

THE GOVERNMENT OF THE GAMBIA

2023 ANNUAL MACRO-FISCAL REPORT

MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

JUNE, 2024

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EXECUTIVE SUMMARY

The Annual Macro-Fiscal Report presents the overall macroeconomic and fiscal performances during the 2023 fiscal year. Specifically, the report provides an evaluation of macroeconomic assumptions and developments underpinning the formulation and implementation of the 2023 National Budget.

The thrust of the 2023 Budget was to stabilize the macroeconomic environment anchored on consolidating public finances. The execution of the 2023 Budget was, however, faced with several challenges including global economic slowdown, high inflation, exchange rate volatility, and high domestic interest rates. Global economic growth slowed down from 3.5 percent in 2022 to 3.2 percent in 2023 because of disinflationary policies and increasing geo-economic fragmentation. On the domestic front, economic growth was resilient, registering 5.3 percent amidst high inflationary and exchange rate pressures. Growth was driven by construction, agriculture, communication and tourism. Inflation averaged 16.9 percent higher than expected. To contain the inflation surge, the Monetary Policy Committee (MPC) responded by increasing the monetary policy rate from 13 percent in December 2022 to 17 percent in September 2023.

The fiscal consolidation remained on track, although faced numerous challenges including shortfalls in some tax and non-tax heads, delayed disbursement of budget support, and excess spending on wages and interest payments. Revenue and grants despite performing better than 2022, underperformed against the Budget. The underperformance was mainly due to lower-than-expected disbursements in project grants. On the expenditure side, overall spending was maintained below the Appropriated Budget. Overall fiscal deficit slowed down to 3 percent of GDP although missing the target by 0.6 percent of GDP. The deficit was financed by the sale of Mega Bank as well as domestic and foreign borrowing. Public debt to GDP ratio slowed down from 82.9 percent in 2022 to 74.5 percent in 2023.

1 Introduction

The 2023 National Budget was presented to the National Assembly on Monday 14th November 2022. It was debated on the 23rd and 24th of November 2022, approved on the 25th of November 2022, and signed into law by His Excellency the President of the Republic of The Gambia, Mr. Adama Barrow on the 22nd of December 2023.

The 2023 Budget sought to strengthen domestic resource mobilization and support the provision of quality essential services in agriculture, education, health, and infrastructural development that promote inclusive and resilient growth.

The macroeconomic framework was underpinned by a domestic economic growth of 5.6 percent. This was expected to be driven by agriculture, construction, and a broad positive outlook in the tourism sector. Inflation pressures were assumed to remain elevated. Total revenue and grants were projected at GMD33.22 billion while total expenditure and net lending were at GMD37.15 billion.

The Annual Macro-Fiscal Report provides an evaluation of macroeconomic assumptions and developments underpinning the formulation and implementation of the 2023 National Budget. The report is divided into four sections, which are: Introduction, Macroeconomic Developments, Fiscal Developments, and Conclusion.

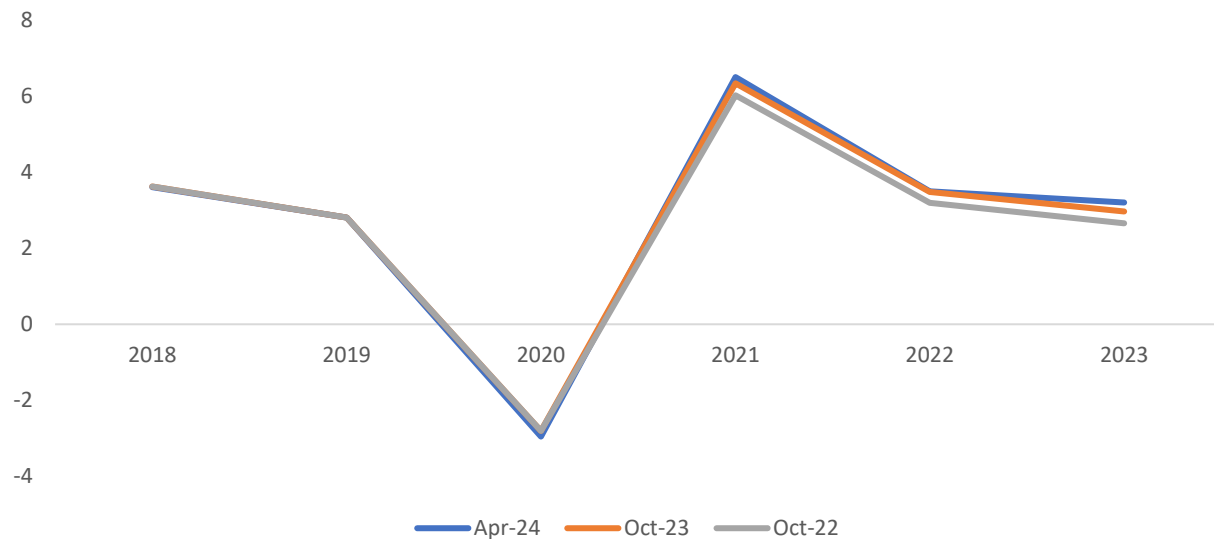
2 MACROECONOMIC DEVELOPMENTS

2.1 Global Developments

2.1.1 Growth

Global economic growth is estimated to have slowed down from 3.5 percent in 2022 to 3.2 percent in 2023. The outturn was, however, better than initially projected by the World Economic Outlook of October 2022 and the subsequent projections. The improved outturn was on account of better than anticipated performance in the United States and several large emerging market and middle-income economies. The recovery was driven by larger-than-expected Government spending aimed at supporting aggregate demand.

Figure 1: Comparison of World Economic Outlook Projections



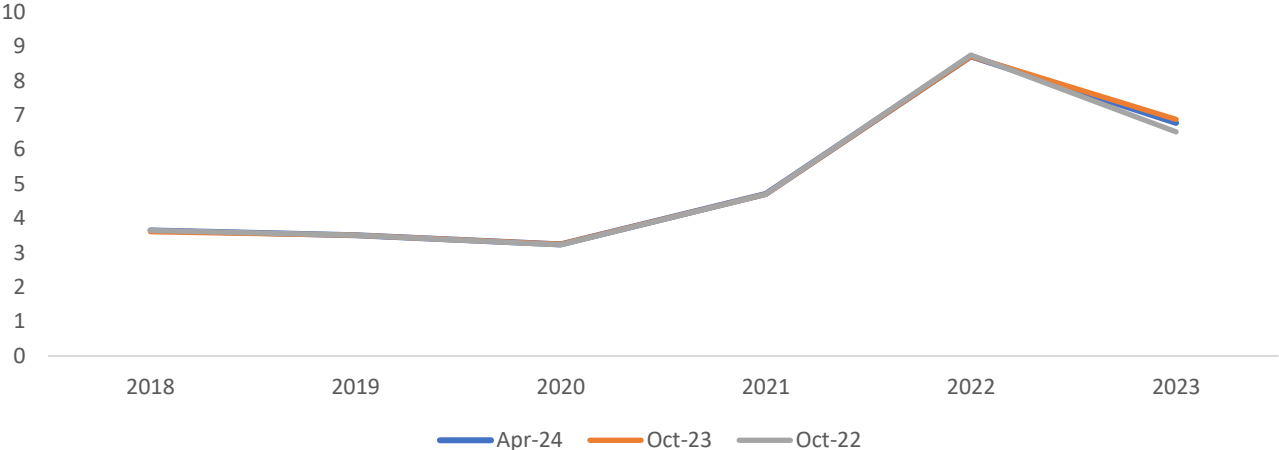
Source: IMF, April WEO update, 2024

2.1.2 Inflation

Global inflation subsided faster than expected. Diminished inflation reflects the fading of relative price shocks, notably energy prices and their associated pass-through to core inflation. The decline also reflects easing labor market tightness. The pace of disinflation was more pronounced in advanced economies. This was due to stronger monetary policy frameworks and communications.

Low-income developing countries, although experienced some slowdowns, inflation remained in double digits and persistent.

Figure 2: Comparison of Global Inflation Projections

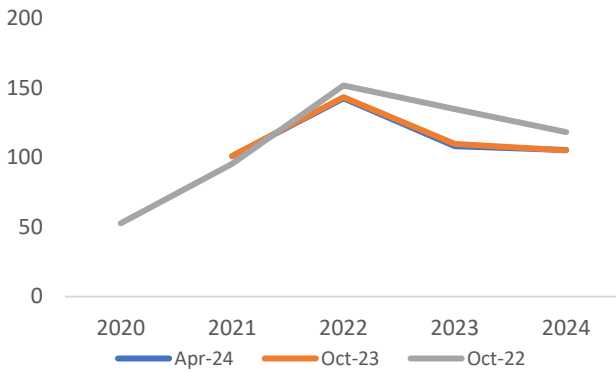


Source: IMF, April WEO update, 2024

2.1.3 Commodity Prices

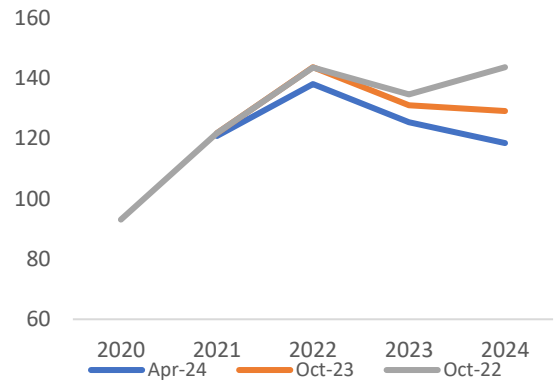
There was a general slowdown in commodity prices due to weaker-than-expected recovery in consumption, monetary policy tightening in many major economies, and fears of a temporary recession driven by the banking crisis. The major driver of primary commodity price decline was oil prices due to weaker expectations about global demand and the implementation of output curbs by OPEC+ which were offset by strong output growth in Iran and non-OPEC countries. Crude oil prices declined by an average of 36 percent. Natural gas and coal prices respectively fell by 61 percent and 51 percent from their peaks in 2022.

Figure 3: International Energy Price Index



Source: IMF, April WEO update, 2024

Figure 4: International Food Price Index



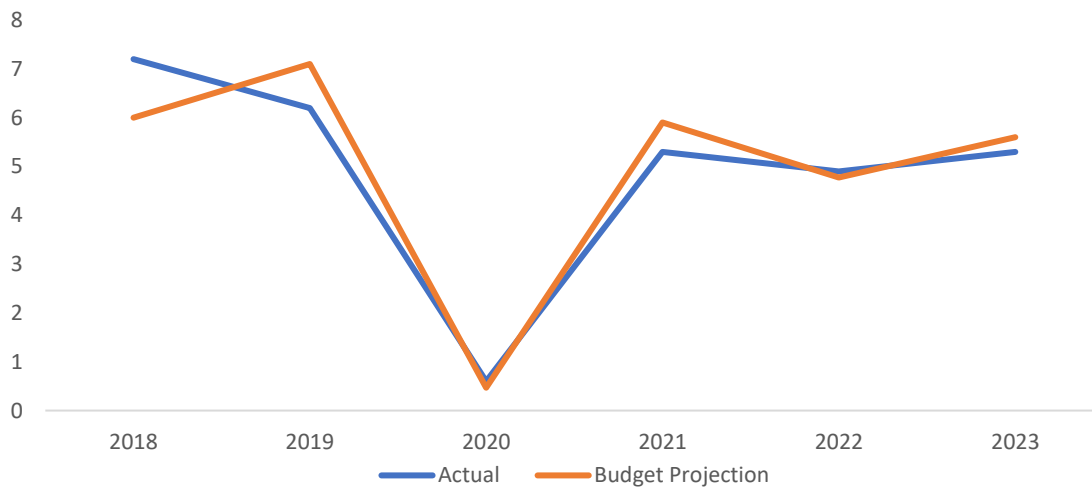
Source: IMF, April WEO update, 2024

2.2 Domestic Economic Developments

2.2.1 GDP Growth

The Gambian economy sustained strong growth in 2023 despite high inflationary and exchange rate pressures. GDP is estimated to have grown by 5.3 percent slightly below the Budget projection of 5.6 percent. The underperformance was due to an unexpected rise in the cost of borrowing. The growth, however, benefited from higher-than-expected performance in agriculture.

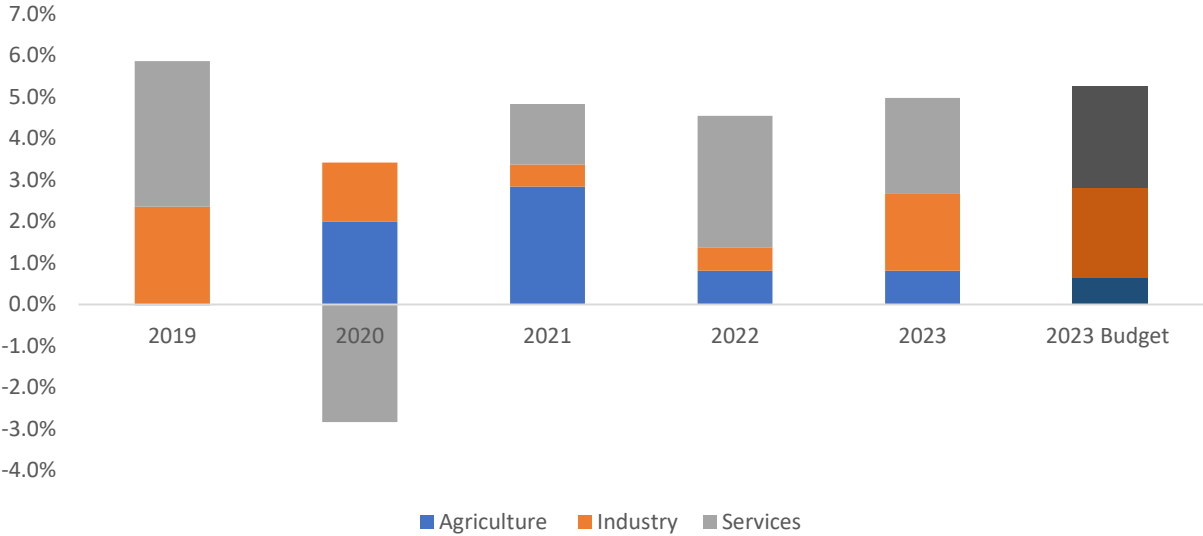
Figure 5: Annual Real GDP Growth Actual Vs Budget Projection



Source: DEPR using data from GBoS

The relative contribution of the industry to overall growth significantly improved in 2023 despite falling below the 2023 Budget projection. The increase was driven mainly by Government and private construction activities.

Figure 6: Contributions to Growth

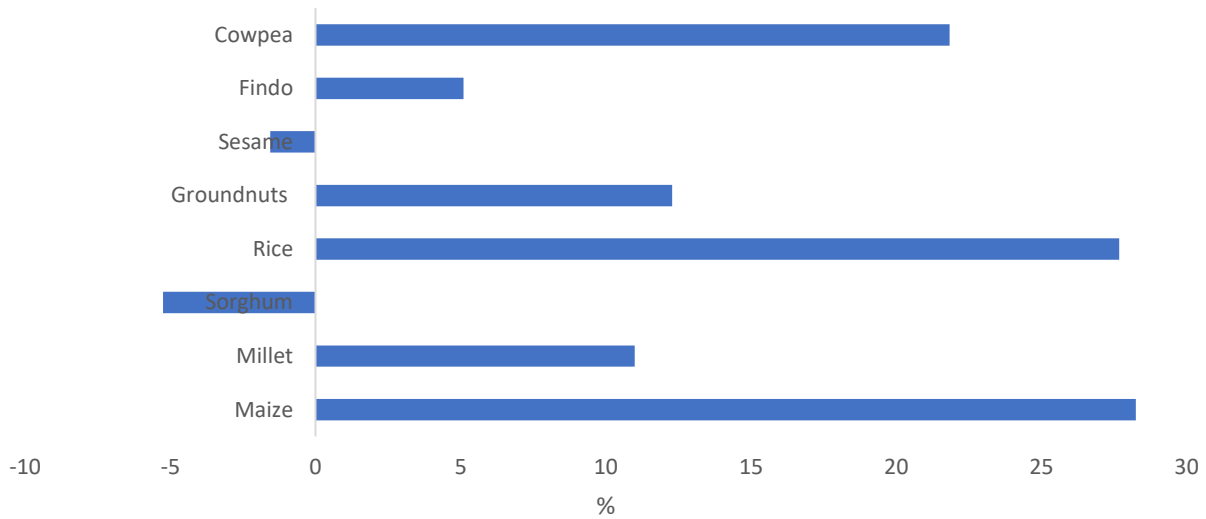


Source: DEPR using data from GBoS

2.2.2 Agriculture

The sector, despite facing substantial climate-related risk, performed better than initially anticipated. Key crops such as rice, groundnuts, and maize registered significant growth rates compared to 2022. This was due to favorable rainfall season and interventions by Government and development partners. On the livestock side, most of the small ruminants and poultry were vaccinated against Newcastle Disease, PPR, and Pasteurellosis. Underperformance was, however, recorded in fisheries due to a lack of proper jetting sites.

Figure 7: Growth in Crop Production



Source: DEPR using data from GBoS

2.2.3 Construction

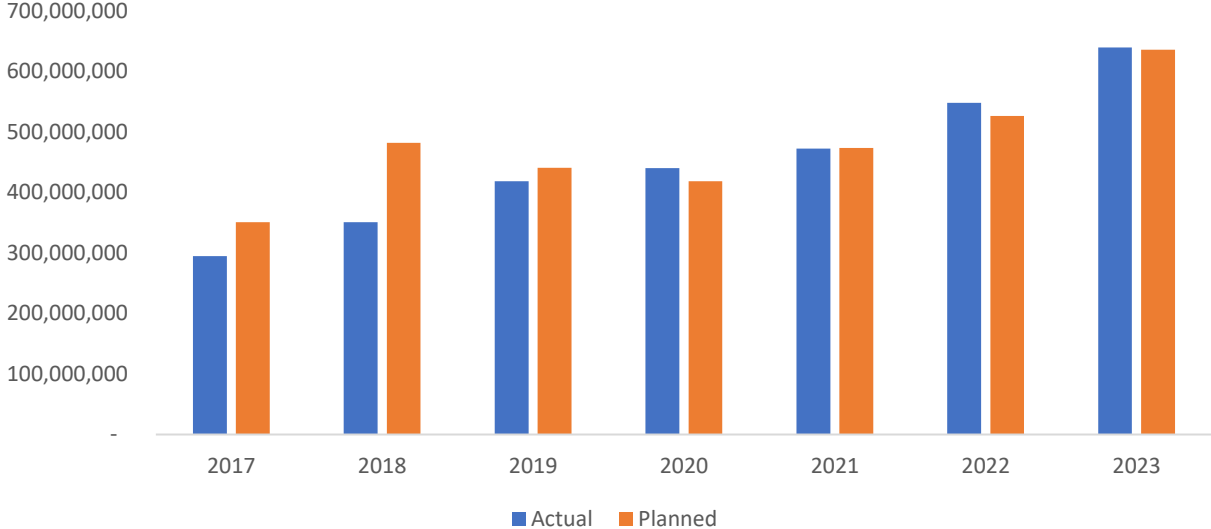
The economy experienced a construction boom in 2023 driven by both private and Government projects. Some of the projects include the rehabilitation of roads, sewage, and drainage systems in Banjul which reached its final stage. About 98% of the road component in the initial scope and 87% of additional works were completed by the end of September 2023. Works on Bertil Harding Highway, Construction works for 50km of urban roads, Kiang West roads project Phase 1 and Phase 2 were sustained and were on track by December 2023. The North Bank Road projects which constitute Lot 1 and Lot 2, as well as the pavement strengthening of the 24km Trans-Gambia Highway, were completed. The construction of a new VVIP lounge and the rehabilitation of the Terminal Building at the airport were completed.

2.2.4 Electricity

In 2023, the Government has shown commitment to sustain electricity generation and supply. A tariff increment of 30% was approved and it helped to improve NAWEC's cash flow. Generation despite falling short of demand surpassed that of 2022 and was on target. On the supply side, the

expansion of electricity distribution infrastructure projects including the Gambia Electricity Restoration and Modernization Project, ECOREAP, and the OIC Electricity were on target.

Figure 8: Electricity Generation (KW/hs)



Source: DEPR using data from NAWEC

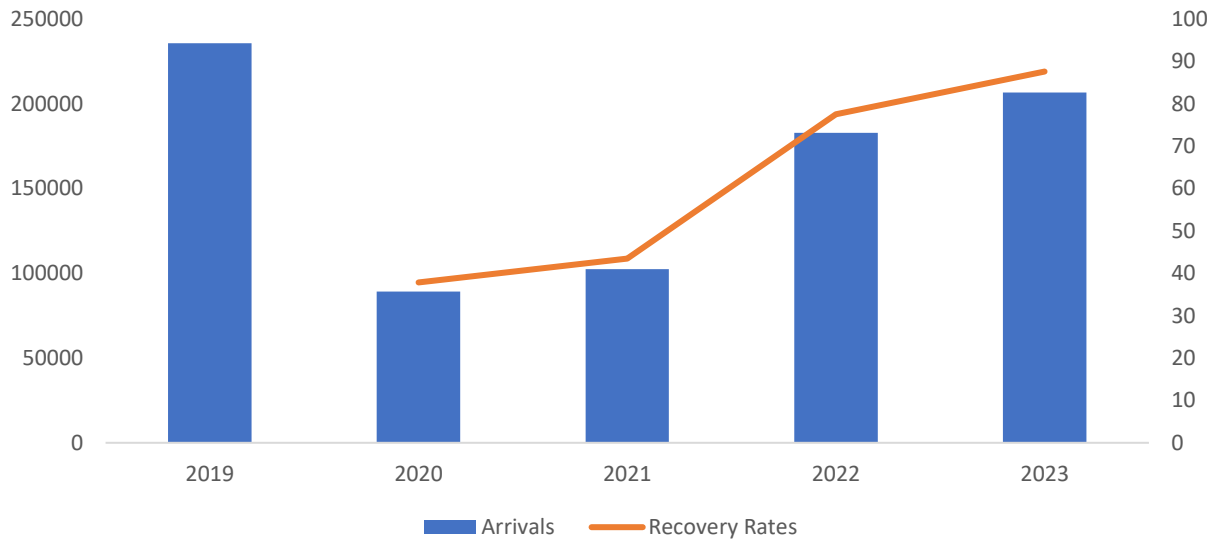
2.2.5 Tourism

Tourism recovery continued in 2023 reaching 88 percent of the post-pandemic level. The performance although falling below the African region was within the global average. The recovery was sustained by several initiatives implemented by the Gambia Tourism Board and the private sector. These include awareness-raising initiatives of various tourism products and services, e-marketing activities, abroad representation, sub-regional market representatives, cooperative marketing campaigns with stakeholders, trade exhibitions, and ad hoc marketing. The following projects meant to address the challenge of decent accommodation, improve mobility, and increase stalls to accommodate more vendors were pursued:

- The Sotuma Samba Koi Eco-lodge.
- The construction of a new craft market at Palma Rima.
- The construction of three cluster roads, totaling about 2km, within the Western Coast Tourism Development Area roads.

- Construction was ongoing for three new eco-lodges in the North Bank Region (Barra), Central River Region (Kunkilling), and Upper River Region (Sotuma Samba).

Figure 9: Tourist Arrivals



Source: DEPR using data from GTB

2.2.6 Education

To ensure universal access to education, the number of institutions increased during the period under review. A major expansion was recorded in Early Childhood Development (ECD) centers. The Gross Enrollment Rate (GER) increased across all educational levels except for Lower Basic Education (LBE). However, disparities remain evident across regions.

Completion rates improved with girls having higher rates compared to boys. Regarding enrollment, the education sector welcomed 78,340 new students in grade 1 in 2023, with more than two-thirds (70.1%) having prior experience in ECD. Regions 1, 2, 3, and 4 have registered the highest proportion of new grade 1 entrants with ECD experience.

The Government in collaboration with development partners built about 75 new classrooms and 1030 toilet cubicles with facilities to cater for physically challenged students in Madrassas and conventional schools. Rehabilitation works for classrooms and other basic amenities for both

students and management staff were ongoing in 10 schools across different regions. This was in line with the overall objective of improving teacher motivation, welfare improvement, and performance enhancement.

Table 1: Education Performance Statistics

Year	2021	2022	2023
Number of Institutions	3,097	3,518	3,689
Gross Enrollment Rate			
ECD	42.4%	42.9%	43.7%
LBE	104.7%	104.7%	104.7%
UBE	69.0%	71.5%	77.6%
SSE	52.8%	52.7%	55.3%
Completion Rates			
LBE	87.5%	88.1%	87.8%
UBE	64.6%	62.6%	65.3%
SSE	48.5%	44.1%	46.6%

Source: DEPR using data from MoBSE

2.2.7 Communication

The ICT industry grew steadily driven by innovation. Major players adopted new technology such as 5G, which increased speed and minimized latency. In addition, price liberalization by the regulator led to stiff competition resulting in the introduction of new products and price reductions. The number of subscribers also increased relative to 2022 driven by market dynamics and consumer choice.

Table 2: Communication Performance Indicators

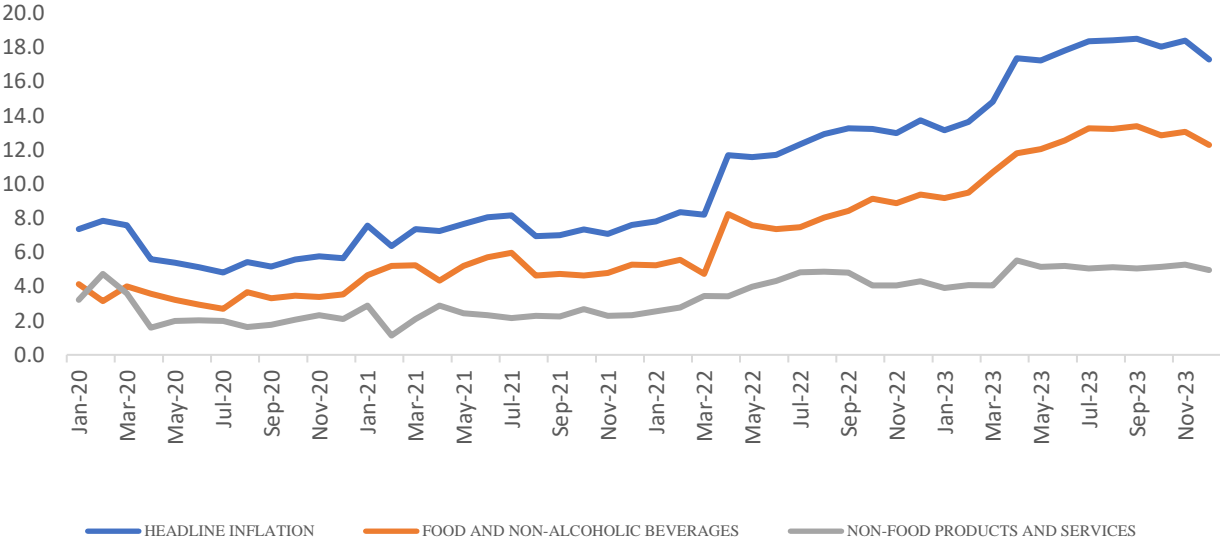
Year	2021	2022	2023*
Mobile Internet Subscribers	2181250	2495066	3005141
ISP Subscribers	10380	14146	63906

Source: DEPR using data from PURA

2.3 Inflation

Headline inflation remained persistently elevated than expected during the 2023 Budget formulation. It reached its decade-high level of 18.5 percent in September 2023 before gradually sliding down and ending the year at 17.4 percent. Averaged inflation increased from 11.2 percent in 2022 to 16.9 percent in 2023. The inflationary pressures were driven mainly by exchange rate depreciation and rising food prices.

Figure 10: Annual Inflation (%)

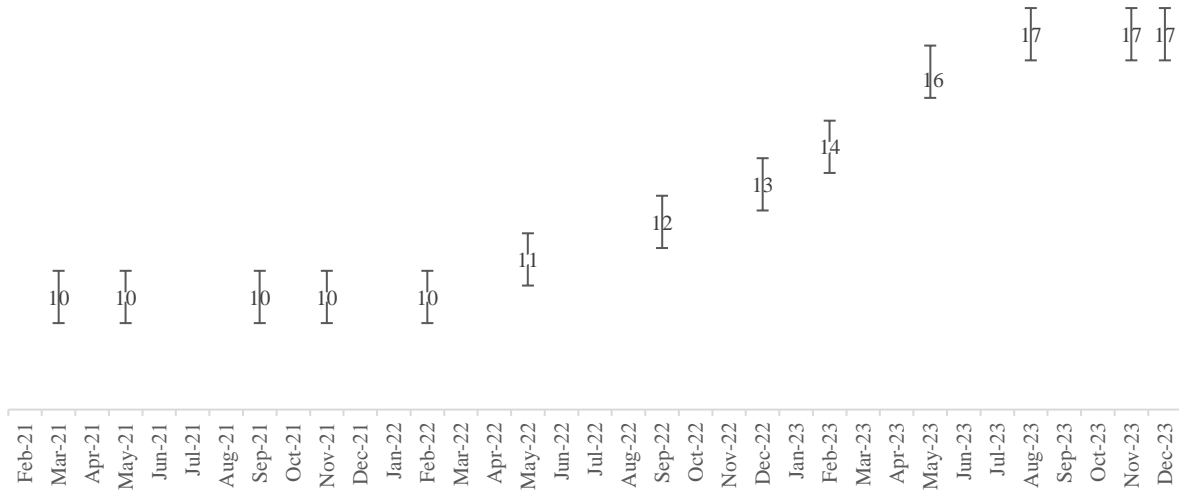


Source: DEPR using data from GBoS

2.3.1 Monetary Policy Response

Faced with accelerating inflation, the Monetary Policy Committee (MPC) continuously hiked the monetary policy rate from 13 percent in December 2022 to 17 percent in September 2023 after which it was maintained at the same level. Other responses by the CBG include selling foreign currency to shore up supply and stabilize the exchange rate.

Figure 11: Monetary Policy Rate (%)

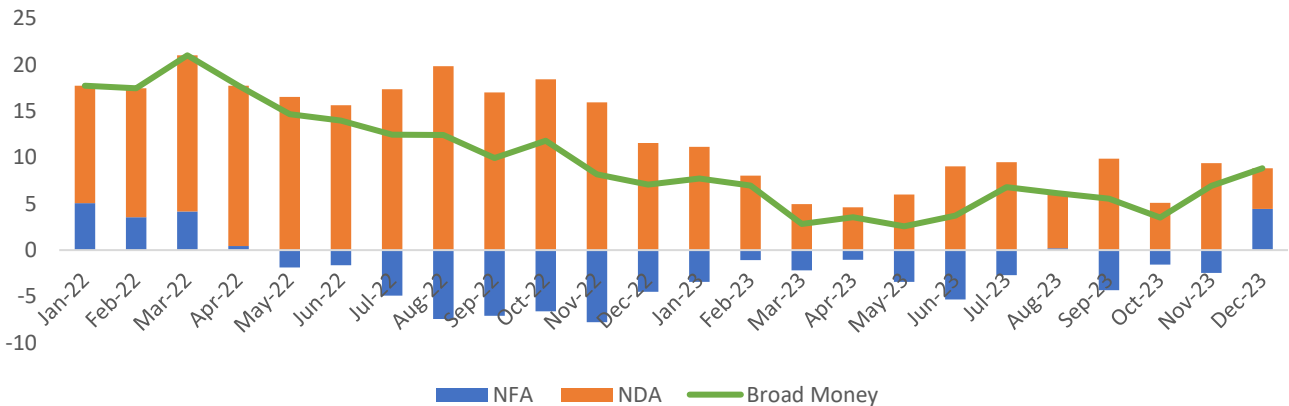


Source: DEPR using data from CBG

2.4 Monetary Developments

With the rising inflationary pressure, growth in broad money was significantly curtailed. Annual money supply grew on average by 5.3 percent in 2023 compared to 13.7 percent in 2022. Growth in credit to the private sector was the most affected due to rising interest rates as the Central Bank tightened monetary policy to tame inflation.

Figure 12: Annual Broad Money Growth (%)

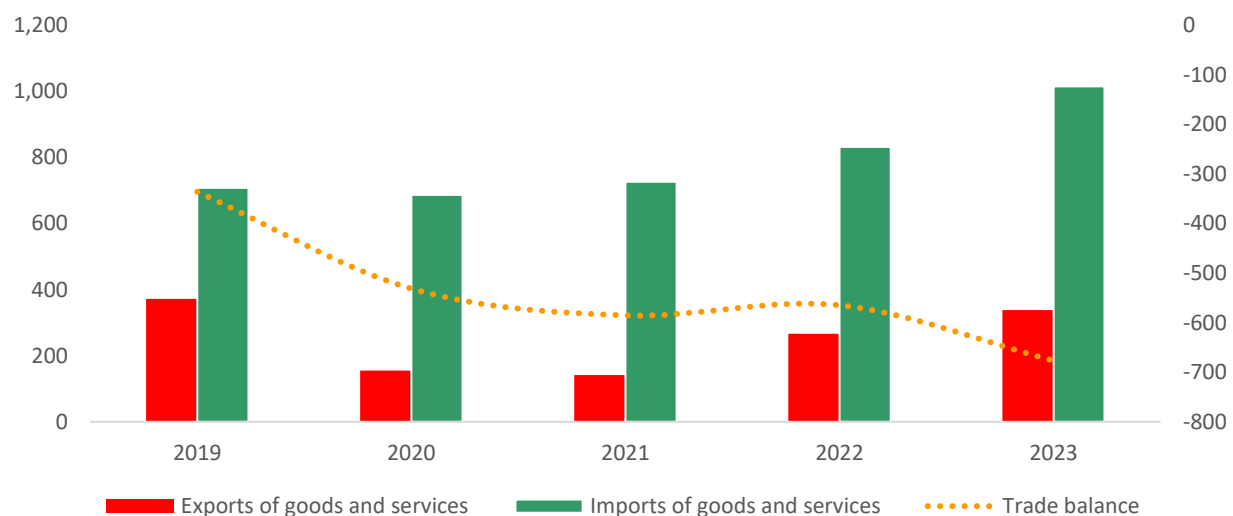


Source: DEPR using data from CBG

2.5 External Sector Development

The external position of the country was under pressure in 2023 emanating from domestic growth and slow global economic recovery. The current account remained in deficit and widened despite the recovery in tourist arrivals and remittance inflows. The widening deficit was driven by fuel and food-related items. The service account was in surplus on account of improved travel receipts. Similarly, the secondary income account demonstrated resilience, recording a higher surplus than expected due to increased remittances inflows and program grants.

Figure 13: Trade Account Developments



Source: DEPR using data from GBoS

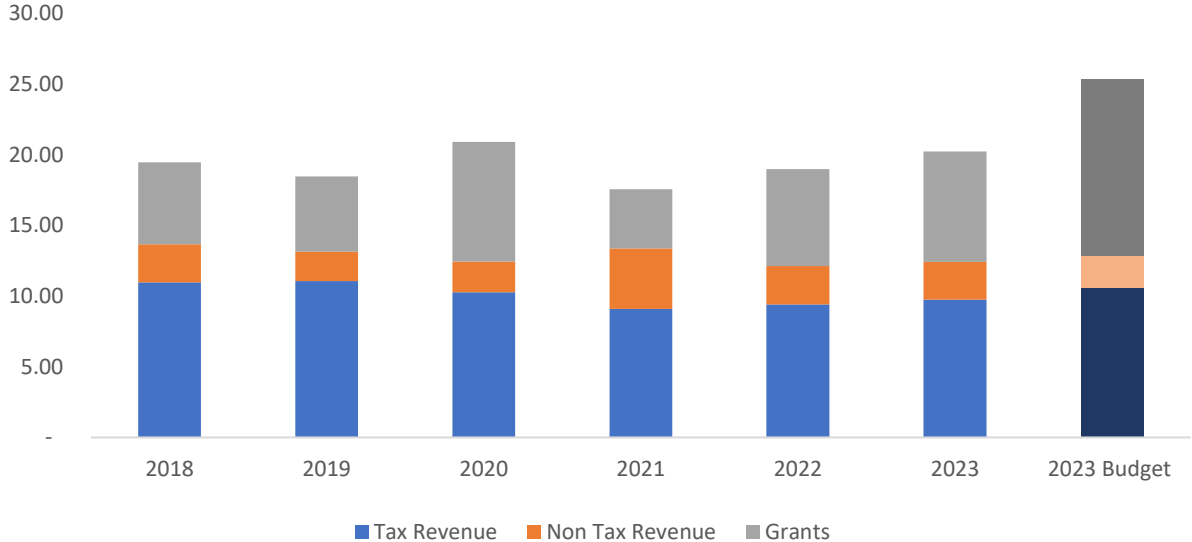
3 FISCAL DEVELOPMENTS

The objective of the 2023 Budget was anchored on consolidating the public finances. The Budget was on track despite facing numerous challenges including shortfalls in some direct tax and non-tax items, delayed disbursement of budget support, and excess spending on wages and interest payments.

3.1 Revenue and Grants

The 2023 Budget set a revenue and grants target of GMD 33.2 billion consisting of 16.8 billion in domestic revenue and GMD16.3 in grants. Total revenue and grants amounted to GMD 29.5 billion with the underperformance attributed mainly to lower-than-expected disbursement in project grants. Relative to 2022, revenue and grants were higher due to new mobilization measures instituted by the Government.

Figure 14: Revenue to GDP Ratios

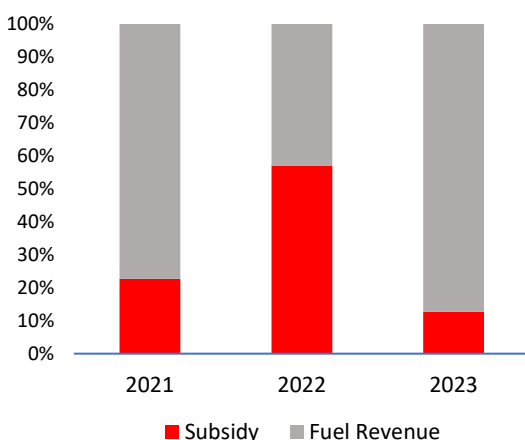


Source: DEPR

3.1.1 Domestic Revenue

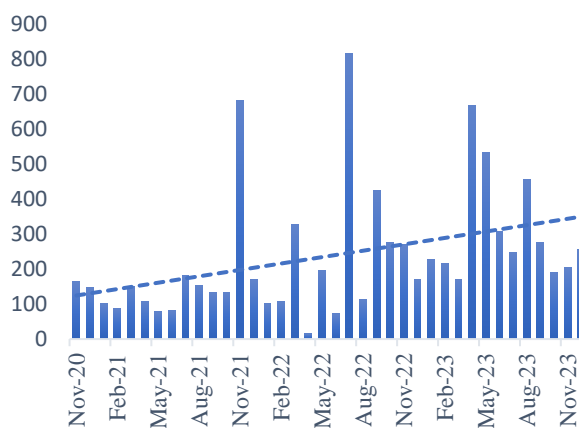
Overall domestic revenue performance was strong relative to the previous year and the Budget target. Total collections amounted to GMD17.8 billion (12.9 percent of GDP) against the target of GMD 16.8 billion (11.4 percent of GDP). Of the total, tax revenue contributed 47 percent against the target of 41 percent. The overperformance was on account of taxes on international trade which benefited from a significant decline in fuel subsidies, higher import bills, and tightening of duty waivers (SICs granted). Compared to 2022, fuel subsidies granted by the Government declined by 61 percent. Similarly, SIC granted declined by 42 percent compared to the same period in 2022. Revenue loss due to tax exemptions, however, increased due to high waivers that were linked to road construction projects.

Figure 15: Subsidy Versus Fuel Revenue



Source: DEPR

Figure 16: Revenue Loss due to Exemptions



Source: DEPR

Other tax heads related to income and wealth, however, underperformed due to continued low usage of digital systems in tax administration, limited audit capacity at GRA to assess complex sectors, as well as continued generous and uncoordinated tax exemptions. Similarly, non-tax revenue was below target driven mainly by underperformance in fees and sales collected by GRA.

Table 3: Revenue and Grants (GMD Million)

	2020	2021	2022	2023		
	Actual	Actual	Actual	Actual	Budget	Variances
Revenue and Grants	20,266.2	19,761.8	22,905.1	29,414.8	33,217	(12)
Domestic Revenue	12,358.7	15,330.9	14,496.0	17,842.1	16,891	6
Tax Revenue	10,325.6	10,832.9	11,159.0	13,915.2	13,923	(0)
Personal	942.8	1,093.3	1,361.3	1,630.5	1,697	(4)
Corporate	1,713.4	1,922.1	2,358.9	2,474.5	2,867	(14)
Capital Gains	104.4	164.8	132.5	150.1	204	(26)
Payroll	42.7	73.8	43.7	56.2	58	(2)
Stamp Duties	52.6	51.3	51.4	52.7	63	(16)
Excise Duties	923.3	958.9	757.2	807.5	1,106	(27)
Value Added Tax	1,425.3	1,327.2	1,588.7	1,825.3	1,984	(8)
Duty	2,588.1	2,802.9	2,596.0	3,458.6	3,020	15
Oil	641.7	792.4	562.2	806.6	767	5
Non-oil	1,946.4	2,010.5	2,033.8	2,652.0	2,253	18

VAT on imports	2,480.7	2,397.1	2,176.7	3,364.3	2,924	15
Oil	1,030.3	845.4	605.9	1,279.8	1,222	5
Non-oil	1,450.4	1,551.8	1,570.8	2,084.4	1,702	22
Nontax Revenue	2,033.0	4,498.0	3,337.0	3,927.0	2,968	32
Government	1,488.0	3,704.1	1,856.9	2,213.7	2,127	4
GRA	545.0	793.9	1,480.1	1,713.3	1,792	(4)
Grants	7,907.5	4,430.9	8,409.1	11,572.7	16,325	(28)
Program	5,284.0	504.8	2,300.4	4,082.4	2,766	57
Projects	2,623.5	3,926.0	6,108.7	7,490.2	13,559	(45)

Source: DEPR

3.1.2 Grants

Grant disbursement increased significantly relative to 2022 but fell below the Budget target. Program grants although disbursed late in the year, exceeded target. The increase was driven by improved compliance with donor disbursement conditionalities. The better performance in program grants was, however, outweighed by underperformance in project grants of which almost half failed to materialize.

3.2 Expenditure

Despite pressures, overall expenditure was contained below the Approved Budget. The total expenditure in 2023 amounted to GMD37.2 billion. Of this total, GMD34.9 billion was spent. The underspending was in both expenses and capital.

3.2.1 Expenses

Due to adherence to strict cash rationing, expenses were contained below the approved Budget of GMD23.3 billion despite overruns in personal emoluments and interest payments. The overspending in personnel emoluments was due to higher-than-expected increases in wages and salaries awarded during the second half of the year. Whereas the overrun in interest payments was driven by an increased cost of domestic borrowing following several hikes in policy rates by the CBG. The overruns were accommodated by reallocations from other charges, particularly goods and services.

3.2.2 Capital

Capital expenditure amounted to GMD10.1 billion against the Budget of GMD13.4 billion. The underspending was due to lower-than-expected disbursement in project grants and execution of the GLF capital. Relative to 2022, capital spending was, however, higher driven mainly by new infrastructure-related projects such as the widening of the Bertil Harding Highway and the 50 KM Urban Roads project. The increase was also driven by spending on new EPC roads such as the Basse Manneh Kunda-Demba Kunda loop, Mariama Kunda-Youna, and Nyofeleh-Gunjur.

Table 4: Expenditure (GMD million)

	2020	2021	2022	2023		
	Outturn	Outturn	Outturn	Outturn	Budget	Variances
Expenditure	23,635.7	25,856.2	25,761.6	28,671.6	37,150.6	29.6
Current Expenditure	17,035.7	16,176.8	17,033.7	18,520.0	23,340.6	26.0
Personnel Emoluments	4,055.3	4,593.2	5,627.2	6,804.6	6,105.3	(10.3)
Other Charges	10,013.5	8,365.9	8,789.9	8,692.0	17,235.3	98.3
Goods and services	5,013.9	3,985.1	4,057.4	3,902.1	9,977.8	155.7
Subsidies and transfers	4,999.6	4,380.8	4,732.5	4,789.9	4,347.2	(9.2)
Interest	2,966.9	3,217.8	2,616.6	3,023.4	2,910.3	(3.7)
External	548.0	709.3	552.8	677.7	784.1	15.7
Domestic	2,418.9	2,508.4	2,063.8	2,345.7	2,126.2	(9.4)
Capital Expenditure	6,600.0	9,679.3	8,727.9	10,151.6	13,438.0	32.4
Externally Financed	4,837.5	6,505.5	6,108.7	7,490.2	10,156.0	35.6
GLF Capital	1,762.5	3,173.8	2,619.2	2,661.3	3,282.0	23.3

Source: DEPR

3.3 Expenditure by Administration

Most MDAs struggled to adhere to their budget ceilings and to align programs to the budget. This was due to cost escalations driven by higher-than-expected inflation and exchange rate

depreciation, as well as accommodation of unforeseen priority but unbudgeted programs and projects. Other MDAs were affected by cash rationing.

Table 5: MDA Execution Rates

BE	Approved 2023 Budget	FY2023 Expenditure	% of Budget Expended
BE01 - Office of The President	674,687,063.00	852,062,460.20	126%
BE02 - National Assembly	448,591,973.00	427,370,983.72	95%
BE03 - Judiciary	240,020,937.00	215,127,406.17	90%
BE04 - Independent Electoral Commission	224,469,957.00	207,248,972.00	92%
BE05 - Public Service Commission	13,705,558.00	11,245,192.54	82%
BE06 - National Audit Office	172,086,668.00	137,930,746.98	80%
BE07 - Ministry of Defence	852,351,269.00	940,096,452.89	110%
BE08 - Ministry of Interior	1,379,462,704.00	1,482,551,207.00	107%
BE09 - Ministry of Tourism	36,198,878.00	40,330,169.63	111%
BE10 - Ministry of Foreign Affairs	1,066,216,204.00	1,164,930,679.34	109%
BE11 - Ministry of Justice	172,690,324.00	92,702,500.33	54%
BE12 - Ministry of Finance and Economic Affairs	1,481,136,761.00	1,352,197,995.17	91%
BE13 - Pensions and Gratuities	443,397,500.00	351,817,830.36	79%
BE14 – Office of The Ombudsman	35,767,180.00	33,536,662.68	94%
BE15 - Centralized Services	552,002,000.00	177,989,749.45	32%
BE16 - Ministry of Lands and Regional Government	222,058,308.00	276,269,688.57	124%
BE17 - Ministry of Agriculture	722,861,936.00	960,136,893.49	133%
BE18 - Ministry of Transport, Works & Infrastructure	1,954,048,027.00	1,660,651,793.38	85%
BE19 - Ministry of Trade	137,441,777.00	87,770,938.12	64%
BE20 - Ministry of Basic Educ	3,482,343,282.00	3,713,642,210.51	107%
BE21 - Ministry of Health	1,925,518,927.00	1,948,304,224.39	101%
BE22 - Ministry of Youth & Sports	101,565,344.00	174,801,447.03	172%
BE23 - Ministry of Environment,	190,998,459.00	166,166,339.87	87%
BE24 - Ministry of Information	30,588,480.00	48,591,417.26	159%
BE25 - Ministry of Fisheries and Water Resources	47,884,007.00	139,104,920.97	291%
BE27 - Ministry of Higher Educ	372,928,013.00	315,590,211.44	85%
BE29 - Ministry of Petroleum & Energy	50,678,641.00	118,414,278.20	234%
BE31 - Ministry of Gender, Children and Social Welfare	82,338,076.00	68,669,364.17	83%
BE 33 - National Human Rights Commission	68,482,448.00	63,247,613.37	92%

BE34 - Ministry of Communications	104,254,993.00	62,053,747.64	60%
BE35 - Ministry of Public Service	128,898,051.00	123,445,903.13	96%
BE50 - Debt Interest	2,910,331,899.00	3,023,200,000.00	104%
Grand Total	20,326,005,644.00	20,437,200,000.00	101%

Source: DEPR using data from DoB

Overall Budget Balance and Financing

The budget deficit despite expenditure restraints was higher than the target. This was driven mainly by underperformance in revenue and grants. The deficit was partially financed by the sale of Megabank and higher than expected foreign borrowing.

Table 6: Overall Budget Balance and Financing (GMD million)

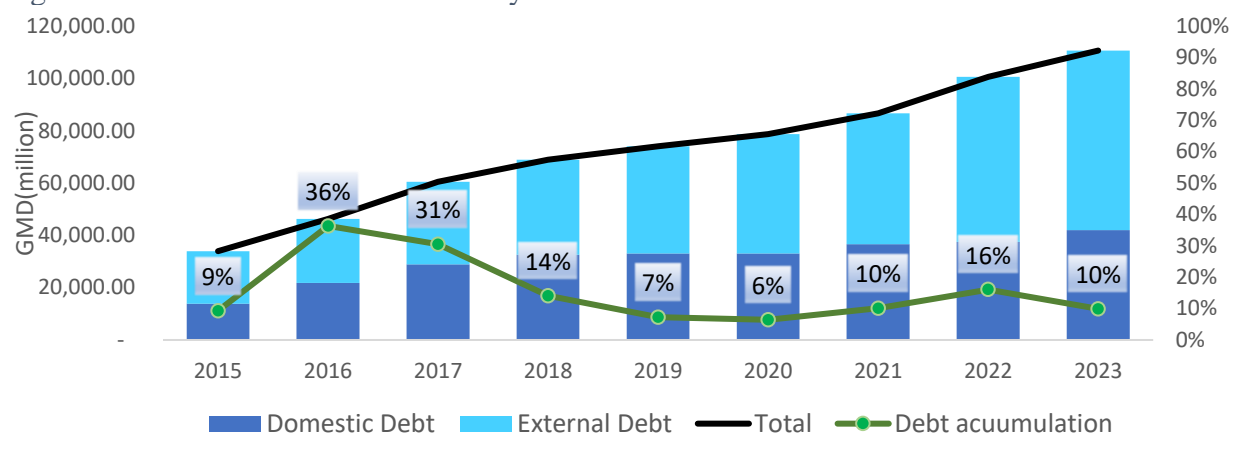
	2020	2021	2022	2023		
	Outturn	Outturn	Outturn	Outturn	Budget	Variances
Overall Balance	(3,369.6)	(6,094.4)	(6,926.2)	(5,411.8)	(3,934.2)	(27.3)
Financing	2,705.5	6,377.3	6,384.9	5,286.7	3,934.2	(25.6)
Domestic (net)	1,681.0	4,522.4	3,559.0	744.2	2,007.0	169.7
External (net)	1,024.6	1,854.8	2,825.9	4,542.5	4,664.0	2.7
Borrowing	2,214.0	2,579.4	4,069.7	6,155.0	3,266.6	(46.9)
Amortization	(1,189.4)	(724.6)	(1,243.8)	(1,612.5)	(1,397.4)	(13.3)
Change in Arrears	(588.3)	(516.2)	(433.4)	(1,011.7)	(300.0)	(70.3)

Source: DEPR

3.4 Public Debt

The rate of debt accumulation slowed down relative to the previous year. Gross public and publicly guaranteed debt stock stood at GMD110.6 billion as of end December 2023 compared to GMD100.6 billion in 2022. This indicated a 9.9 percent increase in the total debt portfolio compared to the 16 percent recorded during the same period last year.

Figure 17: Profile of Public and Publicly Guaranteed Debt



Source: DEPR using data from DLDM

3.4.1 External Debt Stock

Total external debt stock outstanding stood at GMD 68.6 billion (US\$1.12 billion) as of the end of December 2023, compared to GMD 63.2 billion (US\$1.04 billion) recorded during the same period in 2022. Of the total, multilateral and bilateral creditors accounted for 67 percent and 33 percent, respectively. The increase was due to new disbursements from the International Monetary Fund, Arab Bank, European Investment Bank, Kuwait Fund, and Saudi Fund, among others.

Table 7: External Debt in Amount (USD)

Creditor Name	2021	2022	2023
Abu Dabi Fund for Arab Econ. Development	17,165,475.30	17,165,459.58	17,170,229.62
ADB/Nigerian Trust Fund	8,936,007.54	7,976,704.14	7,017,400.74
African Development Fund	47,234,229.02	44,816,785.32	44,760,087.33
Arab Bank for Economic Dev. In Africa	58,842,010.69	64,903,368.24	76,985,717.45
Banco De Des. Econ. Y Social Venezuela	19,502,298.16	19,502,298.16	19,502,298.17
Ecowa Bank for Investment and Development	31,979,295.33	30,483,593.77	29,357,745.63
European Investment Bank	1,613,334.31	22,629,671.04	48,273,532.74
Export-Import Bank of India	61,145,896.09	67,279,312.93	68,919,007.74
Export-Import Bank of China	27,474,402.73	25,147,977.64	24,534,773.70
Government Of Belgium	484,178.73	416,992.26	403,468.20
International Development Association	131,051,334.17	126,072,083.40	127,734,056.91
International Fund for Agricultural Development (IFAD)	31,188,224.77	28,956,543.50	29,101,084.65
International Monetary Fund	85,589,136.71	131,403,134.87	136,073,293.64

Islamic Development Bank	177,121,537.06	194,302,310.29	218,075,484.76
Kuwait Fund for Arab Economic Development	65,084,536.11	74,855,697.57	90,838,503.64
Libyan Arab Jamahiriya	3,950,000.00	3,950,000.00	3,950,000.00
M. A. Kharafi and Son	30,224,154.08	26,865,914.76	23,507,675.44
OPEC Fund for International Development	50,127,189.63	45,261,585.42	40,867,683.03
Republic Of China (Taiwan)	9,519,088.57	7,867,722.81	6,216,357.05
Saudi Fund for Development	92,263,238.74	103,607,888.35	112,048,309.13
Total	950,495,567.74	1,043,465,044.05	1,125,336,709.57

Source: DEPR using data from DLDM

In terms of currency composition, the USD, and the Euro (EUR) dominated the external debt. The share of USD in the portfolio, however, decreased, whereas that of the EUR increased following relatively higher disbursements from the European Investment Bank.

Table 8: External Debt Currency Composition

Currency	2021		2022		2023	
	Closing Balance	Share (%)	Closing Balance	Share (%)	Closing Balance	Share (%)
US Dollars	510,128,435.54	54	538,802,749.54	52	528,396,687.97	49
Saudi Riyals	92,263,238.74	10	103,607,888.35	10	111,230,924.44	10
Kuwaiti Dinars	65,084,536.11	7	74,855,697.57	7	89,655,256.08	8
Yuan Renminbi	63,968,049.59	7	75,689,438.89	7	76,665,858.82	7
Euro	135,922,298.42	14	158,497,752.00	15	188,049,290.12	17
UAE Dirhams	16,948,995.10	2	16,948,979.58	2	16,948,979.58	2
Yen	38,724,338.92	4	40,227,961.54	4	40,347,764.07	4
Pound Sterling	27,542,834.81	3	30,634,541.22	3	31,597,920.68	3
TOTAL	950,582,727.23	100	1,039,265,008.69	100	1,082,892,681.76	100

Source: DEPR using data from DLDM

3.4.2 Domestic Debt Stock

Domestic debt recorded a significant increase attributed to net domestic borrowing of GMD 4. 522 billion to finance the implementation of the 2023 Budget. The banking sector, consisting of central and commercial banks continued to be the largest holder of domestic debt. Combined they held about 81.6 percent as of end December 2023 while the balance was on account of nonbank investors and Social Security and Housing Finance Corporation (SSHFC).

3.4.3 Debt Management Strategies

The 2023-2027 Medium-Term Debt Management Strategy (MTDS) was in line with the Government’s debt management objectives of meeting financing needs at minimum cost. The strategy focused on reducing the refinancing risks embedded in the debt portfolio through liability management operations and the development of the domestic debt market.

As of the end of December 2023, the Government issued treasury bills, SAS bills, and Bonds amounting to GMD 28.4 billion using the book-building process to roll over the maturity profile of the domestic debt portfolio. Due to budgetary pressures, the overall borrowing plan was exceeded by GMD1.2 billion.

Table 9: Issuance calendar vs. outturn

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Planned Amount	1,780	2,000	2,225	1,940	2,715	1,910	3,500	3,300	2,085	1,671	2,402	1,580	27,108
Accepted: T Bills	1,560	2,554	2,655	1,469	2,131	1,891	2,498	3,732	2,413	1,784	1,162	1,038	24,886
Accepted: Bonds	-	-	-	-	-	-	1,218	-	850	-	895	500	3,463
Total Accepted	1,560	2,554	2,655	1,469	2,131	1,891	3,716	3,732	3,263	1,784	2,057	1,538	28,349
Variance	220	(554)	(430)	471	584	19	(216)	(431)	(1,178)	(113)	346	42	(1,240)

Source: DEPR using data from DLDM

4 CONCLUSION

The macroeconomic environment was characterized by a surge in inflation and exchange rate depreciation. Despite the pressure, economic growth was resilient. Similarly, fiscal consolidation was on track, benefiting from improved revenue collection and expenditure reprioritization. The budget deficit narrowed and the growth of public debt slowed down in line with the Budget objective.

The Ministry will continue to monitor the macro-fiscal developments and provide feedback.