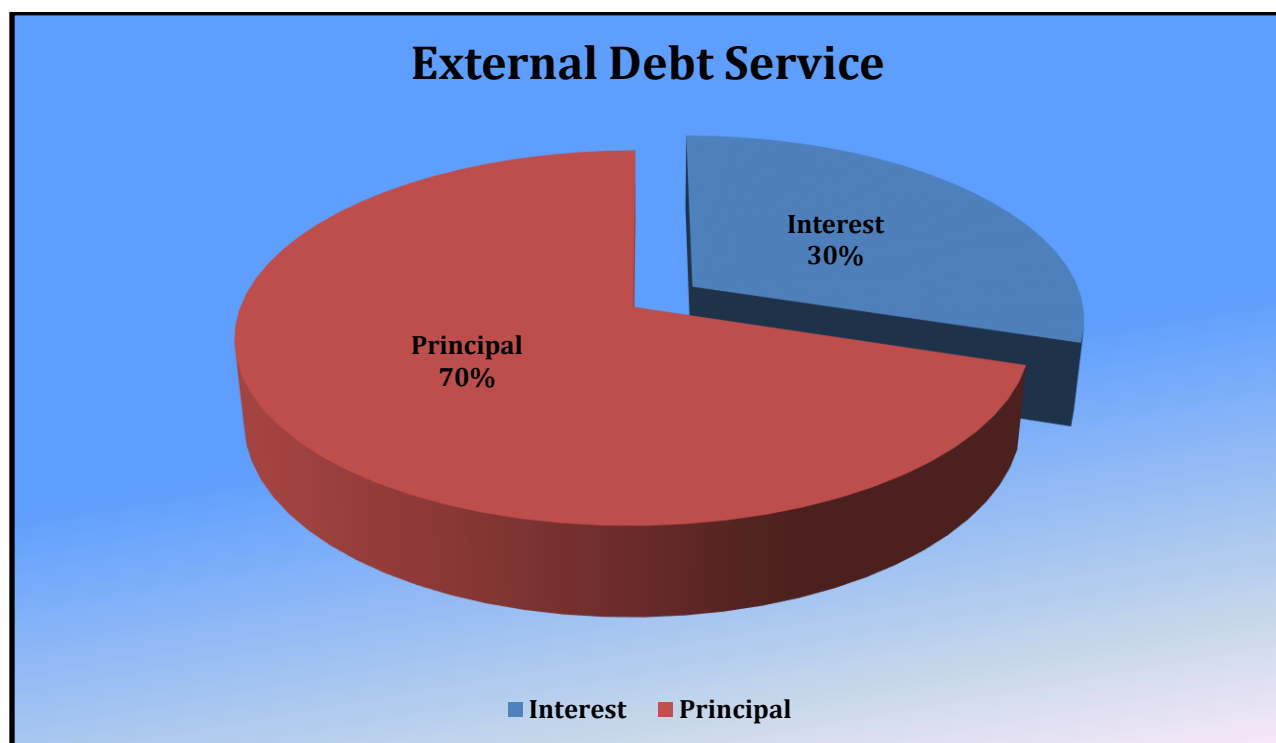
Table 1: Total Debt Service in GMD

Total Debt Service in 2021			
	Domestic Debt	External Debt	Total
Interest	2,508,442,884.78	570,552,129.59	3,078,995,014.37
Amortization/Principal	600,226,219.62	1,337,489,384.03	1,937,715,603.65
Total Debt Service	3,108,669,104.40	1,908,041,513.62	5,016,710,618.02

2.3. External Debt Service

External Debt Service payments for the 2021 fiscal year amounted to USD 36 million (GMD 1.9 billion). Principal payments of USD 25.3 million (GMD 1.3 billion) which represent 70% of the total External Debt Service Payments and the remaining USD 10.8 million (GMD 570.6 million) on interest payments representing 30% respectively.

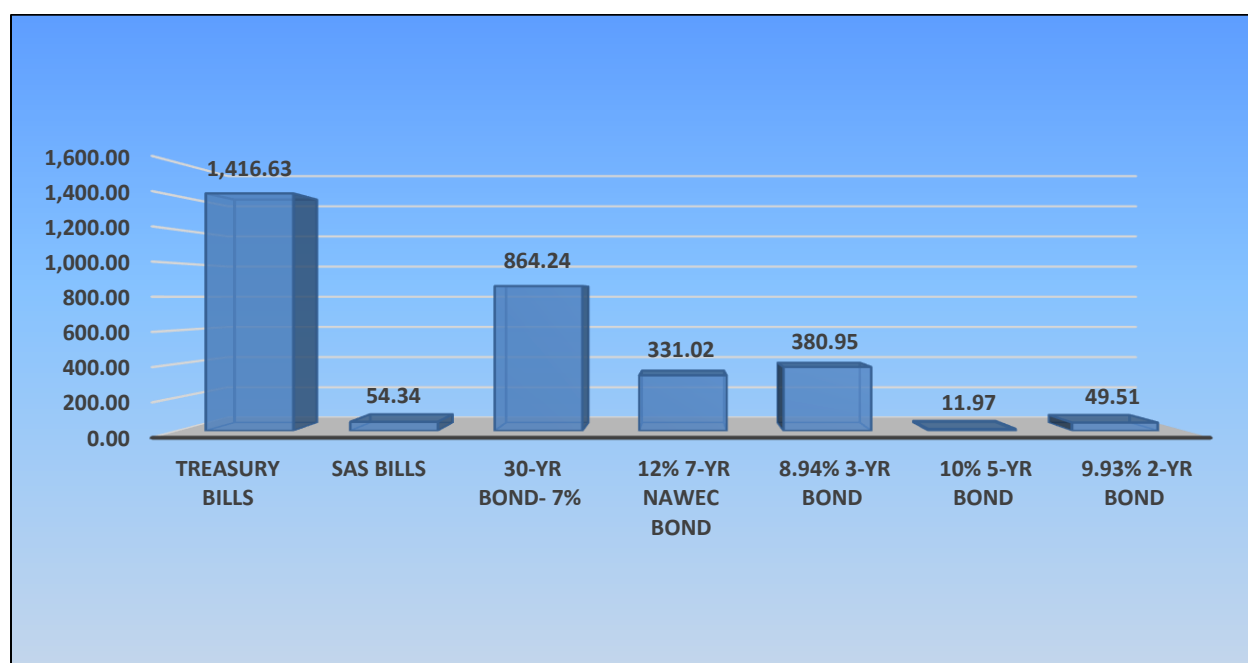
Figure 2: External Debt Service



2.4. Domestic Debt Service Payment

The Total Domestic Debt service payment in 2021 amounted to GMD 3.1 billion, of which interest payments on Treasury Bills and Sukuk-Al-Salam for GMD 1.5 billion (47%) of the total Domestic Debt service payment. The interest and amortization of the non-marketable debt instruments i.e. The 30 year Government and the 7 year NAWEC bond, accounted for GMD 1.2 billion.

Figure 3: Domestic Debt Service in millions GMD



The total debt service payment has increased by 11% from GMD 4.5 billion in 2020 to GMD 5.0 billion in 2021. External debt service as a percentage of the total debt service has increased by 9% from 2020 to 2021. This is as a result of the expiration of the 2020 DSSI in 2020 debt restructuring on external debt.

Table 2: Total Debt Service Payment for 2020 compared to 2021

Debt service Comparison	2020	2021	Difference
Domestic Debt	3,019.09	3,108.67	89.58
External Debt	1,488.47	1,908.04	419.57
Total	4,507.56	5,016.71	509.15

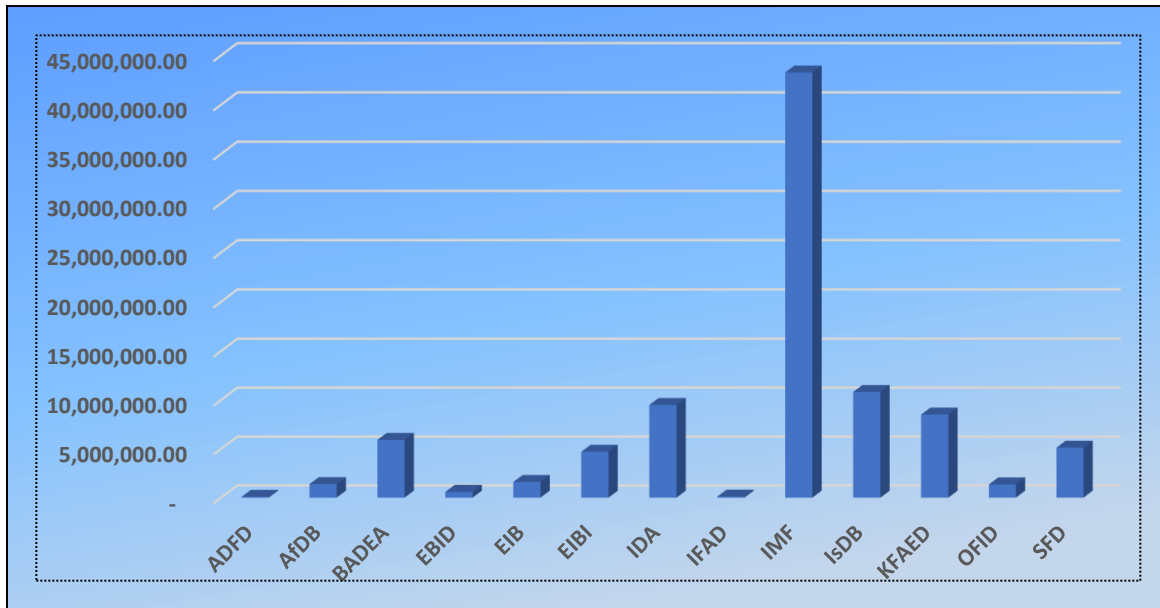
2.5. Total Loan Disbursements

The total Loan Disbursements for the fiscal year 2021 amount to USD 92.9 million equivalent GMD 4.9 billion.

Disbursement by Creditor

International Monetary Fund (IMF) provided the highest Loan Disbursement in 2021 of the total Disbursement followed by IsDB, IDA, KUWAIT FUND, BADEA, Saudi Fund, and the rest from, AfDB, EXIM BANK, EIB, OPEC, ECOWAS, IFAD, and ABU DHABI.

Figure 3: Disbursement by creditor



DOMESTIC DEBT ANALYSIS

3. Domestic Debt Stock

The total domestic debt stock as at end 2021 stood at GMD 36.5 billion (book value) equivalents to 41.8 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 3: Total Debt Service Payment for 2020 compared to 2021

DISTRIBUTION OF OUTSTANDING INTEREST-BEARING DOMESTIC DEBT(By Holder)- December 2021			
Instrument	Holder	Face Value	Book Value
T-Bills	Central Bank	0.00	0.00
	Comm Banks	16,344,575,000.00	15,779,337,095.00
	Other Non Banks	2,689,810,000.00	2,592,899,809.50
		19,034,385,000.00	18,372,236,904.50
SAS	Central Bank	150,640,000.00	144,864,395.00
	Comm Banks	453,320,000.00	436,776,742.50
	Non Banks	432,980,000.00	418,440,619.00
		1,036,940,000.00	1,000,081,756.50
7% 30-Year Gov't Bond (held by CBG) (Mar 01, 2017)	Central Bank	8,982,638,490.36	8,982,638,490.36
10% 5-Year par value Gov't.Bond (Iss.Nov 01, 2017)	Banks& non-banks	120,000,000.00	120,000,000.00
12% 7-Year NAWEC Bond (Commence Sept 01.2017)	Banks	602,301,696.02	602,301,696.02
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
		17,114,690,186.38	17,180,784,191.38
Total		37,186,015,186.38	36,553,102,852.38

Domestic Debt by Instrument

A significant proportion of the domestic debt stock is constituted by T-Bills & SAS with 54 percent share, followed by 30-year Government bond with 24 percent, 15 percent on 3-year Bonds, 6 percent on the 5-year Bond, and then the remaining 2 percent on 7-year NAWEC Bond

Table 4: Share of Domestic Debt by Instrument

SUMMARY OF OUTSTANDING DOMESTIC PUBLIC DEBT @ FACE VALUE- DECEMBER 2021		
Security Type	Amount	Share
Short Term Debt Instruments (1 Year or Less)		
Treasury Bills	19,034,385,000.00	51.19%
Sukuk Al-Salaam	1,036,940,000.00	2.79%
	20,071,325,000.00	53.98%
Medium - Long Term MLT Debt Instrument (Beyond 1Year)		
7% 30-Year Gov't Bond (held by CBG) (Mar 01, 2017)	8,982,638,490.36	24.16%
8.85% 5-Year Govt Bond (iss Sept & reopen Oct 27, 21)	2,000,000,000.00	5.38%
9% 3-Year Govt. Bond (iss Nov 02 & reopen Nov 18, 20)	900,000,000.00	2.42%
9% 3-Year Govt.Bond (iss Dec 07 & reopen Dec 23,20)	869,750,000.00	2.34%
9.66% 3-Year Govt. Bond (iss. Mar 10, 2021)	800,000,000.00	2.15%
9.66% 3-Year Govt.Bond (iss Mar 10 & reopen Mar 24, 21)	750,000,000.00	2.02%
8.94% 3-Year Govt. Bond (iss June 23, 2021)	750,000,000.00	2.02%
9% 3-Year Govt. Bond (Iss.29.07.20 & reopen Aug 31,20)	700,000,000.00	1.88%
12% 7-Year NAWEC Bond (Commence Sept 01.2017)	602,301,696.02	1.62%
9% 3-Year Govt. Bond (Iss July 29, 2020)	390,000,000.00	1.05%
9% 3-Year Govt.Bond (Iss.29.07.20 & reopen Aug 19,20)	250,000,000.00	0.67%
10% 5-Year par value Gov't.Bond (Iss.Nov 01, 2017)	120,000,000.00	0.32%
	17,114,690,186.38	46.02%
Total Outstanding Domestic Debt	37,186,015,186.38	100%

Domestic Debt by Holder

The holders of Government domestic debt as at end 2021 comprised of commercial banks, SSHFC, other non-banks, and the Central Bank. See Table below.

Table 5: Domestic Debt Distribution by Holder

DOMESTIC DEBT DISTRIBUTION- BY HOLDER			
	TREASURY BILLS	SAS BILLS	BONDS
Central Bank	0.00%	14.53%	52.48%
Comm Banks	85.87%	43.72%	44.72%
SSHFC	0.00%	0.00%	2.00%
Other Non Banks	14.13%	41.76%	0.79%
Total Share	100.00%	100.00%	100.00%

4. EXTERNAL DEBT ANALYSIS

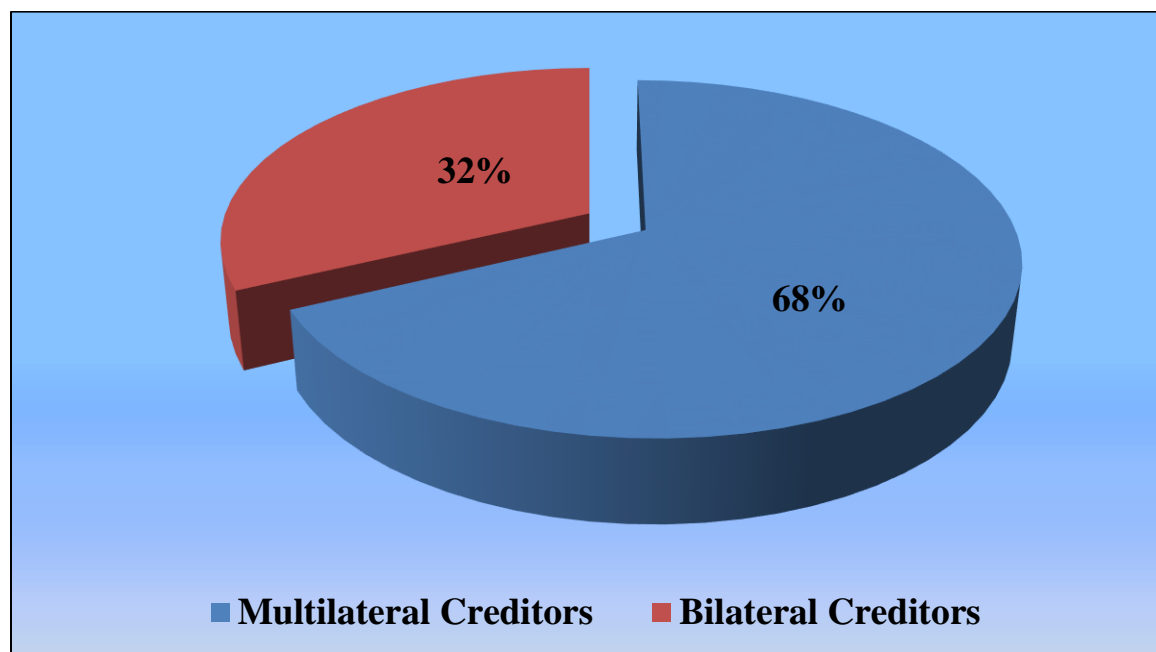
4.1. External Debt Stock

The total external debt stock as of the end of 2021 stood at USD 981.5 million, equivalent to GMD 51.8 billion, representing 58.2 percent of the entire debt portfolio. On a year-to-year basis, the total external debt stock increased to USD 981.5 million in 2021 from USD 858.0 million in 2020, representing a 14.4 percent increment in external debt stock.

4.2. External Debt Stock by Creditor Category

The external debt stock comprises debt from multilateral creditors, which accounts for 68 percent of the total external debt portfolio, and bilateral creditor's accounts for the remaining 32 percent of the portfolio.

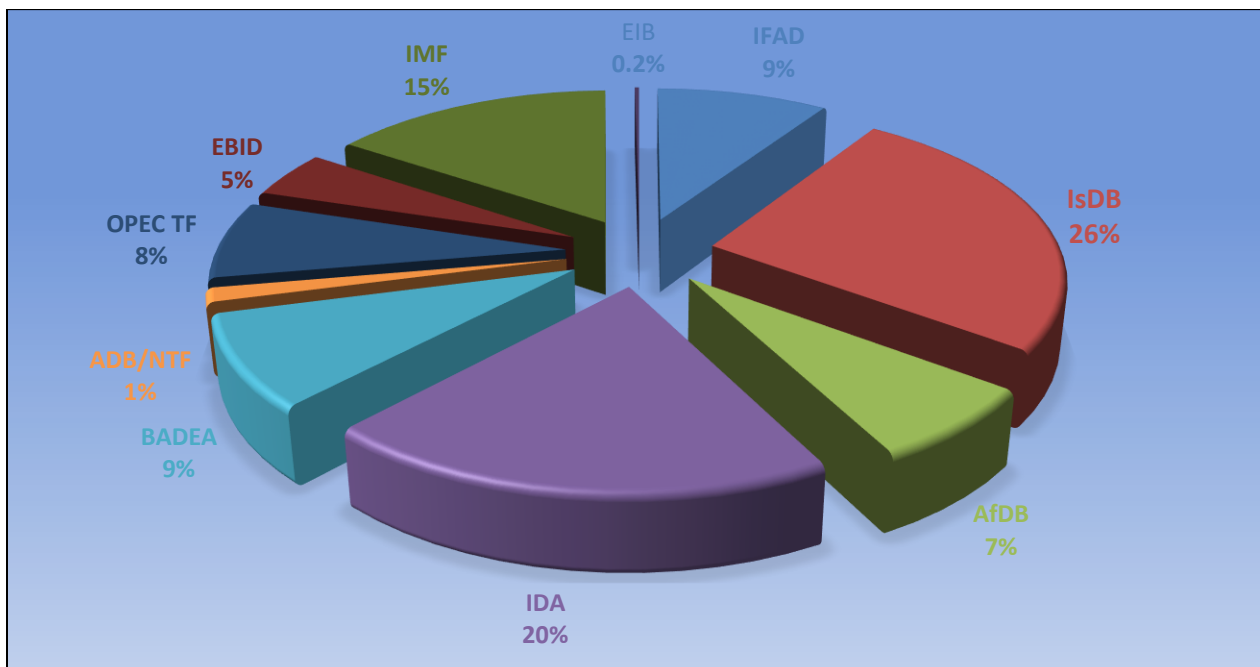
Figure 4: External Debt by Creditor Category



Share of the External Multilateral Debt stock

A greater chunk of the country's external debt comes from multilateral creditors; the Islamic Development Bank is with largest share followed by the International Development Association by 26 percent and 20 percent respectively.

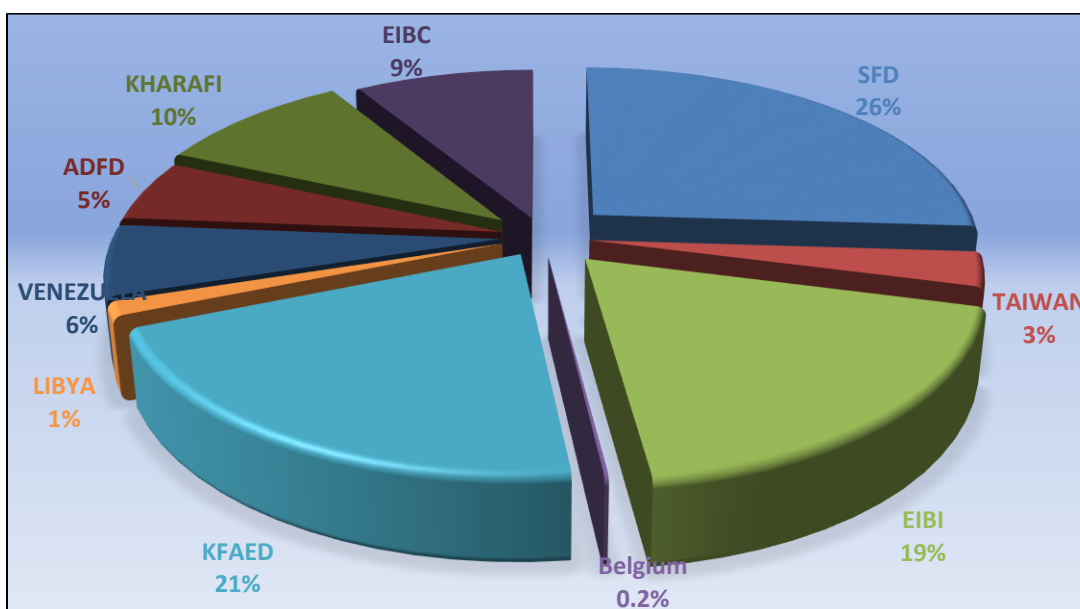
Figure 5: Multilateral Debt



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 with the largest share followed by Kuwaiti Fund for Arab Economic Development with 26 percent and 21 percent respectively.

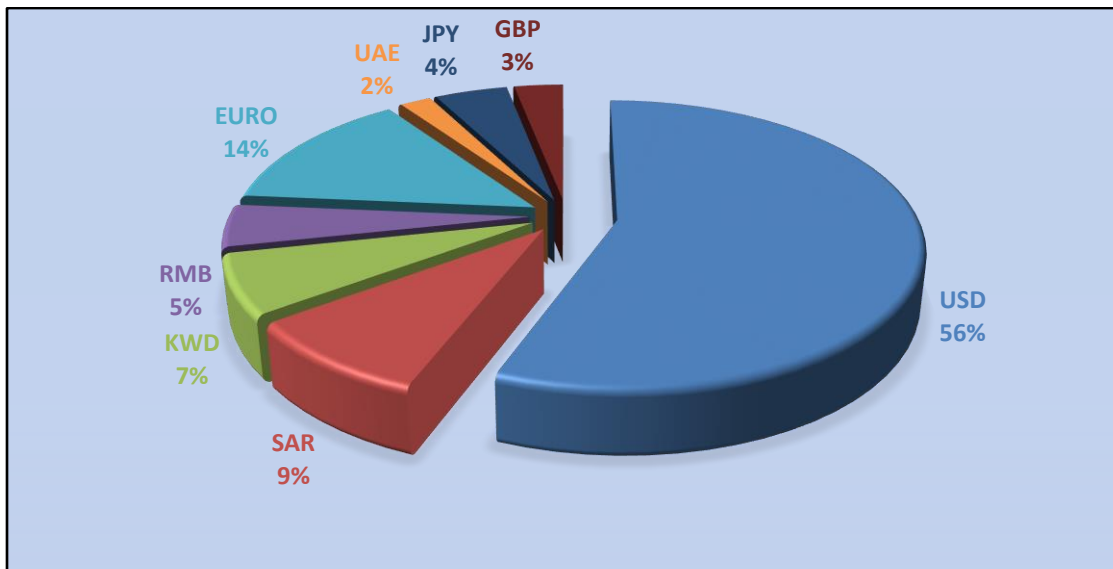
Figure 6: Bilateral Debt



4.3. 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 7: Currency composition of external debt



4.4. External Loan Disbursement

The total disbursement has increased from USD 63.6 million in 2020 to USD 92.87 million in 2021. 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 34.80 million in 2020 to USD 56.62 Million in 2021.

Table 6: External Loan Disbursement

FLows	2020	2021
Disbursement (A)	63.60	92.87
Principal Repayment (B)	18.20	10.82
Net Flows on Debt (C) = (A-B)	45.40	82.05
Interest Payments (D)	10.60	25.36
Net Transfers on Debt E = (C-D)	34.80	56.69

2021 DOMESTIC DEBT ISSUANCE

In operationalizing the MTDS (2020-2024), The Debt Management Directorate prepared the 2021 annual borrowing plan consistent with the strategy 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 2021 issuance calendar.

Table 7: 2021 Domestic Debt Issuances

2021 Issuance profile (GMD Millions)									
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	110	160	1,430	20	20	40	-	-	1,780
Feb	55	155	1,620	20	40	110	-	-	2,000
Mar	45	225	2,100	25	50	150	1,550	-	4,145
Apr	60	200	1,760	20	40	120	-	-	2,200
May	80	200	1,370	20	40	60	-	-	1,770
Jun	80	200	1,700	25	25	50	750	-	2,830
Jul	40	100	1,780	20	20	40	-	-	2,000
Aug	40	95	1,765	20	40	40	-	-	2,000
Sep	110	250	1,605	25	50	100	-	1,000	3,140
Oct	45	150	1,500	20	40	105	-	1,000	2,860
Nov	60	160	1,200	20	20	20	-	-	1,480
Dec	75	250	1,000	25	25	50	-	-	1,425
Total	800	2,145	18,830	260	410	885	2,300	2,000	27,630

5. CONCLUSION

As set forth in the PFM Act (2014), we will continue to pursue our primary debt management objectives, which is to make sure the Government's financing needs, are met at the lowest possible cost consistent with a prudent degree of risk. This we seek to achieve through the implementation of our Medium Term Debt Management Strategy (MTDS), and sticking to prudent debt management practices.

The Ministry of Finance and Economic Affairs will continue to publish quarterly and annual statistical debt bulletin to give an account on the public management operations in a bid to enhance transparency and accountability.