THE REPUBLIC OF THE GAMBIA

**MINISTRY OF FINANCE AND ECONOMIC AFFAIRS**

**THE QUADRANGLE, BANJUL, THE GAMBIA.**

**End Year Budget Performance Brief 2023**

December 2023

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# **Introduction**

This brief provides an explanation of how Gambia Government Consolidated Fund has been managed and executed during 2023 fiscal year. The brief highlights the key aspects of the budget, such as revenue, expenses, and their variances. Additionally, it includes an analysis of our financial performance against the set targets.

The report aims to offer an overview of the government’s financial operations, allowing proper assessment of the effectiveness of the execution and management of the budget. It helps us make informed decisions and take appropriate actions to ensure fiscal stability.

**Summary: Key Highlights of 2023 Budget Performance:**

1. The Consolidated GLF Revenue Performance for the 2023 fiscal year indicates a very impressive outturn, reaching GMD21.9 billion compared to a budget of GMD19.7 billion, representing an over performance of 11%. The main drivers of this strong performance include an improvement in Indirect Tax collections due to an increase in VAT receipts on non-oil imports, Nontax revenue and substantial realization of program grants in December.
2. Total GLF expenditure (above the Line) is about GMD20.4 billion compare to annual budget of GMD 20.3 billion. The main drivers for this 0.6% overrun are Personnel Emolument and Debt Interest payments.
3. Given the over performance of domestic resource mobilization and budget support disbursements in December, the budget balance recorded a surplus of GMD 1.5 billion.

**Table 1. Consolidated Revenue and Expenditure Table**



**Consolidated Revenue**

Thebelow table analyzed the sources of revenue and their performance against their respective budget estimates.Domestic revenue Performance for the 2023 fiscal year indicates a very impressive outturn, reaching GMD17.81 billion compared to a budget of GMD16.89 billion, representing an over performance of 5%. This impressive performance is the results of better-than-expected outturn for international trade taxes, which registered a 29% growth. Total revenue including program grants reached GMD21.9 billion compared to a GMD19.7 billion budget.

By specific tax heads, import duty grew by 15%, whilst import VAT recorded a growth of 47%.

Nontax revenue performed 48% more than expected as results of an improved revenue collection of CED (Customs and Excise Duties) by Gambia Revenue Authority (GRA). The capital revenue also performed more than expected by GMD 701 million, which is attributed to the sale of Mega Bank.

**Table 2. Consolidated Revenue Table**



**Top Revenue Performers:**

1. **VAT on imports**: Revenue from VAT on oil and non-oil imports has exceeded the budget by 220% and 122%, respectively. Total VAT on imports amounted to GMD 3.4 billion, which is GMD 1.1 billion more than its budget. This growth is the outcome of increase efficiency in tax administration from the deployment of a more enhanced custom system (Asycudaa World) and the systematic reduction of fuel subsidy in 2023.
2. **Non-tax revenue** recorded an overperformance of 31%, reaching GMD3.89 billion in 2023, compared to a budget of D2.97 billion. With non-tax revenue from MDAs growing by 2% against the budgetary target of D2.13 billion compared to an actual outturn of D2.18 billion. Non-Tax Revenue from GRA grew by 104%, reaching D1.72 billion against at budget of D841.4 million. This growth is on account of impressive performance from customs processing fees and fuel levy.
3. **Program grants:** Budget support has exceeded its budget by 48%. Attributable to the good performance is the December disbursement of budget support amounting to 4,085 million by the following development partners.

# **Consolidated Expenditures**

The detailed expenditure performance for the period under review is tabulated in Table 3 below

**Table 3. Consolidated Expenditures**



The overall expenditure amounts to GMD 20.4 billion, which is beyond the budget for the year just 0.6%.

It should be noted while we were able to constrain discretionally expenditures within their budget, statutory expenditures such as PEs and Interest Payment exceeded their annual budget due to unexpected increase both in wage bills and interest payments by 12% and 4% respectively. The overrun expenditure in PEs can be attributed mainly to Ministry of Basic Education (GMD 470 million), Ministry of Foreign Affairs (GMD 320 million), Ministry of Interior by (GMD 83 million) and Ministry of Health (GMD 81 million).

Expenditure on **Other Charges** was judiciously managed within their budget with an execution rate of 99%. Expenditure on **Debt Interest** exceeded its annual budget by 4% due to 10% increase in domestic interest payment. The short-term nature of domestic debt portfolio has exposed it to interest rate it to hikes in interest rates. **Capital Expenditure** was lower than its target by 11%.

# **Budget Balance**

Although a gross deficit of GMD 666.6 million was budget, a surplus of about GMD 1.5. This surplus position in December is due primarily to the realization of budget support.

# **Conclusion**

In conclusion, the budget implementation during has been prudent. The overall actual revenue budget over performed by D2.2 billion and actual expenditure more than budget by 111.9 million leading to a surplus of GMD 1.5 billion.

Has reported during the mid-year report, efforts are been exerted to realise the prior actions for the budget support which is an important element of the revenue. The milestones are realised in the budget support more than expected.

Fiscal measures will continue to be instituted to support a prudent budget implementation whilst making the needed expenditure to support growth.

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