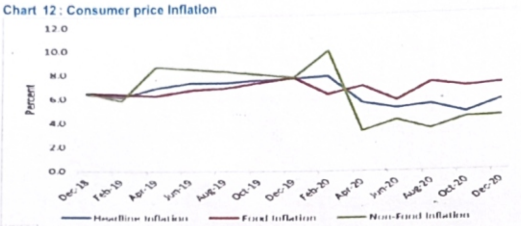
and oil prices and possible pickup in demand as the global economy is poised for a post-pandemic

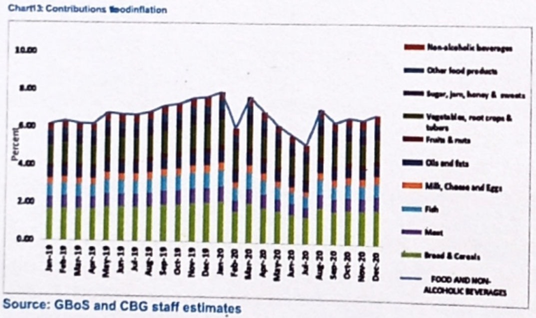
Chart 12: Consumer price Inflation



Source: GBoS and CBG staff estimates

Food inflation which is the main driver of headline inflation decelerated to 7.0 percent in December 2020, from 7.7 percent in December 2019, mirroring moderate global food prices and the relative exchange rate stability. All sub-components of the food basket declined during the review period with exception of fish, oils and fats.

Chart13: Contributions foodinflation

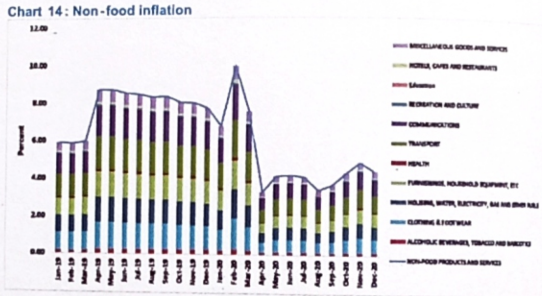


Source: GBoS and CBG staff estimates

Consumer price inflation for bread cereals which accounts for 28.8 percent of the food basket, decelerated to 7.0 percent in December 2020 compared to 8.3 percent in December 2019. The consumer price for meat, milk cheese, and eggs, fruits and nuts decreased from 7.0 percent, 6.8 percent and 9.5 percent in December 2019, to 5.1 percent, 1.0 percent and 6.6 percent in December 2020, respectively. Similarly, vegetables, roots and tubers, sugar jam and honey, other unclassified food products and non-alcoholic beverages declined to 2.1 percent, -1.4 percent, -0.8 percent and 2.4 percent respectively during the review period. On the other hand, consumer price for fish, oils and fats accelerated to 25.7 percent and 10.8 percent in December 2020, from 10.5 and 6.9 percent respectively in December 2019.

Non-food inflation also decelerated to 4.4 percent in December 2020 from 7.7 percent in the same period last year. Year-on-year, the consumer price for clothing and footwear, housing, water, electricity and other fuels, health, communication, recreation and culture and hotels, cafes and restaurants declined. In contrast, inflation for transport, education, miscellaneous goods and services and newspapers, books and stationary increased during the review period. There was marked increase in the education index during the year following the reopening of schools after the long break.

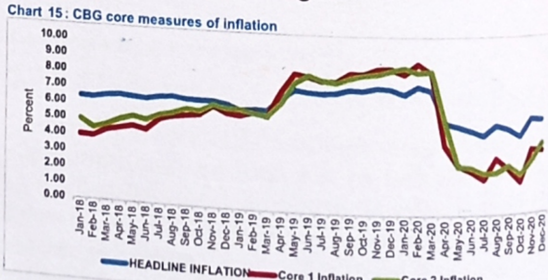
Chart 14: Non-food inflation



Source: GBoS

All measures of core inflation declined in December 2020, indicating the easing inflationary pressures during the year. Core-1 inflation which excludes the prices effects of energy and utility items in the CPI basket slowed to 3.8 percent at end- December 2020 from a high of 8.9 percent in the same period in 2019. Likewise, Core- 2 inflation which further strips out prices of volatile items, decelerated to 4.2 percent in the review period from 8.8 percent in the same period a year ago.

Chart 15: CBG core measures of inflation



Source: CBG

3.1.6 Government Fiscal Operations

3.1.6.1 Fiscal policy

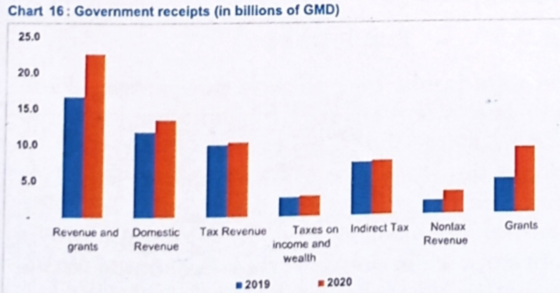
Fiscal performance deteriorated in 2020 because of stronger growth in expenditure and net lending relative to total government receipts. The fiscal operation registered a budget deficit of D4.2 billion dalasis in 2020 compared to a deficit of D2.7 billion last year in the same period. The increase in the deficit was due to growth in expenditure and net lending (38.7 percent) outpacing growth in revenue and grant (35.9 percent).

3.1.6.2 Revenue Performance

Total revenue and grants grew by 35.9 percent to D22.6 billion (23 percent of GDP) in 2020 compared to D16.6 billion (18.2 percent of GDP) in the same period last year. The actual revenue and grants amount fell short of the projected amount by D0.3 billion. The growth rate of 35.9 percent in total revenue and grants in 2020 was mainly driven by grants, which accounted for 26.1 percent.

Domestic revenue, comprising tax and non-tax revenues, rose by 13.9 percent to D13.4 billion (13.7 percent of GDP) in 2020 from D11.8 billion (12.9 percent of GDP) a year ago. Domestic revenue mobilized during the period was lower than the projected amount by D0.2 billion. The 13.9 percent growth in the domestic revenue was mainly attributed to an increase in non-tax revenue. Tax revenue accounted for 3.1 percent of the growth rate, while non-tax revenue accounted for 10.8 percent.

Chart 16 : Government receipts (in billions of GMD)



MOFEA and CBG staff estimates

Tax revenue rose by 3.7 percent to D10.3 billion (10.5 percent of GDP) in 2020 from D10.0 billion (10.9 percent of GDP) a year ago. However, tax revenue mobilized during the period was lower than the projected amount by D1.0 billion. The tax to GDP ratio remains low and declined to 10.5 percent in the twelve months of 2020, compared to 10.9 percent in the corresponding period in 2019. This signals the need to improve the efficiency of the tax collection and administration so that the government can mobilize more revenue to cover its expenditures.

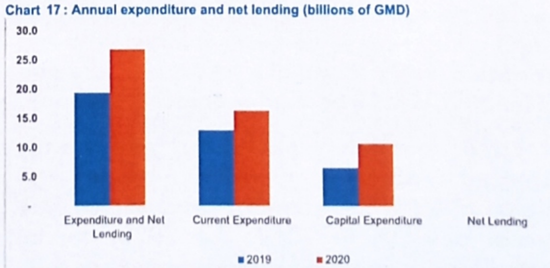
The non-tax revenue rose by 69.0 percent to D3.1 billion (3.2 percent of GDP) in 2020 from D1.8 billion (2.0 percent of GDP) in the same period last year. The actual non-tax revenue outperformed the projected amount by D0.9 billion.

Grants, comprising programs and projects, increased by 89.7 percent to D9.2 billion (9.3 percent of GDP) in 2020 from D4.8 billion (5.3 percent of GDP) a year ago. The growth in grants is mainly attributed to project grants which rose by 171.8 percent to D5.6 billion (5.6 percent of GDP) relative to D2.0 billion (2.2 percent of GDP) in the same period last year. Similarly, program grants also rose by 29.6 percent to D3.6 billion (3.7 percent of GDP) billion in the twelve months of 2020 from D2.8 billion (3.1 percent of GDP) in the same period last year.

3.1.6.3 Expenditure and Net Lending

Total expenditure and net lending in 2020 increased by 38.7 percent to D26.8 billion (27.3 percent of GDP) in 2020 from D19.3 billion (21.1 percent of GDP) in 2019. The outturn of expenditure and net lending in 2020 was higher than the budgeted amount by D2.1 billion. The growth in expenditure and net lending (38.7 percent) was mainly driven by capital expenditure. Capital expenditure contributed 21.3 percent of the total growth while recurrent expenditure contributed 17.4 percent in the review period.

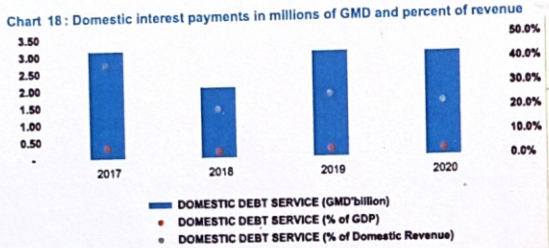
Chart 17 : Annual expenditure and net lending (billions of GMD)



Source: MOFEA and CBG staff estimates

In 2020, current expenditure increased by 26.1 percent to D16.2 billion (16.5 percent of GDP) compared to D12.8 billion (14.0 percent of GDP) in 2019. For 2020, current expenditure accounted for 60.4 percent of total expenditure and net lending, and 120.5 percent of domestically generated revenue. The components of recurrent expenditures (wages and salaries, other charges, and interest payments) have all increased in 2020 from the same period last year. The growth in the recurrent expenditure during the review period was mainly attributed to an increase in other charges (subsidies and transfers).

Chart 18 : Domestic interest payments in millions of GMD and percent of revenue



Source: MOFEA and CBG staff estimates

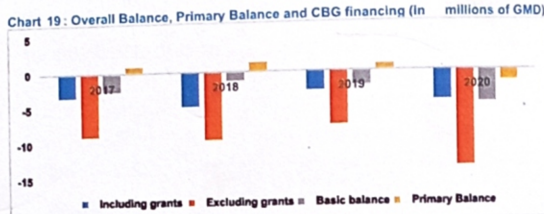
Total interest payments increased by 4.4 percent to D3.0 billion (3.0 percent of GDP) in 2020 from D2.8 billion (3.1 percent of GDP) in the same period last year. The increase in the total interest payments was mainly due to the increase in external interest payments, which accounted for 11.1 percent of the total expenditure and net lending, and 22.1 percent of domestic revenue. External interest payments in 2020 rose by 47.9 percent to D0.5 billion (0.6 percent of GDP) from D0.4 billion (0.4 percent of GDP) in 2019. External interest payments in 2020 constituted 2.0 percent of the total expenditure and net lending and 4.1 percent of the domestic revenue. Domestic interest payments in 2020 decreased by 2.2 percent to D2.4 billion (2.5 percent of GDP) from D2.5 billion (2.7 percent of GDP) in the corresponding period a year ago. During the period under review, domestic interest payment accounted for 9 percent of total expenditure and net lending, and 18 percent of domestic revenue.

In 2020, capital expenditure significantly increased by 63.6 percent to D10.6 billion (10.8 percent of GDP) compared to D6.5 billion (7.1 percent of GDP) in 2019. For 2020, capital expenditure accounted for 39.6 percent of total expenditure and net lending, and 78.9 percent of domestically generated revenue. The main driver of the capital expenditure growth was external financed.

3.1.6.4 Budget Balance

Fiscal operations in 2020 shows an overall budget deficit (including grants) of D4.2 billion (4.3 percent of GDP) compared to a deficit of D2.7 billion (2.9 percent of GDP) in the corresponding period a year ago. The overall budget deficit (excluding grants) widened to D13.4 billion (13.6 percent of GDP) in 2020 compared to a deficit of D7.5 billion (8.2 percent of GDP) in the corresponding period of the previous year.

Chart 19 : Overall Balance, Primary Balance and CBG financing (in millions of GMD)



Source: MOFEA and CBG staff estimates

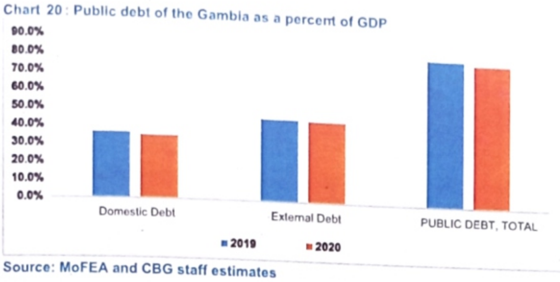
The primary balance surplus (overall balance excluding grants, external financing, and interest payments) of D0.8 billion (0.9 percent of GDP) in 2019 worsened to a deficit of D1.6 billion (1.6 percent of GDP) in 2020.

Similarly, the basic balance deficit, which excludes grants and externally financed capital spending, worsened to D4.5 billion (4.6 percent of GDP) in 2020 compared to a deficit of D2.0 billion (2.2 percent of GDP) in the corresponding period a year ago.

3.1.6.5 Public Debt

The total public and publicly guaranteed (PPG) debt stock stood at USD1.5 billion, equivalent to D78.6 billion in 2020 compared to USD1.4 billion, equivalent to D74.73 billion in 2019, representing a growth of 5 percent. In 2020, external debt constituted 56.4 percent of the debt stock while domestic debt accounted for the remaining 43.6 percent. The nominal debt as a proportion of GDP decreased from 81.7 percent in 2019 to 79.9 percent in 2020. Similarly, the present value (PV) of debt to GDP decreased from 67.8 percent in 2019 to 65.5 percent in 2020.

Chart 20 : Public debt of the Gambia as a percent of GDP



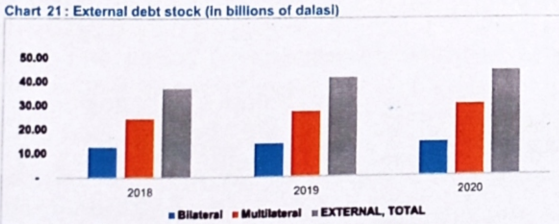
Source: MoFEA and CBG staff estimates

Total debt service payment for 2020 amounted to D4.5 billion, lower than D4.7 billion a year ago. The decline is because of the lower interest cost on domestic debt due to the fall in interest rates in the money market and because of the Debt Service Suspension Initiative in 2020 and debt restructuring on external debt. Total debt service as a percentage of total domestic revenue also decreased from 40 percent in 2019 to 34 percent in 2020, representing a 7 percentage points reduction.

3.1.6.6 External debt

Total external debt stock stood at US$858.0 million equivalent to D44.3 billion in 2020 compared to US$814.8 million in 2019, representing an increase of 5.2 percent. The nominal external debt stock expressed as a proportion of GDP decreased from 45.5 percent in 2019 to 45.1 percent in 2020. In 2020, external debt stock mainly comprises concessional loans from multilateral creditors, which accounted for 68 percent of the total external debt portfolio, and bilateral creditors, which accounted for the remaining 32 percent of the portfolio.

Chart 21 : External debt stock (in billions of dalasi)



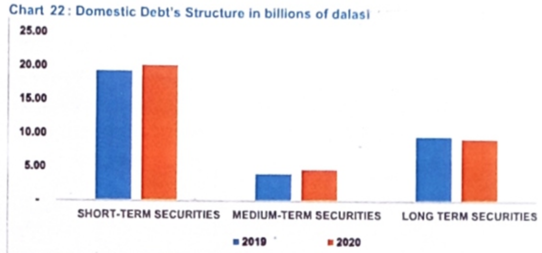
Source: MoFEA and CBG staff estimates

External debt service payment amounted to D1.49 billion (US$28.8 million) in 2020 compared to D1.72 (32.8 million) billion in 2019, representing a decreased of 14 percent. The principal payment of external debt service payment decreased by 31 percent to D0.94 billion in 2020 from D1.36 billion in 2019 while the interest payment increased by 75 percent to D0.55 billion in 2020 from D0.31 billion in 2019.

3.1.6.7 Domestic debt

The stock of domestic debt rose to D34.3 billion (34.9 percent of GDP) in 2020 from D33.1 billion (36.2 percent of GDP) in 2019, representing a growth of 3.5 percent. The domestic debt continues to be heavily concentrated around the short end of the maturity spectrum.

Chart 22 : Domestic Debt's Structure in billions of dalasi



Source: CBG

The stock of government short-term securities (treasury bills and Sukuk-Al Salaam, SAS) rose by 4.4 percent to D20.23 billion in 2020 from D19.39 billion in 2019. The 4.4 percent growth in short-term securities was solely attributed to an increase in 12-months treasury bills and 12-months SAS. The share of short-term securities in the domestic debt rose to 59 percent in 2020 from 58.5 percent in 2019.

The stock of government medium-term securities (2-7 years bonds) rose by 16.4 percent to D4.70 billion in 2020 from D4.04 billion in 2019. The 16.4 percent growth in medium-term securities was solely due to 38.7 percent growth in 3-years bonds in 2020. The share of medium-term securities in the domestic debt rose to 5.4

Chart 23 : Composition of domestic debt

Government Domestic Debt	2019	2020	2019 - 2020	Share of 2019 Total	Share of 2020 Total
	GMD' million	GMD' million	Growth (%)	%	%
TOTAL BOND	13,742	14,046	2.2%	41.50%	41.00%
BOND - 2 YEARS	500	500	0.0%	1.50%	1.50%
BOND - 3 YEARS	2,337	3,241	38.7%	7.10%	9.50%
BOND - 5 YEARS	120	120	0.0%	0.40%	0.40%
BOND - 7 YEARS	1,084	843	-22.2%	3.30%	2.50%
BOND - 30 YEARS	9,701	9,342	-3.7%	29.30%	27.30%
TOTAL SAS	800	749	-6.3%	2.40%	2.20%
SAS - 3 MONTHS	63	25	-60.5%	0.20%	0.10%
SAS - 6 MONTHS	199	109	-45.1%	0.60%	0.30%
SAS - 12 MONTHS	537	615	14.5%	1.60%	1.80%
TOTAL TREASURY BILLS	18,587	19,485	4.8%	56.10%	56.80%
TBILL - 3 MONTHS	396	25	-93.7%	1.20%	0.10%
TBILL - 6 MONTHS	1,959	1,420	-27.5%	5.90%	4.10%
TBILL- 12 MONTHS	16,231	18,040	11.1%	49.00%	52.60%
Grand Total	33,128	34,280	3.5%	100%	100%

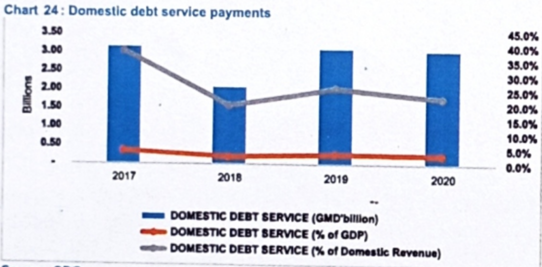
Source: CBG

percent in 2020 from 4.6 percent in 2019.

The stock of government long-term securities (30 years bond) contracted by 3.7 percent to D9.34 billion in 2020 from D9.70 billion in 2019. The share of long-term securities in the domestic debt declined to 27.3 percent in 2020 from 29.3 percent in 2019.

Domestic debt service payment decreased by 1.7 percent to D3.02 billion (3.1 percent of GDP) in 2020 from D3.07 billion (3.4 percent of GDP) in the same period last year. The declined in the domestic debt service payment in 2020 was due to a reduction in most of the domestic debt security's yields. As a percentage of domestic revenue, domestic debt service payment declined to 22.5 percent in 2020 from 2 percent in 2019.

Chart 24 : Domestic debt service payments



Source: CBG

3.1.6.8 Security Yields

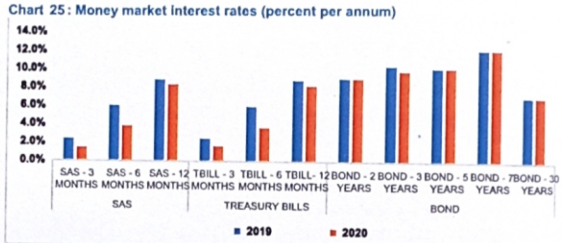
The aggregate yearly average yields on three different government domestic securities. The aggregate yearly average yields on all government securities declined from 2019 to 2020, reflecting a high level of liquidity within the banking system. The aggregate yearly average yield in 2020 on all SAS bills, treasury bills, and bonds were 4.52 percent, 4.47 percent, and 9.53 percent, respectively, while the aggregate yearly average yields in 2019 on SAS bills, treasury bills, and bonds were 5.74 percent, 5.69 percent, and 9.64 percent, respectively.

The yearly average yield for different government domestic securities with different maturity periods. Chart 14 shows that the average yield on all the SAS and treasury bills declined in 2020 from 2019. The average annual yield on different bonds either decreased or remained the same from 2019 to 2020.

The yearly average yields on SAS bills with maturity period of three months, six months, and twelve months in 2020 were 1.4 percent, 3.8 percent, and 8.3 percent, respectively, while in 2019 the average yields on SAS bills with a maturity period of three months, six months, and twelve months were 2.4 percent, 6.0 percent, and 8.8 percent, respectively.

The yearly average yields on treasury bills with maturity period of three months, six months, and twelve months in 2020 were 1.6 percent, 3.6 percent, and 8.1 percent, respectively, while in 2019 the average yields on treasury bills with a maturity period of three months, six months, and twelve months were 2.4 percent, 5.9 percent, and 8.7 percent, respectively.

Chart 25 : Money market interest rates (percent per annum)



Source: CBG

The yearly average yields on bonds with maturity period of two years, three years, five years, seven years, and 30 years in 2020 were 8.9 percent, 9.7 percent, 10 percent, 12 percent, and 7 percent, respectively, while in 2019 the average yields on bonds with maturity period of two years, three years, five years, seven years, and 30 years in 2019 were 8.9 percent, 10.3 percent, 10 percent, 12 percent, and 7 percent, respectively.

3.1.7 External Sector Developments

3.1.7.1 Current Account

The current account balance of payments estimates shows that the current account balance worsened to a deficit of US$90.32

Chart 26 : The current account balance

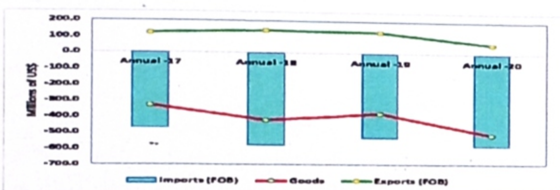
Source: CBG

million (4.94 percent of GDP) in 2020 from a deficit of US$36.60 million (2.19 percent of GDP) in the corresponding period of 2019, due to the deterioration in both the goods and service account balances.

The goods account balance is estimated at a deficit of US$511.75 million (28.83 percent of GDP) in 2020 compared to a deficit of US$37.01 million (20.70 percent of GDP) in the corresponding period in 2019.

The rapid deterioration of the deficit in the goods account mainly reflects the importation of Covid-19 medical and related materials during the period. Similarly, widening of the deficit in the goods account balance also reflects the fall in total export, especially for re-export in the second quarter and some part of third quarter of 2020 due to the border closure.

Chart 27 : Merchandise trade balance



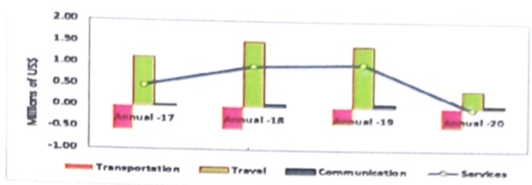
Source: GBoS and CBG staff estimates

From January to December 2020, total imports (FOB) amounted to US$581.82 million, higher than US$532.47 million in the same period in 2019 by 9.26 percent. Exports (FOB) decreased to US$70.06 million in 2020 from US$154.46 million in the corresponding period of 2019.

The services account balance also worsened to a deficit of US$5.01 million, or by 105.11 percent in 2020, from a surplus of US$105.11 million in the same period a year ago, on the back of a decrease in personal travels by 70.82 percent to US$41.62 million. This reflects the collapse in tourism, evidence by the decline in air-chartered tourist arrivals by 62.16 percent in the twelve months of 2020.

Current transfers (net), over the review period amounted to US$425.54 million compared to a net inflow of US$259.34 million in the same period of 2019. Workers' remittances (net), over the review period amounted to US$400.10 million compared to a net inflow of US$259.57 million in the same period of 2019, representing

Chart 41: Services



Source: CBG staff estimates

an increase of 54.74 percent.

3.1.7.2 Capital and Financial Account

The financial account balance improved to a surplus of US$174.63 million in the twelve months of 2020 from a surplus of US$72.30 million in the corresponding period a year ago, mainly on account of the improvement in direct investment, other investment and change in reserve assets.

Other investments and changes in reserve assets, which are components of the financial account, respectively registered a surplus of US$56.82 million and US$132.23 million in the review period compared to a surplus of US$1.98 million and US$70.67 million a year ago. The surplus in other investments was mainly attributed to the increased in the foreign assets of commercial banks amounted to US$24.92 million in the fourth quarter of 2020.

3.1.7.3 Foreign Exchange Developments

The foreign exchange market remained stable in 2020 underpinned by adequate foreign currency liquidity, and a stable exchange rate. The supply conditions were supported by large foreign inflows from official development assistance and private remittances.

The volume of transactions in the foreign exchange transaction have declined slightly by 1.09 percent to $2,174.42 million in 2020 compare to a record of $2,198.54 million in 2019. Quarter four of 2020 relative to the fourth quarter in 2019, volumes of transactions

Chart 28 : Activity volume in the foreign exchange market

Source: CBG

dropped by 10 percent to a record of $543.26 million from $604.75 million. The decline in the volumes of transaction is a clear reflection of the slowdown in economic activities due to the pandemic particularly the low number of tourist arrival in the country during the reviewed period.

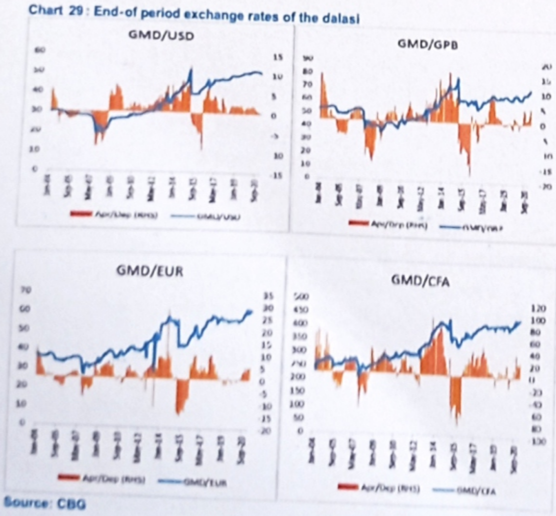
Purchases and sales indicates supply and demand conditions of foreign currency, declined in 2020 relative to the previous year. Purchases fell by 2.2 percent to US$1.07 billion while sales dropped marginally by 0.05 percent to US$1.01 billion. Indicating a relief from the effect of the pandemic (a pickup in economic activities) during the fourth quarter of 2020 the FX market recorded an excess demand of $5.72 million. The US Dollar continued to lead the market as the most traded currency in the domestic inter-bank market accounting for about 76.25 percent of the total transactions at end December 2020.

Table 3: Period average exchange rates

Period	GBP	USD	CHF	SEK(100)	CFA(5,000)	Euro
Dec-19	66.64	51.12	51.54	531.18	421.37	57.00
Jan-20	66.01	51.13	51.17	532.87	421.98	56.78
Feb-20	65.68	50.93	51.58	523.11	422.10	55.99
Mar-20	64.18	50.94	52.40	525.75	420.18	56.87
Apr-20	63.98	51.14	50.10	467.32	418.11	56.26
May-20	62.93	51.45	51.17	488.37	417.99	56.36
Jun-20	63.88	51.60	52.09	490.87	417.12	57.29
Jul-20	64.05	51.81	51.27	473.24	421.01	58.01
Aug-20	66.47	51.84	50.42	471.41	423.32	59.54
Sept-20	66.44	51.81	50.21	474.05	425.61	60.24
Oct-20	66.81	51.85	51.23	512.39	427.13	60.33
Nov-20	66.74	51.81	51.76	487.86	435.11	60.38
Dec-20	67.54	51.72	52.24	493.78	437.20	61.29

Source: CBG

Chart 29 : End-of period exchange rates of the dalasi



Source: CBG

3.1.8 DEVELOPMENTS IN BANK AND NON-BANK FINANCIAL INSTITUTIONS

3.1.8.1 Overview of The Gambia's financial system

The financial sector in The Gambia is dominated by banks that hold about 75 percent of assets of the financial sector. Banks, non-bank financial institutions (NBFIs), insurance companies, and foreign exchange bureaus are regulated by the Central Bank.

The insurance industry in The Gambia is relatively small. There were 11 insurance companies and the insurance penetration rate remained below 1 percent. As at end-December 2020, there were 54 Credit Unions (CUs), and 4 deposit-taking microfinance companies.

3.1.8.2 The Banking Sector

The banking sector in The Gambia is composed of twelve (12) banks as at end-December 2020. The banking sector landscape is relatively concentrated, with the three largest banks accounting for over up to 52.6 percent of the sector's total assets. As at end-December 2020, banks had 72 branches excluding the headquarters and 107 Automated Teller Machines (ATMs) spread across the country. According to the financial soundness indicators, the sector remained fundamentally sound during the

Total Capital and Reserves stood at D7.08 billion growing by 13.98 percent from December 2019 when the sector reported D6.21 billon. All twelve (12) banks have capital and reserves at levels above the minimum requirement of D200 million whilst capital adequacy ratio (CAR) stood at 32.58 percent as at December 2020.

Total deposits stood at D42.22 billion representing 71.77 percent of total liabilities signifying major source of funding for banks. Total industry deposits grew when compared to December 31, 2019 by 20.51 percent or D7.18 billion.

3.1.9 Asset Quality

The non-performing loan ratio as at end-December 2019 stood at 6.8 percent compared to 4.6 percent as at end-December 2018.

3.1.10 Liquidity

Liquid asset ratio for the industry stood at 93.5 percent as at end-December 2020, slightly lower than 91.6 percent as at end-December 2019. All banks were above the minimum liquidity requirement of 30 percent.

3.1.11 Insurance Industry

The insurance industry in The Gambia composed of 11 insurance companies as at end-December 2020. Nine (9) of the insurance companies including two Takaful/Islamic operator underwrite general insurance or short-term business (non-life) only and 2 (two) underwrite life or long-term insurance.

A network of around 38 branch offices of insurance companies is spread across the six administrative regions of the country. The industry continues to be regulated and governed by the Insurance Act 2003, the Insurance Regulations 2005 and the Insurance Amendment Act 2006 which caters for the operation of Takaful (Islamic Insurance).

The Insurance legislation to a large extent required compliance with international best standards and best practices. Approximately, the industry is 60 percent domestically owned. Six (6) companies are 100 percent locally owned, 5 (five) are of mixed ownership.

3.1.12 Performance of the Insurance Industry

Total assets of the insurance industry stood at D757 million as at end-December 2020 compared to D686 million as at end-December 2019, representing an increase of 10 percent. On the other hand, total liabilities decreased by 30 percent to D232 million during the period. As a result, net assets expanded 47 percent from D351 million to D516 million in the same period. Out of the total industry assets D757million, non-life short term insurance constituted D573million (76 percent of the total industry assets) whilst Life and long-term business constituted D184million (24 percent of the total industry assets).

Despite 2020 being a difficult year due to Covid 19 pandemic, total industry premium income increased by 14 percent from D436million as at end December 2019 to D436million as at end December 2020

Table 4: Consolidated financial statement of the insurance industry

	2019	2020	Annual percent change
	Level (GMD millions)		
Total Non-current Assets (NCA)	226	235	-4
Total Current Assets (CA)	530	450	18
Total Assets (TA)	757	685	11
Total Current Liabilities (CL)	220	184	20
Total Non-current Liabilities (NCL)	120	151	-20
Total Liabilities (TL)	340	335	1
Net Assets/(Shareholder's Fund)	417	350	19
Paid up Capital	208	181	15

Source: CBG

Table 5: Consolidated income Statement of the insurance industry

	2019		2020	Annual percent change
			Level	
Written Premium	435		378	15
Reinsured Premium	56		71	-21
Retained Premium	351		307	14
Claims Paid	99		84	18
Surplus Premium	282		170	65
Admin & other Expenses	173		146	18
Pre-tax Profits/(loss)	142		80	78
Post-tax Profits/(loss)	121		63	92

Source: CBG

Table 6: Performance ratios (percent)

	2019	2020
Return on Assets(ROA)	16	8
Return on Equity(ROE)	23	16
Claims Ratio(Claims/WP)	31	22
Expense Ratio(Exp./WP)	57	39
Combine Ratio(CR+ER)	88	61

Source: CBG

The contribution of life and long-term insurance business to industry premium income grew from about 23 percent in 2019 to 25 percent in 2020. The remaining 75 percent was contributed by non-life or general insurance business.

Total claims incurred in 2020 stood at D99million, indicating a 17 percent increase from D84million 2019.

The insurance penetration rate which is a measure of the contribution of the sector to GDP and is expressed as a percentage of gross premium output/income to GDP remained low at about 1 percent reflecting the position in Sub-Saharan Africa (SSA) excluding mainly South Africa.

3.1.13 Microfinance sector

The microfinance sector continue to play an important role in the socio-economic development of the country through the provision of financial services to the rural communities and low-income earners. It provides effective and sustainable financial services to the poor, promote economic and social transformation of individual, households, and communities, increase self-esteem and empowerment of the poor.

Despite the challenges posed by the Corona Virus pandemic, the sector continues to provide the vulnerable segment of the population with the much-needed financing to help them mitigate the economic shock and insolvency of their businesses especially MSMEs. The sector was able to weather the economic shock of the Corona Virus pandemic because NBFIs were well capitalized, liquid and underpinned by robust regulatory and supervisory regime.

As at end December 2020 the sector comprised of four (4) Finance Companies (FCs), ten operational (10) Village Saving and Credit Associations (VISACAs) and fifty-four (54) Credit Unions (CUs) majority of which are in the urban areas and are work based. The sector includes two Mobile Money Operators (MMOs) AfriMoney and QMoney while the Bank is not currently regulating any Fintechs, applications have been received and being reviewed. The requisite regulatory guidelines will be developed for roll-out to the relevant companies. To ensure financial stability and fulfillment of the core mandate of NBFIs, Central Bank of the Gambia in its regulatory capacity has strengthened the regulatory and supervisory framework for NBFIs. This was achieved through review of regulatory guidelines and issuance of directive to align the operations of NBFIs with international best practices and to ensure the fulfilment of their core mandate. Regulation and supervision of microfinance is critically important for its future development and its credibility as a development tool.

Table 7: Key performance indicators

Indicator	Dec-19	Dec-20	Prudential Requirement
Capital Adequacy Ratio	33	32	20
Non-performing loan ratio	5	11	5
Return on assets	1	0.8	1
Liquidity ratio	75	58	30

Source: CBG

3.1.14 Credit Unions

The Credit Union movement continue to play an important role in advancing the socio-economic development of its members through the provision of innovative financial products and services. These include the provision of timely credit facilities and products to its members.

In recognition of the importance of CUs and their significant growth in terms of assets and deposits, CBG issued a directive to assume the direct regulation and supervision of the twelve largest CUs which account for 87 percent of the industry assets. The table 13 shows the financial indicators of CUs as at end December 2019.

Table 8: Financial performance of Credit Unions

	Dec-19	Dec-20	Percent change
Total assets (GMD'millions)	1,600.0	2,103.0	31
Total loans (GMD'millions)	1,100.0	1,171.0	6
Total savings (GMD'millions)	1,300.0	1,593.0	22
Membership	81,186	88,336	9

Source: NACCUG and CBG

3.1.15 VILLAGE SAVINGS AND CREDIT ASSOCIATIONS (VISACAS)

The Village Savings and Credit Associations (VISACAs) are the grassroots rudimentary financial institutions that are rural and community owned and managed. Currently the performances of these institutions have seriously deteriorated and significant numbers of them are dormant. From 80 at inception under the Rural Finance and Community Initiative Project (RFCIP) in the early 90s, the number has dwindled to only 10 operational ones as at end December 2019.Their revival is a key concern for stakeholders especially as they play a vital role in providing access to finance for the rural population. The Bank and key stakeholders are discussing the modalities to professionalized and revitalized VISACAs.

3.1.16 FINANCIAL INCLUSION

The CBG in recognition of the importance of financial inclusion and to promote an inclusive economic growth and development, the Bank embarked on the development of a National Financial Inclusion (NFIS). This is a comprehensive document that will serve a road map for the acceleration of financial inclusion in the country. The strategy was expected to be launched in December 2020; however, works has been stalled due to the outbreak of the Corona Virus. The strategy is now expected to be finalized and launch by end July 2021.

To this end, CBG in collaboration with stakeholders and development partners have developed the draft NFIS outline and identified five thematic areas that will anchor the strategy in its implementation. These are:

- o Access, Quality and Usage
- o Enabling Financial Infrastructure
- o Financial Innovation and Digital Financial Services
- o Financial Education and Literacy
- o Consumer Protection and Empowerment

The draft NFIS was shared with the various stakeholders for their review and comments.

3.1.17 OTHER DEVELOPMENTS IN THE microfinance SECTOR

The migration of FCs from the Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS) is completed. FCs are now required to prepare and report their financial statements on IFRS standard.

A three-day training workshop was conducted for 12 largest CUs to enable them to comply with the prudential requirements of the Bank.

An onsite VISACAs assessment was conducted to assess their status for viability and sustainability. The report propose various strategies to professionalized them including linking them to the banks and MFIs.

Statistical Tables

Table 1: Monetary survey (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Foreign Assets	**4,909.6**	**4,480.7**	**4,204.7**	**2,204.6**	**1,302.0**	6,463.5	10,407.0	16,783.5	24,329.54
Monetary Authorities	**3,441.8**	**2,834.5**	**1,117.3**	**-140.6**	**-530.5**	**2,787.1**	**4,514.0**	**8,473.8**	**13,781.01**
Foreign Assets	6,641.2	6,454.3	4,056.8	3,372.4	2,980.0	7,245.8	8,680.2	12,494.4	19,119.63
Foreign Liabilities	-3,199.4	-3,619.9	-2,939.5	-3,513.1	-3,510.5	-4,458.7	-4,166.3	-4,020.6	-5,338.62
Commercial Banks	**1,467.8**	**1,646.3**	**3,087.4**	**2,345.2**	**1,832.6**	**3,676.4**	**5,893.0**	**8,309.7**	**10,548.53**
Net Domestic Assets	**10,992.4**	**13,828.3**	**16,159.9**	**17,974.6**	**21,957.3**	**21,648.1**	**23,337.8**	**26,091.4**	**27,958.35**
Domestic Credit	**12,628.1**	**15,791.7**	**18,164.1**	**21,948.6**	**25,738.6**	**25,514.0**	**28,389.6**	**31,693.4**	**33,276.82**
Claims on Gov't, net	7,041.6	9,178.5	12,075.7	16,657.9	20,345.8	19,331.3	21,327.6	22,636.1	25,416.90
Claims on Public Ent.	764.9	807.1	720.8	346.3	1,055.0	1,896.7	1,365.6	1,327.9	67.81
Claims on Private Sector	4,809.4	5,796.5	5,361.2	4,939.9	4,332.9	4,281.0	5,691.5	7,729.4	7,792.11
Claims on OFIs	12.3	9.5	6.4	4.6	4.9	4.9	4.9	0.0	0.01
Other items, net	**-1,635.8**	**-1,963.4**	**-2,004.2**	**-3,974.0**	**-3,781.3**	**-3,865.9**	**-5,051.8**	**-5,602.1**	**-5,318.47**
o/w: Revaluation acc.	*612.5*	*835.9*	*777.6*	*-231.7*	*917.6*	*366.2*	*969.6*	*927.6*	*656.78*
Broad Money	**15,902.0**	**18,309.0**	**20,364.6**	**20,179.2**	**23,259.4**	**28,111.5**	**33,744.8**	**42,874.9**	**52,287.89**
Narrow Money	7,395.8	9,518.4	10,482.5	10,386.2	12,270.4	14,378.3	17,863.4	24,195.9	29,140.61
Quasi-money	8,506.2	8,790.6	9,882.1	9,793.0	10,989.0	13,733.2	15,881.4	18,679.0	23,147.28

Source: CBG

Table 2: Summary Account of The Central Bank (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Foreign Assets	**3,441.8**	**2,834.5**	**1,117.3**	**-140.6**	**-530.5**	**2,787.1**	**4,514.0**	**8,473.8**	**13,781.01**
Net International Reserves	4,609.3	*4,223.9*	*2,319.2*	*1,151.4*	*867.7*	*4,440.8*	*5,657.5*	*9,642.6*	*15,054.35*
Foreign Assets	**6,641.2**	**6,454.3**	**4,056.8**	**3,372.4**	**2,980.0**	**7,245.8**	**8,680.2**	**12,494.4**	**19,119.63**
International Reserves	6,256.8	*6,105.9*	*3,795.7*	*3,024.0*	*2,628.3*	*6,892.6*	*7,775.2*	*11,559.8*	*18,178.96*
Foreign Liabilities	**3,199.4**	**3,619.9**	**2,939.5**	**3,513.1**	**3,510.5**	**4,458.7**	**4,166.3**	**4,020.6**	**5,338.62**
Other Liabilities	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
IMF - ESAF	1,647.4	1,881.8	1,476.4	1,872.4	1,760.4	2,451.6	2,117.6	1,917.0	3,124.44
SDR Allocations	1,551.9	1,737.9	1,462.9	1,640.5	1,750.0	2,006.9	2,048.5	2,103.5	2,214.01
Net Domestic Assets	**761.2**	**2,548.1**	**4,904.1**	**6,766.4**	**8,825.7**	**7,380.2**	**7,335.0**	**5,413.9**	**4,813.8**
Domestic Credit	**592.6**	**2,604.3**	**4,499.1**	**6,856.0**	**9,051.1**	**7,347.0**	**7,807.5**	**6,786.4**	**5,939.6**
Claims on Gov't (Net)	529.5	2,539.0	4,407.0	6,734.7	8,952.6	7,236.4	7,725.9	6,667.6	5,785.8
Gross Claims	2,469.1	4,489.8	6,784.1	6,321.6	12,486.2	11,538.7	11,248.2	10,923.7	11,621.2
(Less) Gov't Deposits	1,939.7	1,950.8	2,377.1	-413.1	3,533.5	4,302.3	3,522.3	4,256.1	5,835.4
Claims on Private Sector	50.8	55.8	85.6	116.7	93.5	105.7	106.8	118.8	153.8
Claims on OFIs	12.3	9.5	6.4	4.6	4.9	4.9	4.9	0.0	0.0
Other Items (Net)	**168.6**	**-56.2**	**405.0**	**-89.7**	**-225.4**	**33.2**	**-472.6**	**-1,372.5**	**-1,125.8**
Revaluation Acc.	612.5	835.9	777.6	-231.7	917.6	366.2	969.6	927.6	656.8
Reserve Money	**4,203.0**	**5,382.6**	**6,021.3**	**6,625.7**	**8,295.2**	**10,167.3**	**11,848.9**	**13,887.7**	**18,594.8**
Currency in circulation	3,183.8	3,635.5	3,908.6	4,035.6	5,089.6	6,186.5	7,303.9	8,556.5	11,028.8
Reserves of com. banks	1,019.1	1,747.1	2,112.7	2,590.1	3,205.6	3,980.8	4,545.1	5,331.2	7,566.0

Source: CBG

Table 3: Summary accounts of commercial banks (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Foreign Assets	**1,467.8**	**1,646.3**	**3,087.4**	**2,345.2**	**1,832.6**	**3,676.4**	**5,893.0**	**8,309.7**	**10,548.5**
Foreign assets	2,733.3	2,953.3	4,143.5	3,901.3	3,445.5	4,429.2	6,464.0	8,914.1	11,871.0
Foreign liabilities	1,265.5	1,307.0	1,056.1	1,556.1	1,612.9	752.7	571.0	604.4	1,322.4
Net Domestic Assets	**11,615.6**	**13,407.6**	**13,769.2**	**14,192.7**	**16,701.3**	**18,763.6**	**21,283.3**	**26,721.6**	**31,667.6**
Domestic credit	**12,035.6**	**13,187.4**	**13,665.0**	**15,092.6**	**16,687.5**	**18,110.1**	**20,552.0**	**24,907.0**	**27,337.2**
Claims on gov't, net	6,512.1	6,639.6	7,668.7	9,923.2	11,393.1	13,730.6	14,803.0	17,205.5	19,631.1
Gross claims	6,512.1	6,639.6	7,668.7	9,923.2	11,393.1	13,730.6	14,803.0	17,205.5	19,631.1
Government bonds	25.0	0.0	0.0	596.4	0.0	1,198.3	1,198.7	1,606.0	2,240.4
Nawec Bonds						1,692.5	1,201.3	1,237.0	1,874.2
Treasury bills	6,487.1	6,639.6	7,668.7	9,326.8	11,393.1	10,839.8	12,403.0	14,362.5	15,516.5
Claims on public entities	764.9	807.1	720.8	346.3	1,055.0	204.2	164.3	90.9	67.8
Claims on private sector	4,758.6	5,740.7	5,275.6	4,823.1	4,239.4	4,175.3	5,584.8	7,610.6	7,638.3
Reserves	1,384.4	2,127.4	2,513.3	2,984.5	3,569.6	4,495.7	5,310.5	6,044.1	8,523.1
Currency	365.2	380.3	400.6	394.3	364.1	515.0	735.4	713.0	957.1
Deposits at central bank	1,019.1	1,747.1	2,112.7	2,590.1	3,205.6	3,980.8	4,545.1	5,331.2	7,566.0
Other items (net)	**-1,804.4**	**-1,907.2**	**-2,409.1**	**-3,884.3**	**-3,555.9**	**-3,842.2**	**-4,609.2**	**-4,229.5**	**-4,192.7**
Net claims on other banks	106.7	294.8	129.4	902.3	1,245.9	3.9	23.9	145.8	49.3
Total deposit liabilities	**13,083.4**	**15,053.9**	**16,856.6**	**16,537.9**	**18,533.8**	**22,440.0**	**27,176.3**	**35,031.4**	**42,216.2**
Demand deposits	4,577.2	6,263.2	6,974.5	6,745.0	7,544.8	8,706.8	11,295.0	16,352.4	19,068.9
Savings deposits	5,154.2	5,811.3	6,904.0	6,795.4	7,779.3	10,531.9	12,389.1	14,755.9	18,190.0
Time deposits	3,352.0	2,979.3	2,978.1	2,997.6	3,209.8	3,201.4	3,492.2	3,923.1	4,957.3

Source: CBG

Table 4: Components of money supply (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Money Supply	**15,902.0**	**18,309.0**	**20,364.6**	**20,179.2**	**23,259.4**	**28,111.5**	**33,744.8**	**42,874.9**	**52,287.9**
Money	**7,395.8**	**9,518.4**	**10,482.5**	**10,386.2**	**12,270.4**	**14,378.3**	**17,863.4**	**24,195.9**	**29,140.6**
Currency outside banks	2,818.6	3,255.2	3,508.0	3,641.3	4,725.5	5,671.5	6,568.4	7,843.5	10,071.7
Demand deposits	4,577.2	6,263.2	6,974.5	6,745.0	7,544.8	8,706.8	11,295.0	16,352.4	19,068.9
Private Sector	4,296.0	5,636.7	6,640.7	6,366.2	7,076.2	8,058.7	9,953.1	15,700.6	17,771.3
Official entities	281.2	626.5	333.8	378.8	468.6	648.1	1,341.8	651.8	1,297.6
Quasi-money	**8,506.2**	**8,790.6**	**9,882.1**	**9,793.0**	**10,989.0**	**13,733.2**	**15,881.4**	**18,679.0**	**23,147.3**
Savings deposits	5,154.2	5,811.3	6,904.0	6,795.4	7,779.2	10,531.9	12,389.1	14,755.9	18,190.0
Private Sector	5,113.0	5,774.7	6,699.2	6,495.7	7,541.4	10,250.0	12,216.5	14,408.3	17,979.7
Official entities	41.2	36.7	204.8	299.7	237.9	281.9	172.6	347.5	210.3
Time deposits	3,352.0	2,979.3	2,978.1	2,997.6	3,209.8	3,201.4	3,492.2	3,923.1	4,957.3
Private Sector	2,784.8	2,665.8	2,736.8	2,653.5	2,837.8	2,829.9	3,174.6	3,545.8	4,375.2
Official entities	567.2	313.5	241.4	344.1	371.9	371.5	317.6	377.4	582.1

Source: CBG

Table 5: Assets of commercial banks (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gambian Notes & Coins	**365.2**	**380.3**	**400.6**	**394.3**	**364.1**	**515.0**	**735.4**	**713.0**	**957.1**
Total Foreign Currency	**264.1**	**525.3**	**482.5**	**904.8**	**405.1**	**845.8**	**1322.2**	**2498.0**	**3279.2**
CFA Franc	1.4	3.4	1.2	1.2	1.2	1.3	1.9	54.1	39.8
Other Foreign Currency	262.7	521.9	481.3	903.6	403.9	844.6	1320.3	2443.9	3239.4
Balances with Banks	**1146.7**	**2117.9**	**2295.2**	**2707.9**	**2884.0**	**3858.2**	**4459.3**	**5150.8**	**8000.0**
Central Bank	1039.9	1764.6	2095.8	2601.9	2866.6	3850.4	4435.4	5004.9	7950.7
Banks Locally	106.7	353.3	199.4	106.0	17.5	7.8	23.9	145.8	49.3
Balances with Banks Abroad	**2194.5**	**2040.5**	**2656.4**	**2629.4**	**2954.0**	**3158.3**	**4621.0**	**5011.1**	**7128.5**
Head Office & Branches	653.7	328.8	411.4	411.4	712.6	1068.3	1153.8	1576.3	2335.2
Other Banks Abroad	1540.8	1711.7	2245.0	2218.0	2241.4	2090.0	3467.2	3434.9	4793.3
Bills Purchased&Discounted	**105.0**	**140.0**	**20.5**	**111.3**	**128.8**	**61.9**	**0.0**	**53.0**	**41.2**
Loans & Advances	**5138.1**	**5503.4**	**5100.1**	**4305.5**	**3783.1**	**3960.2**	**5381.7**	**6989.8**	**7164.8**
Public Sector	764.9	807.1	720.7	346.3	298.1	204.2	164.3	90.9	67.8
Private Sector	4373.2	4696.3	4379.3	3959.3	3485.0	3756.0	5217.4	6898.9	7073.9
Investments	**7305.8**	**8168.6**	**10414.7**	**13144.0**	**15797.1**	**15493.2**	**16673.5**	**20239.3**	**22763.1**
Government Treasury Bills	6725.7	6935.2	8604.4	10631.7	13096.0	11820.1	13385.3	15507.6	16626.0
Others	280.4	846.0	805.8	742.6	625.5	357.3	367.3	483.7	559.2
Foreign Investments	274.7	387.5	1004.6	367.1	86.4	425.1	520.8	1405.0	1463.3
Government Bond	25.0	0.0	0.0	596.4	0.0	1198.3	1198.7	1606.0	2240.4
Interbank Placement	0.0	0.0	0.0	806.3	1232.3	0.0	0.0	0.0	0.0
Public Sector Bond	0.0	0.0	0.0	0.0	756.9	1692.5	1201.3	1237.0	1874.2
Fixed Assets	**1232.8**	**1228.4**	**1418.2**	**1742.1**	**1921.2**	**1904.0**	**2141.8**	**1963.0**	**2155.2**
Acceptances, Endorsements & Guarantees	**2099.2**	**2799.1**	**3720.0**	**2217.3**	**3145.1**	**6582.4**	**7541.4**	**6664.9**	**5882.3**
Other Assets	**767.4**	**872.0**	**1700.2**	**1172.1**	**1228.2**	**1445.3**	**1030.9**	**1418.5**	**1507.8**
Total Assets	**20618.9**	**23775.6**	**28208.5**	**29328.9**	**32610.6**	**37824.3**	**43907.2**	**50876.3**	**58820.1**
Net Balance	18519.7	20976.5	24488.5	27111.5	29465.6	31241.9	36365.8	44211.4	52937.8

Source: CBG

Table 6: Liabilities of commercial banks (in millions of Dalasi)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Capital & Reserves	3,064.6	3,026.0	3,897.0	4,483.4	4,747.6	5,253.2	5,871.2	6,228.1	7,083.4
Demand Deposits	4,577.2	6,263.2	6,974.5	6,745.0	7,544.8	8,706.8	11,295.0	16,352.4	19,068.9
Residents	4,242.6	5,501.6	6,402.2	6,330.5	6,924.3	7,447.4	8,723.5	14,067.4	16,126.8
Non-Residents	53.4	135.1	238.5	35.7	152.0	611.3	1,229.6	1,633.2	1,644.5
Government Entities	281.2	626.5	333.8	378.8	468.6	648.1	1,341.8	651.7	1,297.6
Savings Deposits	5,154.2	5,811.3	6,904.0	6,795.4	7,779.2	10,531.9	12,389.1	14,755.9	18,190.0
Residents	4,915.0	5,527.7	6,370.1	6,197.8	6,982.0	9,780.8	11,664.1	13,710.4	17080.6
Non-Residents	198.0	247.0	329.1	297.9	559.3	469.2	552.5	697.9	899.1
Government Entities	41.2	36.6	204.8	299.7	237.9	281.9	172.6	347.5	210.3
Time Deposits	3,352.0	2,979.3	2,978.1	2,997.6	3,209.8	3,201.4	3,492.2	3,923.1	4,957.3
Residents	2,731.5	2,615.5	2,426.2	2,598.7	2,777.3	2,651.4	2,964.8	3,330.4	4,035.9
Non-Residents	53.4	50.3	310.5	54.8	60.6	178.5	209.8	215.4	339.4
Government Entities	567.2	313.5	241.4	344.1	371.9	371.5	317.6	377.4	582.1
Total Deposits	13,083.4	15,053.8	16,856.6	16,537.9	18,533.8	22,440.0	27,176.3	35,031.3	42,216.2
Balances Held For	72.5	5.8	0.0	66.9	67.5	166.8	66.0	321.3	283.5
Head Office & Branches	14.1	0.0	0.0	52.5	45.5	73.4	48.0	155.0	184.2
Other Banks Abroad	58.4	5.8	0.0	14.3	18.1	89.6	17.9	166.3	99.3
Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks Locally	0.0	0.0	0.0	0.0	3.9	3.9	0.0	0.0	0.0
Borrowings From	1,215.0	1,837.6	1,656.1	2,591.1	2,503.9	589.8	505.0	220.28	941.6
Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	150.0	150.0
Other Banks Locally	22.0	536.4	600.0	1,101.9	954.6	0.0	0.0	0.2	0.2
Head Office & Branches	1,095.0	1,169.5	946.1	936.3	853.0	354.8	317.4	70.1	293.6
Other Banks Abroad	97.9	131.7	110.0	553.0	696.4	0.0	0.0	0.0	647.8
Other Sources	0.0	0.0	0.0	0.0	0.0	235.0	187.6	90.9	0.0
Acceptance Endorsement & Guarantees	2,099.2	2,799.1	3,720.0	2,217.3	3,145.1	6,582.4	7,541.4	6,664.9	5,882.3
Other Liabilities	1,084.2	1,053.3	2,078.7	3,432.2	3,612.8	2,792.1	2,747.3	2,197.3	2,315.6
Total Liabilities	20,618.9	23,775.6	28,208.5	29,328.8	32,610.6	37,824.3	43,907.2	50,876.3	58,820.1
Net Balance	18,519.7	20,976.5	24,488.5	27,111.5	29,465.6	31,241.9	36,365.8	44,211.4	52,937.8

Source: CBG

Table 7: Commercial banks loans and advances to major economic sectors (in millions of Dalasi)

Sectors	2012	2013	2014	2015	2016	2017	2018	2019	2020
Agriculture	284.4	180.0	61.5	161.2	289.9	394.1	86.6	138.5	276.4
Fishing	8.6	7.1	1.4	0.8	0.5	4.1	7.2	6.3	2.1
Construction	670.8	786.6	374.3	380.1	436.5	554.2	1,091.1	1,454.5	2,041.4
Transportation	334.6	348.1	732.2	458.2	403.1	343.0	360.9	555.6	565.0
Distributive Trade	1,640.3	1,917.6	1,812.7	1,755.7	1,299.1	1,284.2	1,726.6	1,684.9	1,733.6
Tourism	284.9	348.9	162.3	117.4	109.0	217.7	595.8	408.5	416.0
Personal Loans	535.5	409.2	430.8	324.7	484.9	401.7	463.2	560.7	569.9
Energy	na	na	na	na	76.2	80.8	66.2	107.6	104.9
Manufacturing	344.1	316.2	271.4	188.0	29.3	28.5	23.5	90.8	71.7
Financial Inst.	188.7	225.1	222.4	152.1	94.4	127.4	178.5	356.9	190.3
Other	1,157.0	1,442.3	1,265.2	909.4	829.1	748.2	905.6	1,986.0	1,430.9
Total	5,448.7	5,981.1	5,334.2	4,447.6	4,052.1	4,183.9	5,505.2	7,350.3	7,402.2

Source: CBG

Table 8: Distribution of outstanding Treasury bills in discounted value (in millions of Dalasi)

		Banks			Non-Banks			Total T/Bills
End of period		Central Bank	Commercial Banks	Total	Public Entities	Private Sector	Total	
2017	January	323.0	11,326.7	11,649.7	22.5	3,650.7	3,673.2	15,322.8
	February	269.7	11,658.5	11,928.2	22.5	3,734.4	3,756.9	15,685.0
	March	342.9	11,765.7	12,108.7	36.4	3,782.2	3,818.6	15,927.2
	April	317.9	11,592.1	11,910.0	73.0	3,925.4	3,998.4	15,908.4
	May	359.3	11,320.1	11,679.3	73.0	3,930.5	4,003.5	15,682.9
	June	60.8	11,473.3	11,534.2	64.0	3,990.3	4,054.3	15,588.5
	July	5.0	11,853.6	11,858.5	73.3	3,651.2	3,724.5	15,583.0
	August	5.0	12,089.9	12,094.9	98.3	3,621.2	3,719.5	15,814.4
	September	5.0	11,758.8	11,763.8	98.3	3,521.8	3,620.1	15,383.9
	October	4.0	11,963.9	11,967.9	172.1	3,196.3	3,368.4	15,336.3
	November	4.0	12,006.4	12,010.4	172.1	3,119.2	3,291.3	15,301.7
	December	1.0	10,839.8	10,840.8	172.1	3,161.8	3,333.9	14,174.7
2018	January	0.0	11,466.7	11,466.7	172.1	3,091.5	3,263.6	14,730.4
	February	29.7	11,620.5	11,650.1	172.1	3,108.7	3,280.9	14,931.0
	March	29.7	11,827.0	11,856.7	144.8	3,114.9	3,259.6	15,116.3
	April	0.0	11,709.6	11,709.6	145.7	3,165.6	3,311.3	15,020.9
	May	27.1	11,258.6	11,285.7	349.7	3,186.1	3,535.8	14,821.5
	June	27.1	11,518.2	11,545.3	349.7	3,237.1	3,586.7	15,132.0
	July	0.0	11,749.2	11,749.2	340.4	3,090.3	3,430.7	15,179.8
	August	0.0	12,163.0	12,163.0	315.4	3,112.4	3,427.7	15,590.7
	September	0.0	12,332.7	12,332.7	315.4	3,177.1	3,492.5	15,825.2
	October	0.0	12,290.1	12,290.1	241.5	3,413.4	3,654.9	15,945.0
	November	0.0	12,246.8	12,246.8	241.5	3,497.9	3,739.4	15,986.2
	December	0.0	12,403.0	12,403.0	241.5	3,503.4	3,745.0	16,148.0
2019	January	0.0	12,531.9	12,531.9	241.5	3,545.1	3,786.6	16,318.5
	February	0.0	12,882.9	12,882.9	241.5	3,574.0	3,815.5	16,698.4
	March	0.0	12,993.3	12,993.3	241.5	3,640.1	3,881.6	16,874.9
	April	0.0	13,346.5	13,346.5	204.0	3,508.7	3,712.7	17,059.2
	May	0.0	13,162.0	13,162.0	0.0	3,639.5	3,639.5	16,801.5
	June	0.0	13,570.4	13,570.4	0.0	3,600.9	3,600.9	17,171.2
	July	0.0	13,945.5	13,945.5	0.0	3,541.5	3,541.5	17,487.1
	August	0.0	13,980.8	13,980.8	0.0	3,507.4	3,507.4	17,488.1
	September	0.0	14,503.4	14,503.4	0.0	3,703.8	3,703.8	18,207.3
	October	0.0	14,615.8	14,615.8	0.0	3,615.5	3,615.5	18,231.4
	November	0.0	14,261.7	14,261.7	0.0	3,587.8	3,587.8	17,849.5
	December	0.0	14,362.5	14,362.5	0.0	3,615.8	3,615.8	17,978.4
2020	January	0.0	14,096.4	14,096.4	0.0	3,597.8	3,597.8	17,694.1
	February	0.0	14,209.5	14,209.5	0.0	3,627.6	3,627.6	17,837.1
	March	0.0	14,772.6	14,772.6	0.0	3,664.1	3,664.1	18,436.7
	April	0.0	14,825.0	14,825.0	0.0	3,842.6	3,842.6	18,667.7
	May	0.0	14,936.3	14,936.3	0.0	3,854.4	3,854.4	18,790.7
	June	0.0	15,112.5	15,112.5	0.0	3,862.3	3,862.3	18,974.8
	July	0.0	14,972.3	14,972.3	0.0	3,836.2	3,836.2	18,808.5
	August	0.0	14,737.2	14,737.2	0.0	3,902.6	3,902.6	18,639.8
	September	0.0	15,314.4	15,314.4	0.0	3,760.4	3,760.4	19,074.8
	October	0.0	15,809.8	15,809.8	0.0	3,812.4	3,812.4	19,622.1
	November	0.0	15,971.9	15,971.9	0.0	3,630.3	3,630.3	19,602.3
	December	0.0	15,516.5	15,516.5	0.0	3,547.5	3,547.5	19,064.0

Source: CBG

Table 9: Structure of interest rates (in percent per annum)

	2019				2020			
	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec
COMMERCIAL BANKS								
Lending Rates								
Agriculture	12 - 28	12 - 28	12 - 28	12 - 28	12 - 28	12 - 28	12 - 28	10- 28
Manufacture	15 - 25	15 - 25	15 - 25	15 - 25	12 - 25	12 - 25	12 - 25	10 - 25
Building	15 - 28	15 - 28	15 - 28	15 - 28	12 - 28	12 - 28	12 - 28	10 - 28
Trading	15 - 28	15 - 28	15 - 28	15 - 28	12 - 28	12 - 28	12 - 28	10 - 28
Tourism	15 - 25	15 - 25	15 - 25	15 - 25	12 - 25	12 - 25	12 - 25	12 - 25
Other	15 - 28	15 - 28	15 - 28	15 - 28	12 - 28	12-28	12-28	10-28
Deposit Rates								
Short-Term Deposit A/C	0.25-4.00	0.25-4.00	0.25-4.00	0.25-4.00	0.0-4.00	0.25-4.00	0.00-4.00	0.00-4.00
Savings Bank Account	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.50-8.0	0.30-3.0
Time Deposits								
3 Months	2.0-9.0	2.0-9.0	2.0-9.0	2.0-9.0	1.3-7.21	1.3-7.21	0.31-7.21	0.25 - 5.00
6 Months	2.0-12.0	2.0-12.0	2.0-12.0	2.0-12.0	1.5-12.0	1.5-12.0	0.41-12.0	0.5 -6.16
9 Months	2.0-12.0	2.0-12.0	2.0-12.0	2.0-12.0	1.5-12.0	1.5-12.0	1.5-12.0	0.5 - 6.00
12 Months & Over	2.0-16.0	2.0-16.0	2.0-16.0	2.0-16.0	1.5-16.0	1.5-16.0	0.51-16.0	0.5 - 10.00
GOVERNMENT								
Treasury Bills	7.77	9.26	7.77	9.26	7.77	9.26	9.04	9.35
CENTRAL BANK								
Monetary Policy Rate	15	13.5	15	13.5	12	10	10	10

Source: CBG

Table 10 (A): End-of-period mid-market exchange rates (Dalasi per unit of foreign currency)

Period		GBP	USD	CHF	SEK(100)	CFA(5,000)	Euro
2017	January	56.91	44.50	44.96	475.59	370.76	48.15
	February	56.85	45.63	44.00	488.79	377.33	48.26
	March	58.23	45.39	44.05	507.90	392.73	51.87
	April	60.11	47.05	45.25	518.52	389.21	51.39
	May	61.18	47.30	44.43	515.73	388.55	52.35
	June	60.28	47.09	43.00	522.60	398.10	52.78
	July	60.96	46.90	47.53	538.62	404.75	54.62
	August	61.26	46.84	49.10	533.17	405.57	56.23
	September	62.78	47.28	48.55	575.83	410.84	56.40
	October	62.41	47.45	48.16	578.85	409.16	56.31
	November	63.57	47.34	48.19	577.76	410.61	56.75
	December	63.70	47.88	48.22	578.41	416.20	56.61
2018	January	65.76	47.30	47.78	558.96	419.90	58.68
	February	65.81	47.42	47.35	565.23	418.88	57.83
	March	65.99	47.26	47.51	550.00	424.11	58.48
	April	64.87	47.43	48.46	537.50	423.95	57.85
	May	63.26	47.39	45.35	510.50	409.73	54.98
	June	62.87	47.43	45.55	520.34	417.74	57.02
	July	63.31	47.81	47.40	551.27	414.16	56.58
	August	63.11	48.54	48.31	505.00	413.48	56.93
	September	64.47	49.47	50.69	546.42	419.26	58.03
	October	63.57	49.67	48.19	541.54	417.40	56.79
	November	63.62	49.31	47.70	542.77	417.37	56.58
	December	63.11	49.48	48.82	539.09	418.02	56.90
2019	January	64.82	49.29	49.71	571.25	403.59	56.99
	February	65.12	49.40	49.35	533.04	419.11	56.79
	March	65.16	49.42	49.37	535.98	421.35	56.30
	April	64.32	49.28	49.06	525.26	419.11	55.80
	May	63.20	49.50	49.19	521.52	419.66	56.05
	June	63.24	49.80	50.74	532.82	414.65	56.89
	July	62.72	49.94	50.42	523.98	422.97	56.19
	August	61.78	50.02	51.17	520.77	419.62	56.49
	September	62.55	50.77	51.61	533.02	420.13	56.44
	October	65.57	50.88	50.50	551.85	406.38	56.89
	November	65.30	50.89	51.00	525.22	422.17	56.68
	December	66.86	51.10	51.04	535.18	418.46	57.08
2020	January	65.90	51.27	50.60	522.91	423.92	56.32
	February	65.36	50.65	51.69	525.45	420.02	55.82
	March	62.91	51.10	52.00	500.00	402.50	56.45
	April	63.67	51.13	48.94	445.43	412.91	56.50
	May	62.60	51.69	49.00	480.00	419.18	56.39
	June	63.47	51.73	52.06	476.97	412.15	57.80
	July	65.18	51.96	55.25	447.92	424.27	58.89
	August	66.66	51.69	48.60	470.00	431.23	59.95
	September	66.39	51.85	49.00	469.32	423.31	60.01
	October	66.57	51.91	49.31	480.00	444.27	62.27
	November	66.63	51.78	50.43	483.57	431.46	60.07
	December	68.52	51.64	50.88	490.00	440.93	61.92

Source: CBG

Table 10 (B): Period average mid-market exchange rates (Dalasi per unit of foreign currency)

Period		GBP	USD	CHF	SEK(100)	CFA(5,000)	Euro
2017	January	55.33	44.10	44.38	470.07	374.87	47.48
	February	55.98	44.99	45.14	485.63	370.53	48.84
	March	57.03	45.83	43.64	518.89	320.56	49.68
	April	58.45	46.59	45.84	528.15	385.79	50.99
	May	60.12	47.23	47.55	528.63	392.79	51.99
	June	60.40	47.07	47.45	539.84	394.99	52.87
	July	60.47	47.00	48.54	549.10	394.58	53.68
	August	60.98	47.01	48.73	556.90	408.92	55.41
	September	61.74	47.19	49.05	577.87	411.19	56.32
	October	62.35	47.36	48.38	568.81	410.98	56.14
	November	62.69	47.28	48.02	580.36	412.52	56.02
	December	63.33	47.63	48.34	579.13	410.23	56.54
2018	January	63.87	47.52	48.48	579.93	410.87	57.14
	February	65.17	47.31	48.26	595.38	419.60	58.24
	March	65.61	47.38	47.79	573.11	422.58	58.48
	April	66.23	47.32	49.18	570.88	428.90	58.17
	May	64.13	47.37	47.45	555.85	422.15	56.51
	June	63.18	47.38	47.64	545.26	416.01	55.93
	July	63.06	47.94	48.34	558.62	414.84	56.52
	August	62.68	48.21	48.24	542.29	414.52	56.41
	September	63.91	49.08	50.35	551.76	418.38	57.63
	October	64.38	49.44	49.28	547.07	417.05	57.09
	November	64.01	49.52	49.04	546.74	417.79	56.84
	December	63.19	49.35	49.63	549.10	417.06	56.78
2019	January	63.68	49.48	49.25	548.72	419.59	56.94
	February	64.31	49.50	49.38	538.89	421.80	56.59
	March	65.01	49.59	49.24	533.36	420.34	56.44
	April	64.50	49.54	49.44	534.58	417.97	55.70
	May	64.27	49.50	49.02	518.28	418.91	55.89
	June	63.41	49.72	49.63	527.21	420.37	56.42
	July	62.71	49.94	50.79	531.95	419.43	56.57
	August	61.54	50.17	51.15	522.35	422.00	56.28
	September	62.28	50.28	51.48	524.51	421.43	56.49
	October	63.86	50.83	51.54	525.88	416.78	56.55
	November	65.48	51.08	51.25	524.47	421.95	56.82
	December	66.64	51.12	51.54	531.18	421.37	57.00
2020	January	66.01	51.13	51.17	532.87	421.98	56.78
	February	65.68	50.93	51.58	523.11	422.10	55.99
	March	64.18	50.94	52.40	525.75	420.18	56.87
	April	63.98	51.14	50.10	467.32	418.11	56.26
	May	62.93	51.45	51.17	488.37	417.99	56.36
	June	63.88	51.60	52.09	490.87	417.12	57.29
	July	64.05	51.81	51.27	473.24	421.01	58.01
	August	66.47	51.84	50.42	471.41	423.32	59.54
	September	66.44	51.81	50.21	474.05	425.61	60.24
	October	66.81	51.85	51.23	512.39	427.13	60.33
	November	66.74	51.81	51.76	487.86	435.11	60.38
	December	67.54	51.72	52.24	493.78	437.20	61.29

Source: CBG

Table 11(A): Monthly volume of transactions in the domestic foreign exchange market

Millions of GMD & USD equivalent	Purchases GMD	USD Equivalent	Sales GMD	USD Equivalent	Total in GMD	Total in USD
Jan-17	814.4	18.7	787.8	17.8	1,602.2	36.5
Feb-17	1,412.7	31.9	1,213.2	27.0	2,625.9	58.9
Mar-17	1,854.2	40.8	1,848.3	40.0	3,702.5	80.9
Apr-17	1,706.2	37.1	1,647.8	35.2	3,354.0	72.2
May-17	2,237.9	47.7	2,202.4	46.3	4,440.3	94.0
Jun-17	3,130.2	66.6	3,174.0	66.8	6,304.2	133.3
Jul-17	3,218.9	69.1	3,321.4	70.6	6,540.4	139.7
Aug-17	3,595.3	75.9	3,525.0	73.9	7,120.3	149.8
Sep-17	2,584.2	55.1	2,807.2	59.2	5,391.4	114.3
Oct-17	2,943.5	62.1	2,950.9	61.8	5,894.4	123.9
Nov-17	4,117.4	86.6	4,170.0	87.1	8,287.4	173.7
Dec-17	4,203.0	88.0	4,010.5	83.5	8,213.6	171.5
Jan-18	4,622.7	97.9	4,429.9	93.0	9,052.7	190.9
Feb-18	4,666.2	99.8	4,750.9	100.4	9,417.2	200.3
Mar-18	3,664.8	78.3	3,682.6	77.8	7,347.4	156.1
Apr-18	3,456.7	73.3	3,733.0	78.5	7,189.7	151.7
May-18	4,427.4	93.9	4,536.9	95.3	8,964.3	189.2
Jun-18	3,201.8	68.1	3,251.4	68.3	6,453.2	136.4
Jul-18	3,428.1	71.5	3,392.9	70.2	6,821.0	141.7
Aug-18	3,686.9	76.7	3,719.0	76.3	7,405.8	153.0
Sep-18	3,257.2	66.6	3,335.0	67.3	6,592.2	133.9
Oct-18	3,115.8	64.7	3,229.9	65.6	6,345.7	130.3
Nov-18	4,502.7	92.4	4,538.8	91.0	9,041.5	183.4
Dec-18	4,562.5	92.6	4,784.5	95.9	9,347.0	188.5
Jan-19	6,205.8	132.3	6,291.3	129.4	12,497.1	261.8
Feb-19	4,463.6	90.7	4,671.5	93.6	9,135.1	184.3
Mar-19	4,810.7	97.5	4,735.4	94.9	9,546.1	192.4
Apr-19	4,987.6	101.3	5,001.1	100.4	9,988.7	201.7
May-19	4,196.4	85.0	4,091.1	81.9	8,287.5	166.9
Jun-19	3,511.6	71.4	3,649.3	73.0	7,161.0	144.4
Jul-19	4,390.9	88.6	4,473.7	89.2	8,864.6	177.8
Aug-19	3,388.4	67.7	3,482.0	68.9	6,870.4	136.5
Sep-19	3,286.8	65.3	3,197.1	62.6	6,484.0	127.9
Oct-19	4,964.4	98.3	5,125.9	100.2	10,090.3	198.4
Nov-19	4,459.4	87.9	4,655.9	90.9	9,115.3	178.8
Dec-19	5,762.4	113.7	5,835.1	113.8	11,597.4	227.6
Jan-20	4,603.5	90.7	4,584.2	89.3	9,187.7	180.0
Feb-20	4,602.7	90.6	5,068.1	98.9	9,670.8	189.5
Mar-20	5,674.7	111.3	5,682.0	110.6	11,356.7	222.0
Apr-20	3,179.2	62.4	3,250.9	62.7	6,430.0	125.2
May-20	4,391.7	86.0	4,693.2	90.4	9,084.8	176.4
Jun-20	3,932.9	76.8	4,061.8	78.0	7,994.7	154.9
Jul-20	5,654.8	110.4	5,618.9	107.9	11,273.7	218.3
Aug-20	3,939.1	77.0	4,322.4	83.3	8,261.6	160.3
Sep-20	5,169.2	100.9	5,390.2	103.8	10,559.4	204.6
Oct-20	4,258.6	82.8	4,508.4	86.6	8,767.1	169.4
Nov-20	4,308.4	84.2	4,490.8	86.5	8,799.2	170.7
Dec-20	5,208.7	101.8	5,255.4	101.4	10,464.1	203.2

Source: CBG

Table 11(B): Monthly volume of transactions in the domestic foreign exchange market

Millions of GMD	Purchases		Sales		Total
	Banks	Bureaux	Banks	Bureaux	
Jan-17	658.6	155.8	618.6	169.1	1,602.2
Feb-17	1,103.0	309.6	861.7	351.5	2,625.9
Mar-17	1,437.9	416.3	1,426.2	422.0	3,702.5
Apr-17	1,375.9	330.3	1,343.5	304.3	3,354.0
May-17	1,906.8	309.5	1,898.5	301.4	4,416.2
Jun-17	2,737.0	393.2	2,765.8	408.2	6,304.2
Jul-17	2,737.7	481.3	2,799.8	521.6	6,540.4
Aug-17	2,811.2	784.1	2,689.1	835.9	7,120.3
Sep-17	2,045.8	538.4	2,198.8	608.4	5,391.4
Oct-17	2,284.5	659.0	2,158.8	792.1	5,894.4
Nov-17	3,004.7	1,112.7	2,945.3	1,224.7	8,287.4
Dec-17	3,352.1	851.0	3,187.2	823.3	8,213.6
Jan-18	3,804.5	818.2	3,478.7	951.3	9,052.7
Feb-18	3,721.8	944.5	3,734.2	1,016.7	9,417.2
Mar-18	3,142.4	522.4	3,099.8	582.9	7,347.4
Apr-18	2,761.6	695.1	2,916.6	816.4	7,189.7
May-18	3,763.3	664.0	3,763.3	773.6	8,964.3
Jun-18	2,576.1	625.7	2,561.5	689.9	6,453.2
Jul-18	2,646.7	781.4	2,552.0	840.9	6,821.0
Aug-18	2,828.2	858.6	2,850.9	868.1	7,405.8
Sep-18	2,489.7	767.4	2,503.9	831.1	6,592.2
Oct-18	2,395.0	720.8	2,529.2	700.7	6,345.7
Nov-18	3,424.3	1,078.3	3,403.1	1,135.7	9,041.5
Dec-18	3,344.2	1,218.3	3,499.0	1,285.5	9,347.0
Jan-19	4,659.9	1,545.9	4,676.0	1,615.3	12,497.1
Feb-19	3,344.0	1,119.6	3,535.3	1,136.2	9,135.1
Mar-19	4,021.6	789.1	3,742.2	993.2	9,546.1
Apr-19	3,700.6	1,287.0	3,840.7	1,160.4	9,988.7
May-19	3,119.6	1,076.8	3,276.7	814.4	8,287.5
Jun-19	2,804.7	706.9	2,968.1	681.3	7,161.0
Jul-19	3,428.0	962.9	3,497.9	975.8	8,864.6
Aug-19	2,757.4	631.0	2,694.3	787.7	6,870.4
Sep-19	2,367.7	919.2	2,393.4	803.7	6,484.0
Oct-19	3,733.0	1,231.4	3,877.1	1,248.8	10,090.3
Nov-19	3,498.0	961.4	3,719.0	936.9	9,115.3
Dec-19	4,403.4	1,359.0	4,564.7	1,270.4	11,597.4
Jan-20	3,674.6	928.9	3,625.5	958.7	9,187.7
Feb-20	3,434.4	1,168.3	3,990.1	1,078.0	9,670.8
Mar-20	4,470.0	1,204.7	4,433.6	1,248.4	11,356.7
Apr-20	2,645.0	534.2	2,630.2	620.6	6,430.0
May-20	3,708.8	682.9	3,550.1	1,143.0	9,084.8
Jun-20	3,203.9	729.0	3,241.7	820.1	7,994.7
Jul-20	4,647.6	1,007.2	4,432.4	1,186.5	11,273.7
Aug-20	3,390.7	548.4	3,530.9	791.6	8,261.6
Sep-20	4,452.7	716.5	4,448.2	942.0	10,559.4
Oct-20	3,724.1	534.5	3,787.9	720.5	8,767.1
Nov-20	3,811.9	496.4	3,738.8	752.0	8,799.2
Dec-20	4,671.4	537.4	4,640.4	615.0	10,464.1

Source: CBG

Table 12: National Consumer Price Index (January 2020=100)

Name os Series	Food and non-alcoholic beverages	Alcoholic beverages, tobacco and narcotics	Clothing & Footwear	Housing, Water, Electricity, Gas and Other Fuels	Furnishings, Household Equipment, etc	Health	Transport	Communications	Recreation and Culture	Newspapers, books and stationery	Education	Hotels, Cafes and Restuarants	Miscellaneous good and services	ALL ITEM INDEX	Year on Year inflation (12 month rate)
Weights (15/16	52.62	1.16	7.90	7.30	7.31	0.57	9.64	8.81	0.43	0.27	0.02	0.75	3.48	100	
Jan-17	82.2	101.0	81.4	84.1	85.5	98.5	93.0	61.9	84.3	92.7	98.0	79.8	74.3	82.5	8.8
Feb-17	82.6	101.1	81.7	84.5	85.6	99.0	93.5	61.9	84.5	92.7	98.0	80.2	75.6	82.9	8.8
Mar-17	82.9	101.4	82.1	84.9	85.7	99.0	93.7	61.9	84.5	92.7	98.0	80.6	76.3	83.2	8.7
Apr-17	83.4	101.4	82.5	85.2	85.8	99.0	93.8	61.9	84.5	92.7	98.0	81.3	76.9	83.6	8.7
May-17	83.8	101.4	83.0	86.0	86.3	99.0	94.1	61.9	85.0	92.7	98.0	81.9	77.0	84.1	8.4
Jun-17	84.3	101.4	83.7	86.3	86.8	99.4	94.4	61.9	85.0	93.3	98.1	82.1	78.1	84.6	8.4
Jul-17	84.7	101.7	83.9	86.5	87.0	99.4	94.7	62.0	85.2	93.3	98.1	82.4	78.5	84.9	8.8
Aug-17	85.1	101.7	84.8	86.9	87.7	99.6	94.9	62.0	90.1	94.5	98.1	82.7	79.1	85.4	7.3
Sep-17	85.6	101.8	85.2	87.1	87.9	99.7	94.5	62.1	90.1	94.5	98.1	82.8	79.6	85.8	7.6
Oct-17	85.9	101.9	85.6	87.6	88.8	99.8	94.4	62.1	91.9	96.7	98.2	83.1	79.8	86.2	7.4
Nov-17	86.1	102.0	85.8	87.9	88.8	100.1	94.4	62.1	91.9	96.7	98.2	83.3	81.2	86.5	6.9
Dec-17	86.7	102.1	86.4	88.1	89.5	100.2	94.9	62.1	93.7	99.0	98.2	83.9	82.5	87.2	6.9
Jan-18	87.3	102.2	87.1	88.7	89.8	100.9	95.4	62.1	93.8	99.1	98.5	84.4	84.6	87.8	6.4
Feb-18	87.7	102.2	87.9	89.4	90.0	100.9	95.4	62.1	93.8	99.1	98.5	84.8	85.2	88.2	6.4
Mar-18	88.2	102.2	88.6	89.8	90.4	101.0	95.5	62.1	93.9	99.1	98.7	85.5	85.6	88.7	6.5
Apr-18	88.7	102.5	88.7	90.2	91.1	101.2	96.0	62.1	94.4	99.7	98.9	85.9	86.3	89.2	6.6
May-18	89.1	102.7	89.3	91.0	91.4	101.3	96.4	62.1	94.5	99.7	99.0	86.6	86.7	89.5	6.5
Jun-18	89.6	103.2	89.7	91.3	91.5	101.3	96.6	62.1	95.4	100.8	99.0	87.4	87.3	90.0	6.5
Jul-18	90.1	103.3	90.3	91.7	91.6	101.6	97.0	62.1	95.4	100.8	99.0	89.0	87.9	90.5	6.6
Aug-18	90.7	103.3	91.2	92.1	92.1	101.6	97.0	62.1	95.6	101.1	99.0	89.5	89.0	91.1	6.7
Sep-18	91.0	103.5	91.5	92.4	92.4	101.7	97.6	62.1	95.8	101.1	99.0	90.2	89.4	91.4	6.6
Oct-18	91.4	103.6	92.0	92.9	93.0	101.8	98.2	62.1	96.1	101.5	99.0	90.9	90.2	91.9	6.5
Nov-18	91.7	103.6	92.5	93.2	93.5	101.8	98.6	62.1	96.2	101.5	99.0	90.9	90.7	92.2	6.6
Dec-18	92.3	103.6	93.3	93.8	93.7	102.1	98.7	62.1	97.0	102.5	99.0	91.8	91.9	92.8	6.4
Jan-19	92.7	103.7	94.0	94.5	94.0	102.1	98.5	62.1	97.1	102.5	99.0	92.3	92.2	93.1	6.1
Feb-19	93.2	104.1	94.6	94.7	94.4	102.2	98.8	62.1	97.7	103.3	99.0	92.8	92.5	93.7	6.2
Mar-19	93.7	104.1	95.4	94.9	94.9	102.3	99.0	62.1	97.8	103.3	99.0	93.5	93.3	94.1	6.1
Apr-19	94.2	104.7	96.2	95.6	95.6	102.4	99.2	99.5	98.6	104.4	99.2	94.2	93.7	95.3	6.9
May-19	95.1	105.2	96.9	95.8	96.0	102.5	99.4	99.5	98.9	104.5	99.2	94.7	94.2	96.2	7.5
Jun-19	95.6	105.5	97.0	96.4	96.2	102.7	99.3	99.7	99.1	104.7	99.3	95.3	94.8	96.6	7.3
Jul-19	96.1	105.9	97.4	96.5	96.4	102.8	99.4	99.7	99.3	104.7	99.3	96.2	95.6	97.1	7.3
Aug-19	96.9	106.3	98.2	97.4	96.6	102.8	99.5	99.7	99.3	104.7	99.6	96.8	96.4	97.8	7.4
Sep-19	97.5	106.4	98.5	97.8	96.8	103.1	99.6	99.8	99.4	104.7	99.9	97.4	97.2	98.3	7.6
Oct-19	98.1	106.6	98.8	98.3	97.0	103.2	99.7	99.8	99.5	104.8	100.0	98.0	97.7	98.8	7.5
Nov-19	98.6	106.9	99.1	98.8	97.2	103.4	99.8	99.9	99.7	104.9	100.0	98.7	98.3	99.3	7.7
Dec-19	99.3	107.3	99.7	99.4	97.6	103.6	99.9	100.0	100.0	105.1	100.0	99.4	99.1	99.9	7.7
Jan-20	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	7.4
Feb-20	98.8	105.1	103.7	100.2	101.0	104.8	101.1	100.4	96.4	99.0	100.0	102.1	116.2	101.0	7.8
Mar-20	100.8	99.5	99.5	100.2	99.6	102.6	101.9	96.7	95.8	97.9	100.0	99.0	115.9	101.2	7.6
Apr-20	100.6	101.1	99.1	90.1	101.8	102.6	102.6	97.3	92.8	96.7	100.0	99.5	115.9	100.7	5.6
May-20	101.0	106.8	101.7	99.7	102.2	102.7	98.0	97.3	94.2	99.6	100.0	99.5	115.9	101.4	5.4
Jun-20	101.0	107.3	102.1	100.0	101.8	102.8	99.6	97.3	95.2	100.8	100.0	99.7	116.0	101.6	5.1
Jul-20	101.1	107.8	101.7	100.4	102.4	103.0	99.7	97.5	95.5	101.4	100.0	107.8	116.0	101.8	4.8
Aug-20	103.7	106.5	102.0	100.1	101.8	103.1	101.4	95.5	96.2	101.4	100.0	107.7	116.0	103.1	5.4
Sep-20	103.7	109.5	102.9	100.5	101.4	103.2	102.2	96.8	96.5	101.4	100.0	107.4	116.4	103.4	5.2
Oct-20	104.5	109.7	102.4	101.1	104.2	103.3	102.6	95.7	96.7	101.4	100.0	108.9	124.1	104.3	5.5
Nov-20	105.0	111.2	102.4	101.2	104.6	103.6	105.0	96.2	97.9	102.5	185.4	109.0	126.8	105.0	5.8
Dec-20	106.1	110.3	103.5	101.3	104.7	103.6	105.0	95.4	98.1	102.7	185.4	109.6	126.8	105.6	5.7

Source: GBoS

Table 13(A): Gross domestic product at constant prices (base year = 2013)

Industry (in millions of Dalasi)	2014	2015	2016	2017	2018	2019
GDP market price	48,767.5	50,746.5	51,732.7	54,227.5	58,047.7	61,672.9
Agriculture, forestry & fishing	11,364.1	11,813.0	11,785.3	11,269.2	11,685.1	11,538.5
Crop	6,374.7	6,744.8	6,566.6	5,352.1	5,201.5	4,333.9
Livestock	2,406.9	2,015.1	1,954.4	1,741.5	1,643.6	1,616.1
Forestry & logging	544.1	550.0	461.8	408.0	333.7	252.7
Fishing & aquaculture	2,038.3	2,503.1	2,802.5	3,767.5	4,506.3	5,335.9
Industry	**6,446.8**	**7,904.5**	**9,423.8**	**9,089.5**	**9,273.8**	**10,599.3**
Mining & quarrying	272.3	252.5	231.9	243.2	279.4	342.2
Manufacturing	2,865.9	2,941.5	2,734.3	2,519.2	2,488.8	2,488.9
Electricity, gas, etc	484.5	533.6	572.3	529.9	601.0	742.4
Water supply, sewerage, etc.	384.2	401.5	435.2	424.9	426.4	460.2
Construction	2,439.9	3,775.5	5,450.1	5,372.3	5,478.2	6,565.8
Services	**27,638.0**	**27,570.8**	**26,997.3**	**30,164.9**	**33,113.9**	**35,362.5**
Wholesale & retail trade; repairs	15,795.9	15,846.5	14,984.6	17,533.5	19,687.0	20,349.6
Transport & storage	1,892.3	1,589.5	1,798.0	1,957.4	2,159.9	2,324.3
Accommodation & food services	837.1	729.3	880.7	871.0	1,033.8	1,208.9
Information & Communication	1,702.7	1,864.4	1,814.5	2,321.4	2,579.0	2,860.4
Financial & insurance activities	1,249.0	1,279.3	1,184.6	1,197.9	1,352.3	1,446.7
Real estate activities	1,238.8	1,251.2	1,253.1	1,286.3	1,323.6	1,354.6
Professional, scientific & tech. activities	108.2	106.5	118.2	99.9	93.7	92.6
Admin & support service activities	654.5	674.6	661.0	657.7	632.9	611.8
Public admin &defence; social security	1,503.5	1,531.3	1,360.7	1,293.0	1,325.3	1,718.4
Education	1,111.1	1,168.3	1,343.7	1,486.0	1,517.8	1,923.4
Human health & social work activities	360.8	328.8	370.0	338.0	355.7	455.9
Arts, entertainment & recreation	278.1	343.8	357.8	366.1	363.3	364.6
Other service activities	906.0	857.4	870.4	756.7	689.6	651.5
GDP basic price (Gross Value Added)	**45,448.9**	**47,288.3**	**48,206.4**	**50,523.5**	**54,072.8**	**57,500.4**
Taxes less subsidies on products	3,318.6	3,458.1	3,526.3	3,704.0	3,974.9	4,172.5
Percent change from the previous year						
GDP growth rate	-1.4%	4.1%	1.9%	4.8%	7.0%	6.2%
Agriculture	-12.4%	4.0%	-0.2%	-4.4%	3.7%	-1.3%
Industry	9.6%	22.6%	19.2%	-3.5%	2.0%	14.3%
Services	1.4%	-0.2%	-2.1%	11.7%	9.8%	6.8%

2019* Provisional data

Source: GBoS

Table 13(B): Gross domestic product at current prices (base year = 2013)

Industry (in millions of Dalasi)	2014	2015	2016	2017	2018	2019*
GDP market price	**51309.1**	**58581.1**	**64389.9**	**70142.2**	**80301.8**	91417.8
Agriculture, forestry & fishing	**11523.4**	**13010.2**	**14076.5**	**14731.2**	**15985.9**	19926.5
Crop	6233.5	6978.2	7130.3	6525.7	6565.3	5997.4
Livestock	2690.0	2695.7	2957.4	2936.9	2979.2	3134.6
Forestry & logging	572.3	576.8	581.3	585.8	590.3	594.9
Fishing & aquaculture	2027.6	2759.5	3407.6	4682.9	5851.1	10199.6
Industry	**6780.4**	**10042.8**	**13480.4**	**12550.4**	**13925.5**	**14437.6**
Mining & quarrying	262.0	245.7	238.9	324.1	369.8	459.8
Manufacturing	3341.1	3719.5	3597.0	3134.9	3423.3	3626.5
Electricity, gas, etc	482.9	595.3	638.8	584.6	1177.2	1527.4
Water supply, sewerage, etc	384.2	441.8	478.9	467.6	463.7	500.5
Construction	2310.1	5040.5	8526.9	8039.2	8491.5	8323.4
Services	**28958.2**	**30397.6**	**31421.0**	**37473.7**	**44023.8**	**49845.5**
Wholesale & retail trade; repairs	16664.0	17872.1	18169.2	22902.5	27340.2	30369.2
Transport & storage	2088.3	1847.3	2073.5	2295.5	2597.5	2884.5
Accommodation & food services	876.4	821.9	1074.6	1154.3	1434.7	1870.4
Information & Communication	1683.1	1858.9	1821.6	2320.4	2548.6	2836.1
Financial & insurance activities	1346.8	1269.8	1164.4	1417.1	2449.7	2754.0
Real estate activities	1149.4	1284.7	1337.2	1424.7	1504.9	1609.7
Professional, scientific & tech activities	112.4	115.7	135.9	122.1	121.3	115.1
Admin & support services	673.0	708.8	755.4	844.3	823.0	861.0
Public admin &defence; social security	1592.9	1732.9	1651.1	1695.0	1850.7	2570.3
Education	1109.6	1176.8	1364.6	1507.4	1540.2	1970.8
Human health & social work	440.7	421.9	486.3	448.8	477.0	623.5
Arts, entertainment & recreation	283.1	357.4	387.6	420.0	450.6	471.3
Other service activities	938.6	929.5	999.7	921.8	885.4	909.6
GDP basic price (Gross Value Added)	**47262.0**	**53450.6**	**58978.0**	**64755.3**	**73935.2**	**84209.6**
Taxes less subsidies on products	4047.1	5130.5	5412.0	5386.9	6366.7	7208.2
Memorandum items						
Population estimates	1,897,597	1,958,560	2,020,414	2,083,429	2,147,677	2,213,134
GDP per Capita (GMD)	27,039	29,910	31,870	33,667	37,390	41,307
GDP per Capita (USD)	651	704	727	722	756	813

2019* Provisional data

Source: GBoS

Table 14(A): Government Revenues (in millions of Dalasi)

	2015	2016	2017	2018	2019	2020
Revenue and grants	8,257.3	8,354.3	13,327.8	10,683.7	16,635.1	22,615
Domestic Revenue	7,535.0	7,646.7	7,723.2	8,779.9	11,801.5	13,444
Tax Revenue	6,827.3	7,014.4	7,099.3	8,103.5	9,954.4	10,323
Direct Tax	1,719.9	1,811.8	1,932.3	2,013.3	2,624.8	2,803
Personal	730.3	758.3	770.8	785.5	962.5	943
Corporate	857.0	944.8	994.5	1,069.2	1,507.4	1,713
Capital Gains	63.7	44.5	67.7	66.0	103.3	104
Payroll	43.9	42.9	53.6	43.5	51.4	43
Other	25.0	21.3	45.7	49.2	0.3	-
Indirect Tax	5,107.4	5,202.6	5,167.0	6,090.2	7,329.6	7,520
Tax on goods & services	1,634.0	1,700.0	1,702.9	2,123.7	2,585.2	2,454
Stamp Duties	96.7	33.3	42.0	52.9	52.5	53
Excise Duties	627.1	732.9	716.9	851.5	1,094.5	923
Domestic Sales Tax	1.4	0.0	471.4	587.8	0.0	0.0
Value Added Tax	819.2	893.8	880.2	1,147.2	1,369.3	1,425
Other taxes on production	89.6	40.0	63.7	72.2	68.8	52
Tax on International Trade	3,473.4	3,502.6	3,464.1	3,966.5	4,744.4	5,066
Duty	2,127.6	2,125.9	1,980.5	2,092.2	2,497.3	2,585
Sales tax on imports	1,345.7	1,376.7	1,483.6	1,874.3	2,247.1	2,481
Nontax Revenue	707.7	632.3	623.9	676.4	1,847.1	3,121
Grants	722.3	707.6	5,604.7	1,903.8	4,833.6	9,171.0

Source: MoFEA

Table 14(B): Government Revenues (in millions of Dalasi)

	2015	2016	2017	2018	2019	2020
Expenditure and Net Lending	10,770.4	12,472.6	16,995.3	14,618.2	19,320.3	26,800
Current expenditure	8,396.2	9,860.4	9,786.0	10,381.5	12,840.6	16,197
Personnel emoluments	2,037.8	2,100.3	2,234.5	2,818.8	3,954.9	4,049
Other charges	3,560.5	4,498.9	4,170.8	5,086.0	6,042.8	9,181
O/w: Goods and services	2,066.0	2,746.7	2,372.1	2,931.1	3,374.8	4,717
Subsidies and transfers	1,494.5	1,752.2	1,798.8	2,155.0	2,667.9	4,464
Interest payments	2,798.0	3,261.3	3,380.6	2,476.6	2,842.9	2,966.89
External	369.7	456.0	241.2	419.5	370.5	548
Domestic	2,428.3	2,805.3	3,139.4	2,057.1	2,472.4	2,419
Capital expenditure	2,374.1	2,588.7	7,194.3	4,199.1	6,479.8	10,603
Externally financed	1,698.7	1,954.0	6,403.0	3,493.5	5,500.3	8,841
Loans	976.4	1,246.4	3,808.0	2,235.3	3,457.0	3,287
Grants	722.3	707.6	2,595.0	1,258.2	2,043.3	5,554
Glf capital	675.5	634.7	791.3	705.6	979.5	1,763
Net lending	0.0	23.5	15.0	37.6	0.0	0

Source: MoFEA

Table 14C: Fiscal deficit (in millions of Dalasi)

	2015	2016	2017	2018	2019	2020
Overall balance (commitment basis)						
Excluding grants	-3,235.4	-4,846.2	-9,272.2	-5,838.3	-7,518.8	-13,356.02
Including grants	-2,513.1	-4,141.8	-3,667.5	-3,934.5	-2,685.2	-4,185.01
Basic balance	-1,536.7	-2,895.4	-2,869.2	-2,344.8	-2,018.6	-4,515.31
Basic Primary Balance	1,261.3	-365.8	511.4	131.8	824.4	-1,548.42
Statistical Discrepancy	-1,733.8	-8,281.8	-7,252.1	-9,026.8	280.8	0
Financing	4,246.9	4,139.9	3,584.6	5,092.3	2,404.4	3716.43
External (net)	18.7	471.4	5,045.3	2,900.7	2,305.1	2097.25
Borrowing	976.4	1,246.4	6,044.0	2,235.3	3,457.0	3286.69
Project	976.4	1,246.4	3,808.0	2,235.3	3,457.0	3286.69
Amortization	-957.6	-775.0	-998.7	665.4	-1,151.8	-1189.44
Domestic	4,228.2	3,668.6	-1,460.8	2,191.6	99.3	1619.18
Borrowing	4,313.8	4,175.7	-1,116.1	3,038.4	1,179.7	2217.50
Bank	3,671.7	3,687.9	-1,071.3	2,053.1	1,308.9	2780.49
Nonbank	642.1	487.8	-44.8	985.3	-129.1	-562.99
Change in Arrears (- decrease)	-85.6	-507.2	-344.6	-846.8	-1,080.4	-598.32

Source: MoFEA

Table 15: Air-chartered tourist arrivals

	2014	2015	2016	2017	2018	2019	2020
January	26,114	14,460	21,789	13,399	28305	30176	31,142
February	22,919	12,972	19,991	17,659	24416	26752	28,862
March	21,308	12,412	17,787	16,339	23326	25796	13,343
April	13,984	9,235	11,923	11,110	12968	17540	0
May	7,516	6,455	7,032	7,733	7501	11668	40
June	6,499	6,329	6,510	7,263	8432	11399	153
July	7,516	7,046	7,323	8,660	8981	13328	640
August	8,893	6,634	6,650	8,163	9230	13274	360
September	8,477	7,704	8,431	9,244	8479	11439	984
October	13,926	9,681	10,837	11,385	13309	16586	1,561
November	20,301	18,982	19,305	22,807	27153	25543	4,456
December	15527	22,650	23,549	28,313	31370	32209	7,691
Total	**172,980**	**134,560**	**161,127**	**162,075**	**203,470**	**235,710**	**89,232**

Source: Gambia Tourism Board

Table 16: Balance of Payments (in millions of USD)

	2015	2016	2017	2018	2019	2020
Current account	-53.8	-76.1	-95.2	-135.0	-38.8	-90.3
Goods and services	-184.4	-185.2	-282.5	-329.1	-279.8	-516.8
Goods	-226.9	-219.3	-330.6	-421.4	-378.0	-511.8
Exports	107.5	91.2	139.4	157.7	154.5	70.1
o/w: Re-exports	69.8	62.7	109.7	135.1	124.3	55.9
Imports (f.o.b.)	334.4	310.5	470.0	579.1	532.5	581.8
Services	42.5	34.1	48.1	92.2	98.2	-5.0
Exports	107.1	96.2	138.7	204.8	205.7	105.6
Imports	64.6	62.1	90.7	112.6	107.6	110.6
Income	-24.8	-27.8	-30.2	-18.8	-17.6	-28.5
Compensation of employees	-9.8	-8.9	-11.5	-1.0	-1.7	-2.0
Investment income	-15.0	-18.8	-18.7	-17.8	-15.9	-26.6
Current transfers	155.4	136.8	217.5	213.0	258.6	455.0
o/w: Workers' remittances	143.3	136.8	153.5	194.1	258.6	400.1
Capital account	19.3	18.5	55.7	55.9	69.4	95.2
o/w: debt forgiveness	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-93.1	-92.4	-64.0	-60.8	-6.3	-117.7
Direct investment	-73.4	-71.5	-64.5	-84.8	-76.4	-193.1
Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	39.7	21.1	-73.3	3.2	-2.0	-56.8
Errors and omissions	-57.8	-35.1	-17.9	18.9	-38.2	-122.5
Overall balance	-127.5	-150.1	-103.5	-139.9	24.2	-112.8
Change in reserve assets	-58.5	-42.4	80.3	21.4	70.7	132.2

Source: CBG

3.2 GHANA

3.2.1 Overview

Prior to the onset of COVID-19, the Ghanaian economy had successfully implemented a sound macroeconomic framework with fiscal consolidation and prudent monetary and exchange rate policies, which yielded positive outcomes. By end-2019, headline inflation had declined to within the medium-term target band of 8±2 percent, the exchange rate was relatively stable, the current account had improved significantly, the fiscal imbalances were broadly contained, and the Bank of Ghana had built strong foreign exchange reserve buffers. Based on these, the 2020 outlook for the Ghanaian economy was positive with prospects of further consolidating these macroeconomic gains, then COVID-19 set in and disrupted the process.

The COVID-19 pandemic presented a combined demand and supply shock to the Ghanaian economy, which required close coordination and implementation of monetary, fiscal, and macroprudential policies to limit its impact on the broader economy. Among others, the government implemented a COVID-preparedness and response plan which included a waiver of personal income tax and additional fifty percent basic salary allowance to healthcare workers, subsidised utility fees, and provided a GH¢750 million loan facility for Micro, Small and Medium Enterprises (MSMEs). To complement these measures, the Bank of Ghana lowered the policy rate by 150 basis points in March 2020 and announced several other measures to ensure adequate liquidity within the financial sector to support growth. Amid limited financing options, the Bank purchased a GH¢10 billion Government of Ghana COVID-19 Relief bond to help the Government close the widened financing gap due to the pandemic effects on revenue mobilisation, alongside increased spending on critical sectors of the economy.

The pandemic adversely impacted the domestic economy, resulting in a significant growth downturn and higher inflation, especially in the second and third quarters. The COVID-related pressures also derailed Ghana's fiscal consolidation path. There were significant revenue shortfalls on the back of the economic slowdown and a sharp drop in oil revenues, alongside increased spending on critical sectors of the economy to moderate pandemic effects.

On the external sector, commodity price movements, especially the COVID-induced lower crude oil prices, moderated export receipts, which alongside import contraction, resulted in a lower trade surplus in 2020. The current account deficit widened slightly due to the lower trade surplus and higher service outflows, which was moderated by strong remittance inflows and lower net investment income outflows. With a marginal decline in the capital and financial accounts, the overall balance recorded a surplus, enhancing reserve buildup over the year.

1. The macroeconomic targets as indicated in the 2020 Budget were as follows:

Overall Real GDP growth of at least 6.8 percent, non-Oil Real GDP growth of at least 6.7 percent, end-period inflation of 8.0 percent, and Fiscal deficit of 4.7 percent of GDP.

With the onset of the COVID-19 pandemic, the Government revised these initial macroeconomic targets to reflect a more realistic macroeconomic framework, given the implications of the pandemic on the economy. The initial targets were revised to the following:

- Real non-oil GDP growth of 0.9 percent,
- Real overall GDP growth including oil of 1.6 percent,
- End period inflation of 11.1 percent, and
- Overall budget deficit equivalent to 10.9 percent of GDP.

3.2.2 Real Sector Developments

Provisional estimates from the Ghana Statistical Service (GSS) indicated a strong growth of 6.8 percent in the first quarter of 2020. This was followed by 5.9 percent contraction in the second quarter due to the slump in economic activity as a result of COVID-19 restrictions. However, with strong policy support and the gradual lifting of restrictions, signs of recovery emerged in the in the second of 2020. On a year-on-year basis, Real GDP growth for 2020 was estimated at 0.4 percent as against a growth of 6.5 percent in 2019. Non-oil GDP grew by 1.3 percent, down from 5.6 percent in 2019. In terms of sectors, Agriculture recorded 7.4 percent annual growth, Services with a modest growth of 1.5 percent, and Industry contracted by 3.6 percent due to the adverse effects of the pandemic.

3.2.3 Inflation

Price developments in 2020 were broadly driven by COVID-related factors with volatile food prices and relatively stable non-food inflation. Headline inflation rose sharply from 7.9 percent in December 2019 to 11.4 percent in July 2020. The upward trend was mainly due to panic-buying episodes preceding the COVID-19 partial lockdown measures, which exerted significant pressures on food prices. However, with the gradual lifting of restrictions, the food price pressures eased, and headline inflation gradually declined to 10.4 percent at end-December 2020. Food inflation rose to 14.1 percent in December 2020, significantly above the 7.2 percent recorded in December 2019. Non-food inflation declined to 7.7 percent, from 8.5 percent over the same comparative periods.

Underlying inflation pressures edged up marginally, alongside the uptick in headline inflation. As a result, the Bank of Ghana's core inflation measure, which excludes energy and utility prices, remained above the headline inflation.

3.2.4 Monetary Aggregates and Credit Developments

Monetary policy was eased by 150 basis points to 14.5 percent and, together with macroprudential measures such as reduction in the primary reserve requirement and the capital conservation buffer, helped to improve liquidity conditions. Money aggregates expanded significantly in 2020, reflecting the fiscal stimulus and complementary monetary policy measures taken to support efforts to moderate the impact of the COVID-19 pandemic.

The annual growth of broad money supply (M2+) increased significantly by 29.6 percent in December 2020 compared with 21.7 percent growth in the same period of 2019. In terms of contributions to the M2+ growth, Net Domestic Assets (NDA) of the banking sytem accounted for 32.5 percent while the Net Foreign Assets (NFA) accounted for negative 1.2 percent. On annual basis, NDA expanded by 42.2 percent in December 2020 compared with 15.0 percent, same period in 2019. In contrast, the NFA contracted by 12.6 percent compared to an expansion of 51.7 percent, over the same comparative periods. The significant growth in NDA was driven by Net Claims on Government (NCG), partly reflecting the fiscal financing of Government's measures to moderate the impact of the COVID-19 pandemic.

Annual growth in Reserve Money (RM) decreased to 25.0 percent in December 2020 from 34.4 percent in the corresponding period of 2019. The growth in RM was driven by the NDA of Bank of Ghana, reinforced by considerable increase in the Net Claims on Government. In contrast, NFA contracted significantly over the review period, to moderate growth in Reserve Money.

The pace of expansion in credit to the private sector moderated in 2020 to 10.6 percent annual growth, compared with a growth of 18.0 percent in 2019. Credit to the private sector remained concentrated in five sub-sectors including services; commerce and finance; electricity, gas and water; construction; and transport, storage, and communication.

3.2.5 Money Market Developments

Developments in the money market indicated downward trends in interest rates for short-dated instruments and mixed trends for medium to long-dated instruments. The 91-day and 182-day Treasury bill rates declined to 14.08 percent and 14.13 percent, respectively, in December 2020, from 14.69 percent and 15.15 in December 2019. Similarly, the rate on the 364-day instrument decreased to 16.98 percent from 17.88 percent over the same comparative periods.

Rates on the secondary bond market broadly declined except rates on the 5-year and 7-year bonds, which increased by 35 bps and 425 bps, respectively, to 19.85 percent and 20.50 percent. Yields on the 2-year, 3-year and 6-year bonds decreased by 245 bps, 45 bps and 150 bps, respectively, to 18.50 percent, 19.25 percent, and 19.50 percent. Rates on the 10-year, 15-year and 20-year bond however remained unchanged at 19.80 percent, 19.75 percent, and 20.20 percent, respectively, over the same comparative periods.

The weighted average interbank rate declined to 13.56 percent from 15.20 percent, reflecting the reduction in the monetary policy rate in March 2020, improved liquidity conditions on the market and increased trading among banks. Consistent with these developments, average lending rates of banks declined marginally to 21.10 percent in December 2020, from 23.59 percent recorded in the corresponding period of 2019.

3.2.6 Fiscal Developments

On the budget execution, provisional data from the Ministry of Finance indicated an overall broad cash budget deficit of 11.7 percent of GDP in 2020, against the revised target of 11.4 percent of GDP. The primary balance also recorded a deficit of 5.3 percent of GDP compared to the revised target deficit of 4.6 percent of GDP. Over the review period, total revenue and grants amounted to GH¢55.1 billion (14.3 percent of GDP), marginally higher than the revised target of GH¢53.7 billion (13.9 percent of GDP). Total expenditures and arrears clearance amounted to GH¢100.1 billion (26.1 percent of GDP) against the revised target of GH¢97.7 billion (25.4 percent of GDP).

The high deficit pushed the stock of public debt to 76.1 percent of GDP (GH¢291.6 billion) at the end of December 2020 compared with 62.4 percent of GDP (GH¢218.2 billion) at the end of December 2019. Of the total debt stock, domestic debt amounted to GH¢149.8 billion (39.1 percent of GDP), while the external debt was GH¢141.8 billion (37 percent of GDP).

3.2.7 External Sector Developments

The average prices of Ghana's major commodity exports traded mixed in 2020, influenced by COVID-related global market conditions. Crude oil prices declined by 22.9 percent year-on-year in December 2020, driven mainly by weak demand following the global COVID-related restrictions. Crude oil prices averaged US$50.2 per barrel in 2020 compared with US$65.2 per barrel a year ago. In contrast, gold prices went up by 25.4 percent to an average of US$1,857.2 per fine ounce, strongly supported by accommodative monetary policy, increased uncertainty, and the global economic slowdown due to the pandemic. Cocoa prices averaged US$2,581.3 per tonne in December 2020, up by 2.5 percent on a year-on-year basis.

These commodity price developments impacted on the trade balance. Total exports contracted by 7.8 percent year on-year to US$14.5 billion in 2020, driven mainly by a significant decline of US$1.6 billion in crude oil export receipts underpinned by low prices. Gold and cocoa export earnings on the other hand, went up by 9.1 percent and 2.1 percent, respectively, due to favourable prices and production volumes. Total imports went down by US$974 million to US$12.4 billion, due to significant declines in both oil and non-oil imports. Consequently, the trade balance recorded a lower surplus of US$2.0 billion (3.0 percent of GDP) in 2020 compared with US$2.3 billion (3.4 percent of GDP) in 2019.

The current account recorded a deficit of US$2.1 billion (3.0 percent of GDP) in 2020 compared with a deficit of US$1.9 billion (2.8 percent of GDP) in 2019 due to a lower trade surplus and higher services outflows. The capital and financial account recorded a lower surplus of US$2.9 billion compared with US$3.1 billion a year earlier. These developments resulted in an overall balance of payments surplus of US$368 million in 2020, compared with a surplus of US$1.3 billion in 2019.

Gross International Reserves at the end of December 2020 was US$8.6 billion, providing cover for 4.1 months of imports of goods and services. The reserve level compares with the end-December 2019 position of US$8.4 billion, equivalent to 4.0 months of import cover.

3.2.8 Exchange Rate Developments

The exchange rate remained relatively stable in 2020 due to the sound macroeconomic fundamentals achieved prior to 2020 and increased inflows, which provided reasonable anchor for the cedi. The increased inflows stemmed from the significant build-up of reserves of about US$1 billion at end-December 2019, the Eurobond inflow of US$3 billion in the first quarter of 2020, the US$1 billion IMF Rapid Credit Facility, high remittance inflows despite the pandemic, and reduction in net investment income outflows. These provided some support for the local currency and, cumulatively, the Ghana Cedi depreciated at a much slower rate of 3.9 percent against the US Dollar in 2020, compared with a depreciation of 12.9 percent in 2019. The Ghana Cedi also depreciated by 7.1 percent against the Pound and 12.1 percent against the Euro in 2020, compared with 15.7 percent and 11.2 percent over the same comparative period in 2019.

3.3.1 Real Sector and Price Developments

Real Gross Domestic Product (RGDP) in the Liberian economy contracted by an estimated 3.0 percent in 2020, from negative 2.5 percent recorded in 2019, mainly on account of activity in the tertiary sector. Despite the marginal growth in the primary sector, persistent weakening of the tertiary sector was the major growth impediment.

The primary sector (agriculture & fisheries, forestry, and mining & panning) grew by an estimated 4.8 percent from 3.2 percent in 2019, mainly on account of expansions in the agriculture & fisheries and forestry subsectors. Estimated output in the secondary sector (manufacturing) remained unchanged with the decline in beverage output offsetting the marginal increase in cement production. Activity in the tertiary sector was estimated to contract by 12.7 percent in 2020, from negative 7.5 percent in 2019 on account of contractions in transportation, trade & hotel, and construction subsectors.

In terms of outlook for 2021, the economy is projected to recover at a growth rate of 3.2 percent on account of developments in all major sectors of the economy, especially the mining & panning, manufacturing, and services subsectors. It is, however, important to note that growth in the agriculture and fisheries subsector is expected to moderate to 3.4 percent in 2021. Possible downsides to the prospect for 2021 are slow recovery in the global prices of the country's key commodities, slow pace of effort to ease liquidity pressure, and resurgence of the global COVID-19 pandemic.

Table 1: Sectoral Origin of Growth (GDP at 2018 Constant Prices) (2018-2021)

	2018	2019	2020**	2021**
Agriculture & Fisheries	882.1	902.0	960.0	993.1
Forestry	295.0	272.9	285.3	291.0
Mining & Panning	401.6	454.7	462.3	471.0
Manufacturing	208.0	186.1	186.1	192.3
Services	1,477.5	1,366.3	1,193.3	1,239.2
Real GDP	3,264.2	3,182.1	3,086.9	3,186.6

Source: Liberian Authorities & IMF staff estimates. All figures are expressed in millions of U.S. dollars.
*** Projection*

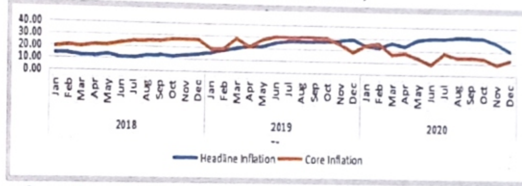
Inflation in the Liberian economy moderated in 2020. Average headline inflation moderated to 17.4 percent from 26.9 percent in 2019, while end-of-year inflation also eased to 13.1 percent from 20.3 percent in December 2019. The easing of inflationary pressure was largely induced by the CBL's monetary policy stance coupled with broad stability of exchange rate, favorable global oil price and constrained demand.

Chart 1: Year-on-Year Rates of Inflation (December, 2005=100) (2018-2020)

Source: Central Bank of Liberia

Core inflation, the underlying inflation excluding food and transport, moderated to 12.5 percent in 2020 from 17.9 percent in 2019. The downward trend in core inflation was underpinned by weak demand and relative exchange rate stability, especially in the second half of the year.

Chart 2: Headline and Core Inflation (In Percent) (2018-2020)



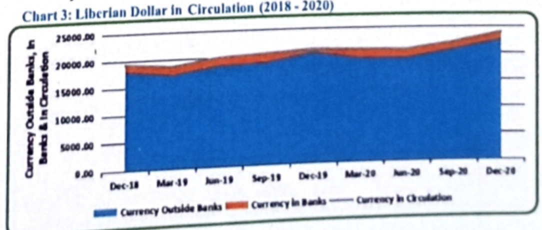
Source: Central Bank of Liberia

3.3.2 Monetary Developments

3.3.2.1 Monetary Aggregates

The stock of Liberian dollars in circulation at end-December 2020 stood at L$23,902.53 million, reflecting a growth of 13.2 percent, from L$21,120.80 million recorded at end-December 2019. This expansion was primarily induced by 10.0 percent growth in currency outside banks (CoB), which accounted for 94.5 percent of currency in circulation, from 97.2 percent reported as at end-December 2019. The high level of currency outside banks was partly occasioned by macroeconomic uncertainty mainly exacerbated by the global pandemic.

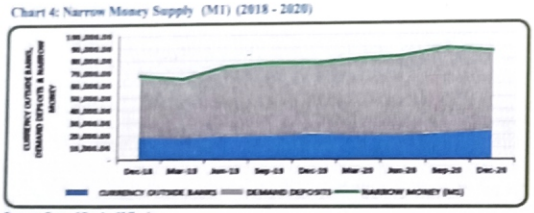
Chart 3: Liberian Dollar in Circulation (2018 - 2020)



Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars.

At end-December 2020, narrow money supply (M1) stood at L$85,918.32 million, an increase of 11.6 percent, from L$77,006.70 million reported at end-December 2019. The growth in narrow money was influenced by 10.0 percent and 12.1 percent increases in CoB and demand deposits, respectively. Quasi money contracted by 6.0 percent to L$41,378.54 million driven mainly by 71.6 percent and 3.3 percent decreases in other deposits as well as time & savings deposits, respectively.

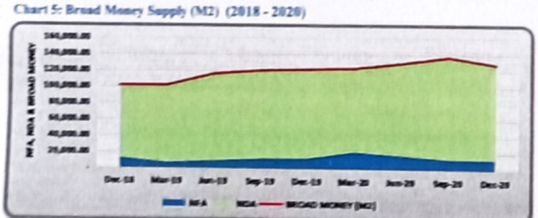
Chart 4: Narrow Money Supply (M1) (2018 - 2020)



Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars

At end-December 2020, broad money supply (M2) expanded by 5.2 percent to L$127,296.86 million, from L$121,006.34 million recorded at end-December 2019, mainly on account of 6.3 percent rise in net domestic assets (NDA), which offset the 4.1 percent slowdown in net foreign assets (NFA).

Chart 5: Broad Money Supply (M2) (2018 - 2020)



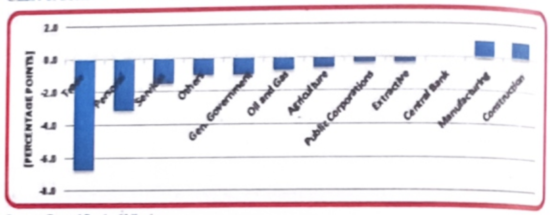
Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars.

Reserve money, at end-2020, grew by 5.8 percent to L$42,927.49 million, mainly due to growths in CoB and commercial banks' cash reserves at the CBL. The US dollar component of broad money at end-2020 accounted for 67.3 percent (L$85,669.97 million), from 68.0 percent (L$82,317.14 million) recorded at end-December 2019. However, the Liberian dollar share of broad money constituted 32.7 percent, compared to 32.0 percent recorded in 2019, reflecting marginal drive towards the de-dollarization of the Liberian economy.

3.3.2.2 Commercial Banks' Credits to the Economy

Commercial banks' credits to the various subsectors of the economy at end-December 2020 amounted to L$72,274.9 million, indicating 13.4 percent contraction against the amount reported at end-December 2019. The key subsectors accounting for the contraction were trade (6.7 percentage points), individuals (3.1 percentage points), services (1.5 percentage point), and oil & gas (0.8 percentage point) (Chart 6).

Chart 6: Sectoral Contribution to Credit Growth (As at end-December 2020)



Source: Central Bank of Liberia

The reduction in sectoral credits was largely driven by the slow pace of economic activity, primarily on the back of the global health crisis (COVID-19). Moreover, the magnitude of the decrease in credits was also explained by the appreciation of the domestic currency, especially during the fourth quarter of 2020. Credit to the private sector as percent of GDP decreased to 12.3 percent, from 14.1 percent of GDP in 2019, which adversely impacted contribution of the financial subsector to economic activity. Private sector's share of total credits at end-2020 accounted for 96.3 percent of the total credit stock.

3.3.2.3 Banking Sector Developments

At end-December 2020, the banking sector showed general decline in banks' balance sheet indicators (except deposits) in comparison to end-December 2019. Total assets reduced by 2.7 percent to L$194.61 billion from L$199.95 billion, total loans and advances reduced by 13.4 percent to L$72.27 billion from L$83.41 billion and total capital reduced by 2.0 percent to L$29.32 billion from L$29.90 billion, while deposits rose by 3.5 percent to L$114.37 billion from L$110.46 billion. Additionally, the consolidated statement of comprehensive income of the banking sector at end-December 2020 showed a net income of L$2.01 billion. Compared with the corresponding year, net income declined by 50.0 percent.

The total reported capital for the sector, on average, was US$29.32 million, exceeding the minimum requirement of US$10.0 million and representing a decrease of 1.97 percent compared to the average capital for 2019. The industry's Capital Adequacy Ratio (CAR) stood at 31.5 percent, 21.5 percent above the minimum ratio of 10.0 percent and 4.1 percentage points above the CAR reported in 2019. The industry's liquidity ratio as at end-December 2020 stood at 36.8 percent, exceeding the minimum liquidity ratio of 15.0 percent.

Total loans and advances at end-December 2020 stood at L$72.27 billion, representing a decline of 13.35 percent compared with the level recorded at end-December 2019. The credit portfolio of the banking sector was diversified, as no single sector accounted for more than 50.0 percent of the total loans. The trade subsector accounted for 32.4 percent of the total industry's credit. As at end-December 2020, the aggregate NPLs and advances stood at L$15.58 billion (21.17% of gross loans), representing an increase by 4.0 percent compared with the corresponding period in 2019. In terms of concentration, trade represented the highest, 39.4 percent, reflecting an increase of 13.3 percentage points compared with the corresponding period in 2019.

In 2020, nine (9) of the fifteen (15) counties had at least one bank branch. Total number of bank branches, including annexes and windows, decreased to 85 from 86 reported in 2019. Also, the number of Rural Community Finance Institutions (RCFI) remained at twelve (12) in 2020 with presence in eight (8) of the fifteen (15) counties. All the RCFIs were largely involved in the provision of salary-based credits and payments of civil servants' salaries across the country as well as money transfer services, including remittance and mobile money services.

3.3.3 Insurance Sector Developments

The insurance industry recorded a slowdown in the growth of key balance sheet indicators during the review period compared with end-December 2019. In terms of assets, the sector recorded reduction of 4.8 percent. Both liability and gross premium decreased by 5.6 percent and 33.7 percent respectively during the year. In contrast, investment increased by 13.8 percent. Profitability was a major challenge in the sector, as claims of insurance companies increased to 8.3 percent over the period, resulting to net losses in several companies.

3.3.4 Fiscal Sector Developments

Despite the economic challenges exacerbated by the COVID-19 pandemic in the domestic economy, preliminary statistics on Government's fiscal operations showed strong performance in fiscal outturn in 2020 with a surplus of US$119.7 million (3.9 percent of GDP), mainly due to upswing in overall revenue. Total revenue (including grants) increased by 49.5 percent to US$650.3 million (21.2 percent of GDP). Similarly, total expenditure expanded by 42.9 percent to US$530.6 million (17.3 percent of GDP) due to activities in recurrent expenditure, especially compensation of employees and interest payments on loans and other charges. The stock of debt, which accounted for the legacy component, amounted to 52.1 percent of GDP at end-December 2020 and remained within the ECOWAS threshold of 70 percent of GDP.

3.3.5 External Sector Developments

Exchange Rate Developments

The Liberian dollar appreciated against the US dollar in 2020, explained mainly by weak demand, increased foreign exchange inflows and tight monetary policy stance. In terms of annual average exchange rate, the Liberian dollar appreciated by 4.5 percent in 2020 to L$191.52/US$1, from L$199.78/US$1 in 2019. Similarly, the end-of-period exchange rate (EOP) at end-2020 recorded a relatively higher appreciation of 14.4 percent of the Liberian dollar to L$164.22/US$1, compared to L$178.93/US$1 reported in 2019.

3.3.6 Balance of Payments

Preliminary statistics showed that Liberia's overall balance of payments recorded a deficit of US$79.0 million (2.6 percent of GDP), indicating a rise in reserve assets largely attributed to increased foreign currency holdings of banks. The net borrowing from the current and capital accounts improved to US$221.3 million from a deficit of US$408.3 million in 2019, largely due to increases in exports earnings and grants from development partners. Net borrowing from the financial account lowered during the year as a result of considerable increase in reserve assets, offsetting the rise in net liabilities of other investment.

3.3.6.1 Current Account

The current account balance showed improvement in the deficit to US$545.1 million (17.8 percent of GDP), from deficit of US$680.8 million (21.4 percent of GDP) in 2019, due to developments in trade balance, primary income (net) and secondary income (net).

3.3.6.2 Merchandise Trade Balance

Total merchandise trade expanded by 8.5 percent to US$1,709.9 million (55.8 percent of GDP) in 2020, from US$1,576.2 million (49.6 percent of GDP) in 2019. The upturn was induced largely by increases in both earnings from exports and payments for imports (including insurances and freights).

3.3.6.3 Merchandise Exports

Export earnings rose by 11.9 percent to US$607.7 million (19.8 percent of GDP) in 2020, from US$542.9 million (17.1 percent of GDP) reported a year ago, occasioned by increases in receipts from key export commodities, mainly gold and iron ore. Receipts from gold increased by 18.3 percent to US$194.4 million, from US$164.3 million in the preceding year. Receipts from iron ore exports rose by 23.2 percent to US$289.0 million, from US$234.6 million recorded in 2019. However, earnings from rubber, which constituted 13.5 percent of total export earnings, declined by 3.9 percent.

3.3.7 Destination of Exports

In 2020, Europe (mainly Switzerland), Asia (mainly China) and North America (mainly the United States of America) were the top destinations of Liberia's exports. Gold and rubber were the main commodities exported to Switzerland and USA, respectively, while iron ore was the key commodity shipped to China and rubber to the United States. On the overall, Europe accounted for 77.3 percent of total export earnings, while Asia and North America accounted for 10.8 percent and 7.1 percent, respectively.

3.3.7.1 Merchandise Imports

Import payments increased by 6.9 percent to US$998.0 million (32.5 percent of GDP) in 2020, from US$933.8 million (29.4 percent of GDP) in the previous year. The rise in import payments was mainly on account of increase in payments for minerals, fuel & lubricant commodity group, predominantly petroleum products that rose by 30.3 percent to US$189.2 million, from US$145.2 million in 2019.

3.3.7.2. Sources of Imports

Asia (mainly China & India), Africa (mainly Cote d'Ivoire) and Europe were the top three sources of imports. Imports from Africa (predominantly petroleum products from Cote d' Ivoire) increased by 30.7 percent, while imports from Europe rose by 8.6 percent. Imports from Asia marginally declined by 1.0 percent.

3.4 NIGERIA

3.4.1 Overview

With 2020 marking the end of the medium term Economic Recovery and Growth Plan (ERGP) (2017 – 2020). Accordingly, Federal Government expectations heightened for an optimistic growth outlook, the macroeconomic policy thrust for the year was designed to consolidate and sustain, the modest gains of the 2.7 per cent growth recorded in the previous year. The federal government's auspicious plans were, however, disrupted by the emergence and socio-economic effects of the COVID-19 pandemic which adversely impacted the global and domestic economic environment. Consequently, the lockdown measures adopted by the Government to contain the disease, affected virtually all aspects of the Nigerian economy. Moreover, weak oil prices and the ensuing supply glut significantly reduced, the federal government's foreign exchange earnings. As a result, the budget was revised. The continued fall in aggregate demand on account of the lengthy lockdown measures, coupled with the pressure on the foreign exchange market and heightened inflationary pressures pushed the economy into recession in the second quarter of the year. Nevertheless, both the Federal Government and state governments implemented robust policy responses including food assistance and cash transfers to mitigate the social and economic effects of the pandemic.

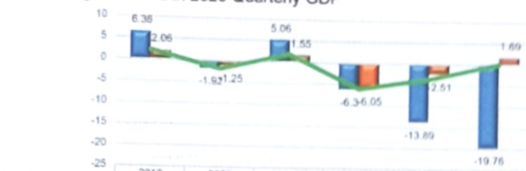
3.4.2 Sectorial Developments

3.4.2.1 Domestic Output

The real annual gross domestic product (GDP) for 2020 contracted by 1.92 per cent compared to 2.27 per cent in 2019. The contraction in the year-on-year

growth in the real GDP was primarily attributed to the decline of 0.78 and 1.25 per cent in the oil and non-oil sectors in 2020. The weak performance in these sectors was largely attributed to the effects of the lockdown, weak global demand for crude oil, and security challenges across the country. Although real GDP grew by 1.87 per cent in the first quarter of 2020, output growth, , contracted to -6.10 and -3.62 per cent in the second and third quarters of 2020, respectively, on account of severe headwinds pushing the economy into a recession. With relaxation of the COVID-19 lockdown measures and vaccination programmes as well as the recovery of oil prices and demand), there was a gradual pick-up in economic activities, as real GDP in the fourth quarter of 2020 recovered to 0.11 per cent, thus returning the economy towards a positive growth trajectory.

Figure 1: Nigeria Trend in 2020 Quarterly GDP



	2019	2020	2020Q1	2020Q2	2020Q3	2020Q4
Oil Real GDP	6.36	-1.92	5.06	-6.3	-13.89	-19.76
Non-oil Real GDP	2.06	-1.25	1.55	-6.05	-2.51	1.69
Total real GPD	2.27	-1.92	1.87	-6.10	-3.62	0.11

Source: Central Bank of Nigeria

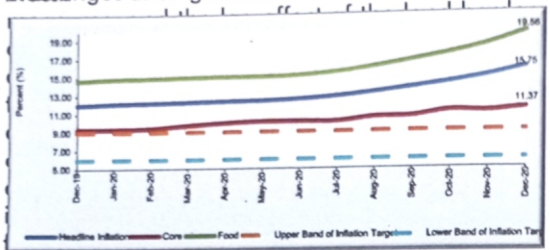
The exit from economic recession in Q4 2020 was driven mainly by the improvement and contributions in quarter-on-quarter to economic performance in the non-oil sector, particularly real estate (16.21 basis points), quarrying and other minerals (6.61 bps), crop production (2.30 bps), telecommunication & information services (0.28 bps) and human health & social services (0.23 bps). Analyses of the oil and non-oil sectors' contribution to GDP in Q4 2020 show that real oil GDP further contracted by -19.76 per cent during the fourth quarter, from -13.89 and -6.63 per cent recorded in Q3 and Q2 2020, respectively. The real non-oil GDP, on the other hand, returned to positive growth at 1.69 per cent in Q4 2020 from -2.51 and -6.05 per cent in Q3 and Q2 2020, respectively. This real GDP growth in the non-oil sector is attributed to the fiscal and monetary stimulus to offset the impacts of the pandemic.

3.4.2.2 Domestic Prices

There was a persistent uptick in inflationary pressure in 2020, with headline year-on-year inflation rising to 15.75per cent in December 2020 from 11.98 per cent in December 2019. Similarly, core and food inflation trended upwards from 9.33 and 14.67 per cent in December 2019 to 11.37 and 19.56 per cent in December 2020, respectively.

Analysis indicate that a combination of monetary and structural factors were responsible for the inflationary pressure in 2020. In particular, the rise in food inflation reflected the combined challenges arising from the COVID-19 lockdown

Figure 29: Year-on-Year Headline, Food and Core Inflation (Dec 2019 - Dec 2020)
In Percent



Source: Central Bank of Nigeria

Committee (FAAC) disbursement; upward adjustment in energy prices (price of premium motor spirit and electricity tariffs); and the lull in economic activities occasioned by the fallout from the End-SARS protests.

3.0 Monetary Sector

During the review period, the monetary policy stance was cautiously accommodative to enable the Bank to consistently anchor expectations and prevent economic agents from overly engaging in speculative activities in response to existing shocks. In the circumstance, the primary objective of monetary policy remained striking a balance between supporting the recovery of output growth and maintaining stable price development across inflation, exchange rate, and market interest rates. The Monetary Policy Rate (MPR) was reduced from 13.5 to 12.5 per cent, while the asymmetric corridor was retained at +2.0/-5.0 per cent in May 2020. It was reduced further from 12.5 to 11.5 per cent in September 2020, with the asymmetric corridor adjusted to +1.0/-7.0 per cent from +2.0/-5.0 per cent. This policy stance was maintained for the remaining months of the year. Following the upward review of the Cash Reserve Ratio (CRR) to 27.5 per cent in January, it was held constant throughout the year along with Liquidity Ratio (LR) 30 per cent. These were complemented by the use of home-grown heterodox policies, including the continuation of Loan to Deposit Ratio (LDR), CBN special bills, restriction on Form M issuance for third party transaction and maize importation, an amendment to Diaspora Remittance procedures, also Development Finance Initiatives for the real sector activities were sustained to support macroeconomic stability in 2020.

Consequently, the broad money supply (M3) grew by 13.54 per cent to N39,569.74 billion at end-December 2020 from N34,850.88 billion at end-December 2019, mainly underpinned by an increase in net foreign assets (NFA) and net domestic assets (NDA). The M3 growth rate at end-December 2020 was above the 2020 indicative growth target of 6.54 per cent. Net Foreign Assets (NFA) grew by 23.44 per cent to N7,337.63 billion at end-December 2020 from N5,944.46 billion at end-December 2019. The growth of NFA at end-December 2020 was below the 2020 indicative growth target of 41.54 per cent. The performance of NFA below its benchmark was driven largely by decline in oil receipts. Similarly, Net Domestic Assets (NDA) increased by 8.24 percent to N31,289.73 billion at end-December 2020 from N28,906.42 billion at end-December 2019. The growth in NDA was significantly higher than the 2020 indicative growth benchmark of -0.66 per cent.

3.4.3 Deposit and Lending Rates

Interest rates in the domestic economy generally moderated during the review period. The outbreak and continued persistence of the COVID-19 pandemic led to the shutdown of the global economy due to various lockdown measures. This led to a decline in business activities and resultant impact in banking liquidity. The movement in interest rates was therefore attributable to liquidity conditions which was influenced by the combined effects of the CBN interventions to stabilize banking system liquidity, OMO auctions, servicing of maturing CBN bills, foreign exchange interventions and statutory allocations to federal, state and local governments. The interbank rate (IBR) decreased from 3.82 percent at end-2019 to 1.25 per cent at end-2020, reflecting high levels of liquidity in the banking system. This stemmed from various injections and increased access to loans for businesses and individuals to boost economic growth. The prime lending rates also declined to 11.25 per cent at end-2020 from 14.99 per cent at end-2019. In addition, the 91-day Treasury-bills rate trended downwards from 4.47 per cent at 2019 to 0.03 per cent at end-2020. The savings rate declined slightly to 2.04 per cent at end-2020, from 3.89 per cent at end-2019. The maximum lending rate, also, decreased slightly to 28.31 per cent at end-2020 from 30.72 per cent recorded at end-2019, and the low interest rate environment largely reflected the accommodative monetary Policy stance of the Bank.

3.4.4 External Sector

The outbreak of COVID-19 pandemic constituted a major shock to the external sector in 2020 with declining export demand and deteriorating crude oil prices, among others, which adversely affected the current account balance. The Balance of Payments (BOPs) positions for the first three quarters of 2020 recorded a deficit of US$8.099 billion, compared with the deficit of US$5.212 billion recorded in the corresponding period in 2019, thus indicating a widening of BOP deficit.

Also, the current account balance significantly declined from a surplus of US$10.063 billion in 2019 to a deficit of US$11.804 in 2020. This was largely driven by the contraction in the volume of trade. Data from the National Bureau of Statistics (NBS) showed that the total trade in 2020 was about 10.3 percent lower than in 2019 with total exports falling by 34.8 percent. Inevitably, crude oil exports also plunged from 14.690 trillion to 9.445 trillion, due to the falling oil prices and the global economic slowdown resulting from the spread of the COVID-19 outbreak.

In terms of the capital and financial accounts, the net position fell from US$6.396 billion recorded at the end of Q3' 2019 to US$2.664 in Q3'2020. The accumulated liabilities from the portfolio investment and direct investment (net) rose from US$-1.992 billion and US$0.499 in 2019 to US$1.742 billion and US$0.775 billion in 2020, respectively. The capital and financial accounts position was largely dependent on investors' sentiments amidst the fallout of the pandemic.

The gross external reserves position which stood at US$38.092 billion at end December 2019 dropped to US$35.35 billion as at December 30 2020, representing 8.28 percent depletion in external reserves. The increased capital outflows and drop in the gross external reserves were attributable to the lack of reserve buffers, decline in foreign exchange inflows from oil receipts, as well as increased foreign exchange intervention by the central bank to stabilize the naira.

3.4.5 Exchange Rate Developments

The foreign exchange market has witnessed a series of policy changes by CBN in its quest to ensure stability and off-set exchange rate fluctuations in the market, which resulted from the shock on foreign exchange inflows induced by the impact of covid-19 pandemic. During the review period, the exchange rate was adjusted twice, forex allocations to BDCs were suspended and later resumed with the aim of easing pressure from speculative dealers, market intervention to boost more liquidity were some of the measures implemented by the CBN. The exchange rate in all the market segments (Interbank, investors and exporters, and BDC) depreciated from US$/N307.00, US$/N370.65 and US$/N368.50 traded in the first quarter 2020 to US$/N361.00, US$/N386.50 and US$/N455.00 recorded at the end of second quarter 2020. It further depreciated in the third quarter 2020 to US$/N381, US$/N410.25 and US$/N465.00 by the end of 2020. These developments were, however attributed to the various exchange rate adjustment policies the Bank implemented in 2020. Decline in oil prices due to global downturn and the attendant reduction in foreign exchange receipts were among other reasons for the adjustments.

3.4.6 Economic Outlook for 2020

The economy is expected to rebound in 2021 with the gradual easing of COVID-19 lockdowns following optimism around vaccine approvals and vaccine rollouts, continuous synchronized injection of monetary and fiscal stimulus, recovery in global commodity prices, , as well as the impact of sustained interventions by the Central Bank and the Federal Government of Nigeria in critical economic sectors. However, the headwinds to the expected recovery include the resurgence of COVID-19 infection and slow rollout of COVID-19 vaccine; weakness in trade and investment; narrow fiscal space and rising public debt; capital flow reversal and exchange rate pressures; infrastructure deficit, and high levels of insecurity. Against these background, the CBN projected output growth of 2.15 percent in 2021, given that oil price hovers around US$65 per barrel. The CBN estimates also suggest that, the year-on-year headline inflation will remain in the double-digit region in 2021. Inflation is expected to accelerate to 17.84 in the first quarter of 2021 from 15.75 per cent in December 2020, largely due to increase in food prices. As the Bank continues to manage liquidity conditions in the domestic economy, inflationary developments will also continue to be monitored to ensure that the downside risks to growth and upside risks to inflation are substantially minimised.

3.5 SIERRA LEONE

3.5.1 Overview

Macroeconomic performance in 2020 was adversely affected by the outbreak of the COVID-19 pandemic and the measures adopted to contain the spread of the virus. Real output growth was estimated to contract by 2.2 percent in 2020, (from an initial projection of -3.1 percent) compared to a growth of 5.4 percent in 2019. Prudent monetary policy management by the Bank of Sierra Leone coupled with the government's Quick Action Economic Response Programme (QAERP), ameliorated the impact of the pandemic on businesses and households. Consequently, the exchange rate remained relatively stable while inflationary pressures moderated to 10.45 percent at end December 2020 compared to 13.89 percent in December 2019.

Monetary policy in 2020 was broadly accommodative with the objective of attenuating the adverse impact of the COVID-19 pandemic on the country's economy. The Bank of Sierra Leone's monetary policy rate was adjusted to 14.00 percent in December 2020, compared to 16.50 percent in December 2019. Consequently, both broad money and reserve money growths increased in 2020 relative to 2019.

Fiscal operations in 2020 were estimated to have recorded a deficit of 5.57 percent of GDP, compared to the 2.53 percent of GDP in 2019. The widened deficit could be attributed to additional government expenditures following the COVID-19 outbreak during the review year. The government budget was financed from both domestic and foreign sources in 2020.

The external sector was resilient in 2020, supported by prudent policy measures taken by the monetary and fiscal authorities coupled with the timely intervention of development partners including the IMF, World Bank, EU and African Development Bank. As a result, the country maintained a balance of payments surplus estimated at US$4.5million (0.1 percent of GDP) in 2020 while gross international reserves increased significantly by 32.9 percent to US$708.77million at end December 2020 US$533.15million at end 2019. The exchange rate of the Leone against major currencies was relatively stable during the review year.

Looking ahead, prospects appear to be favorable for overall economic recovery in 2021, underscored by continued policy support and availability of vaccines to contain the pandemic as well as recovery in agricultural activities, resumption of iron ore mining, expansion in non-iron ore mining activities and recovery of the manufacturing, construction, and tourism sectors.

3.5.2 Real Sector Developments

3.5.2.1 Output

Output in Sierra Leone was estimated to have contracted by 2.2 percent in 2020 from a growth of 5.4 percent in 2019. The expected contraction was a reflection of the slowdown of economic activities mainly in the industry and services sectors. The output shares of both the industry and services sectors decreased to 7.8 percent and 38.5 percent in 2020, compared to 10.0 percent and 39.8 percent in 2019, respectively; whiles Agriculture, Forestry & Fishing increased to 56.6 percent from 55.2 percent in 2019. In terms of sectoral growth performance, the agriculture sector remains pivotal in driving the economy of Sierra Leone with a positive output growth of 2.5 percent in 2020, whereas both the industry and services sectors contracted by 22.6 percent and 3.2 percent, respectively

Performance in the manufacturing sector improved in 2020. Production volumes of all the commodities in the manufacturing sector increased, except for common soap which decreased in the reviewed period. Beer and stout production surged by 31.44 percent to 1,190.60 thousand cartons from 905.83 thousand cartoons in 2019. Maltina production grew by 133.56 percent to 360.19 thousand cartons from 154.22 thousand cartoons in 2019. Acetylene and oxygen production increased by 13.20 percent to 340.80 thousand cubic feet, and 67.54 percent to 527.19 thousand cubic feet from 301.05 thousand cubic feet and 314.66 thousand cubic feet in 2019, respectively. Output of confectionary rose by 71.31 percent to 3,628.77 thousand pounds from 2,118.23 thousand pounds in 2019. Common soap production dropped to 595.12 thousand metric tons in December 2020 from 595.15 thousand metric tons in the preceding year.

Output in the construction sector, proxied by cement and paint production was mixed. Cement production fell by 9.37 percent to 347.17 thousand metric tons from 383.07 thousand metric tons in 2019 while paint production increased by 2.27 percent to 697.31 thousand gallons from 681.80 thousand gallons in the previous year.

Activities in the mining sector contracted in 2020 as all minerals recorded declines in their production levels. Diamond production fell by 15.27 percent to 686.02 thousand carats from 809.61thousand carats in 2019, with industrial diamond amounting to 83.04 thousand carats and gem diamond amounting to 603.36 thousand carats. Bauxite production dropped by 28.53 percent to 1,441.98 thousand metric tons from 2017.61 thousand metric tons, rutile production declined by 12.26 percent to 116.56 metric tons from 132.84 thousand metric tons in 2019. Similarly, ilmenite and gold production declined by 23.56 percent to 45.29 thousand metric tons and 96.27 percent to 0.09 thousand ounces from 59.25 thousand metric tons and 2.41 thousand ounces, respectively in 2019.

In addition, electricity generation dropped by 2.82 percent to 242.92 Gw/hr in 2020, relative to that in 2019.

3.5.2.2 Prices

Inflationary pressures moderated in 2020 reflecting relative stability of the exchange rate and improved monetary policy management by the Bank of Sierra Leone. The Bank also embarked on major reforms that enhanced liquidity management and anchored inflation expectations. As a result, annual inflation (y/y) moderated to 10.45 percent in December 2020 from 13.89 percent in December 2019.

Broadly disaggregating the CPI basket into food and non-food showed that, non-food inflation fell to 4.62 percent in December 2020 from 25.23 percent in December 2019. On the other hand, food inflation rose from 5.38 percent in December 2019 to 18.88 percent in December 2020 mainly due to supply-side challenges, higher global food prices combined with government COVID-19 restriction measures.

3.5.3 Fiscal Developments

Fiscal policy in 2020 was initially focused on consolidation to make more resources available for human capital development and increased job opportunities in the country. However, the COVID-19 outbreak presented major challenges to government fiscal operations shifting the focus to COVID-19 response. The shift in priorities increased government expenditures, resulting in a wider budget deficit.

3.5.3.1 Government Budgetary Operations

Government budgetary operations, on the basis of provisional data, resulted in a widened deficit (including grants) of 5.57 percent of GDP in 2020 compared to a deficit of 2.53 percent of GDP in 2019. The widened deficit ensued from an expansion in government expenditure and net lending, which outweighs the improvement in revenue.

3.5.3.2 Government Revenue

Government revenue and grants expanded by 16.76 percent to Le7, 809.22billion (19.03 percent of GDP). The expansion in government revenue reflected the increase in both domestic revenue mobilization and foreign grants received. Domestic revenue improved by 1.39 percent to Le5.506.68billion (13.42 percent of GDP), due to the expansion in both tax revenue and non-tax revenue.

3.5.3.3 Government Expenditure

Total government expenditure and net lending expanded by 32.37 percent to Le10, 093.07 billion (24.60 percent of GDP), reflecting the increase in both recurrent and development expenditure.

Recurrent expenditure increased by 23.11 percent to Le7, 066.95billion (17.22 percent of GDP) on account of expansion in the wage bill and total interest payment spending. Development expenditure expanded by 60.60 percent to Le3, 026.12billion (7.38 percent of GDP) driven by the increase in both foreign loans & grants and domestic capital expenditure.

The overall deficit (including grants) was financed from domestic, foreign and other sources.

3.5.4 Monetary Developments

3.5.4.1 Conduct of monetary policy

In 2020, the conduct of monetary policy was focused on pursuing end-year inflation target of 14 percent and ultimately anchor inflationary expectations in the economy, maintaining the value of the Leone through robust market-based instruments and preserve the external reserves of the country to strengthen resilience of the economy against external and internal shocks. However, monetary policy implementation was challenged by the outbreak of COVID-19 Pandemic, which posed major threats to macroeconomic and financial sector stability.

To address the likely impact of the COVID-19 pandemic on the Sierra Leone economy, the monetary authorities settled for an accommodative monetary policy throughout 2020. In addition,

the authorities created a Le500 billion (US$50 million) Special Credit Facility at concessionary interest rate to finance the production, procurement and distribution of essential goods and services. Foreign exchange resources were also made available to support the private sector for the importation of essential commodities and the reserve requirement maintenance period for the commercial banks was extended from 14 days to 28 days. These measures succeeded in attenuating the adverse impact of the COVID-19 pandemic on the nation's economy, ensuring relative financial stability and curtailed exchange rate and inflationary pressures in support of the general economic policy of the Government.

3.5.4.2 Monetary Aggregates

Broad Money (M2) expanded by 38.18 percent in 2020, compared to the 14.31 percent growth recorded in 2019. This was in part due to the increased inflows from development partners in support of the fight against the COVID-19 pandemic and the BSL Special Credit Facility to support the private sector. The growth in M2 reflected the expansion in both the Net Domestic Assets (NDA) and Net Foreign Assets (NFA) of the banking system.

3.5.5 External Sector Developments

Despite the adverse impact of the COVID-19 pandemic on overall economic activities the Sierra Leone external sector was resilient in 2020. The prudent policy measures taken by the monetary and fiscal authorities coupled with the timely intervention of development partners, moderated the impact of the pandemic on the sector's performance. As a result, the country recorded a balance of payments surplus, though lower than what was recorded in 2019. Gross international reserves increased significantly in 2020, relative to 2019 while the Leone remained relatively stable against major currencies in 2020.

3.5.5 Balance of Payments

In 2020, the overall balance of payments recorded an estimated surplus of US$4.5million, representing 0.1 percent of GDP, compared to the surplus of US$21.2million or 0.5 percent of GDP in 2019, largely due to net declines in the financial account reflecting reduction in both FDI and other investment.

The current account was estimated to improve with the deficit narrowing down to US$629.9million (9.1 percent of GDP) in 2020, from a deficit of US$915.4million (15.1 percent of GDP) in 2019, owing mainly to the tapering of the trade deficit coupled with improvement in the secondary income (both official and current transfers). The goods account was estimated to record a lower trade deficit of US$625.0million (14.9 percent of GDP) in 2020, compared to US$720.9million (17.5 percent of GDP) in 2019. The reduced trade deficit was mainly reflected decrease in imports, which more than offset the decrease in exports.

Both the capital and financial accounts recorded surpluses. However, the surplus in the capital account increased to US$87.5million in 2020, relative to the US$81.5million in 2019, while the surplus in the financial account decreased to US$296.9million, compared to US$539.0million in the preceding period.

3.5.6 Exchange Rate Developments

The Leone was relatively stable against the major international currencies in 2020; on account of improved foreign exchange inflows coupled with the prudent policy measures by the Bank of Sierra Leone to sanitize the foreign exchange market as well as provision of FOREX to importers of essential commodities through BSL Special Credit Facility to cushion the adverse economic impact of the pandemic. The year-on-year rate of depreciation of the Leone against the US dollar and British pound sterling significantly decreased to 3.9 percent and 6.5 percent in 2020, relative to 15.2 percent and 19.4 percent in 2019, respectively. However, the expectations in the economy, maintaining the value of the Leone through robust market-based instruments and preserve the external reserves of the country to strengthen resilience of the economy against external and internal shocks. However, monetary policy implementation was challenged by the outbreak of COVID-19 Pandemic, which posed major threats to macroeconomic and financial sector stability.

To address the likely impact of the COVID-19 pandemic on the Sierra Leone economy, the monetary authorities settled for an accommodative monetary policy throughout 2020. In addition,

the authorities created a Le500 billion (US$50 million) Special Credit Facility at concessionary interest rate to finance the production, procurement and distribution of essential goods and services. Foreign exchange resources were also made available to support the private sector for the importation of essential commodities and the reserve requirement maintenance period for the commercial banks was extended from 14 days to 28 days. These measures succeeded in attenuating the adverse impact of the COVID-19 pandemic on the nation's economy, ensuring relative financial stability and curtailed exchange rate and inflationary pressures in support of the general economic policy of the Government.

3.5.4.2 Monetary Aggregates

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4.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN WEST AFRICA

4.1 INTRODUCTION

The Covid-19 pandemic exerted significant public health and economic threat on the economies of West Africa. In a bid to minimize this threat, like the rest of the world, countries in West Africa implemented measures that invariably reduced physical interaction, shut businesses and limited international travels. Those measures were meant to save lives and limit the negative impact of the pandemic on an already weak public health infrastructure. However, the measures retarded the region's GDP growth in 2020. Preliminary estimates indicate that average real GDP growth in West Africa significantly contracted from 5.0 per cent in 2019 to -1.3 per cent in 2020 (refer to Table 4.1). The huge economic contraction was largely attributed to the restrictive and non-pharmaceutical measures bordering on lock downs and social distancing associated with the Covid-19 pandemic, which disrupted activities in almost all sectors of the economy. However, the sub-region's growth rate is projected to rebound to 4.5 per cent in 2021 (with 8 countries growing above 4 per cent). This outlook largely hinges on the mutation of the Covid-19 virus as well as the rate of infection and countries' access to vaccination. The global economy is expected to improve by the middle of 2021, providing a boost for inter- and intra-regional trade thereby increasing the sub-region's growth prospects.

Furthermore, with the full implementation of the African Continental Free Trade Area (AfCFTA) agreement signed in March 2018, intra-regional trade is expected to improve with consequences for increased economic growth and development in the West African sub-region. The key drivers of growth in 2021 are expected improvement in exports, increase in commodity prices and a pickup in both private consumption and investment as lockdown constraints are relaxed across the sub-region. In addition to the AfCFTA, many of the countries in the sub-region have also embarked on specific plans and policy reforms to restructure their respective economies to increase socio-economic development. These are: Nigeria's Economic Recovery and Growth Plan (2017-2020) and Economic Sustainability Plan (ESP), Senegal's Energy Sector Reform (2016-2021), Benin's Government Action Plan, Burkina Faso's National Economic and Social Development Plan (2016-2020) and the Ghana CARES ("OBAATAN PA") programme.

Average inflation in the sub-region in 2020 is estimated at 5.3 per cent, 0.9 percentage points higher than that of the previous year (Table 4.2). The rise in inflation in 2020 could be attributed mainly to expansionary fiscal policy and supply-side constraints caused by the pandemic. In 2021, inflation is projected to moderate slightly by 0.5 percentage points to 4.8 per cent as Covid-19 restrictions are relaxed and productive activities consequently resurge (Table 4.2).

4.2 CFA COUNTRIES

Average real GDP growth in CFA countries plummeted significantly from 5.7 per cent in 2019 to -0.4 per cent in 2020 (Table 4.1). The growth contraction amongst the CFA countries was not synchronous. Whilst some countries in the CFA zone recorded negative growth rates (Burkina Faso, Guinea-Bissau, Mali and Senegal), others recorded very low but positive growth rates (Benin, Cote d'Ivoire, Niger and Togo). The economic contraction experienced in the CFA zone was mainly due to measures undertaken to contain the Covid-19 pandemic. In Benin, Burkina Faso and Senegal, the containment measures led to slowdown in growth on the supply side, which was reflected by underperformance of commerce, transport, agriculture, and hotels and restaurants (these sectors were hardly hit by the pandemic). In Cote d'Ivoire, weakened global demand hit the export sectors; export agriculture (contracted by 2.2%), agro-food industries (–1.3%), forestry (–16.5%), mining (–4.8%), petroleum products (–26.9%), and transport (–1.8%). In Niger, the slump in growth was due to terrorism and the negative effects of the border closure on service and extractive industries, whereas in Togo, foreign direct investment, portfolio investment and migrant remittances declined significantly due to the pandemic. In Guinea-Bissau, declines in cashew nut prices and sales were the main factors that reversed the growth trajectory. The recession in Mali was triggered by a contraction of about 3.5% in the secondary sector and 5.5% in the tertiary sector, a drastic fall in net exports due to weak global demand and contractions in public investment, private investment and private consumption.

In terms of inflation, the CFA countries experienced acceleration in average inflation from -0.8 per cent in 2019 to 2.0 per cent in 2020 (Table 4.2). Inflation rate increased in all CFA countries in 2020. Specifically, Benin experienced an increase in inflation from -0.9 per cent in 2019 to 2.5 per cent in 2020, whilst Burkina Faso also experienced a rise in inflation from -3.2 per cent to 2.0 per cent over the same period (Table 4.2). The rise in headline inflation in Benin and Burkina Faso was due to increase in food inflation. In Cote d'Ivoire, inflation rose from 0.8 per cent in 2019 to 1.2 per cent in 2020, whereas in Guinea-Bissau, inflation increased significantly by 1.8 percentage points to 2.0 per cent in 2020 (Table 4.2). The hike in headline inflation in Cote d'Ivoire was due to increase in food inflation and transport cost. Mali on the other hand experienced a leap from a deflation rate of 2.9 per cent in 2019 to an inflation rate of 0.5 per cent in 2020 (Table 4.2). Similarly, Niger experienced a leap from a deflation rate of 2.5 per cent in 2019 to an inflation rate of 4.4 per cent in 2020 (Table 4.2). In Senegal, inflation increased by 1 percentage point to 2.0 per cent in 2020 due to restrictive measures to contain Covid-19 and the continued easing of monetary policy. On the other hand, Togo experienced a hike in inflation by 0.7 percentage points to 1.4 per cent in 2020 (Table 4.2). The hike in inflation in Mali and Niger was due to supply disruptions.

In summary, all countries in the CFA zone experienced a hike in inflation in 2020 but their respective inflation rates were still below the 3% West African Economic and Monetary Union (WAEMU) convergence criterion.

4.3 NON-CFA COUNTRIES

Consistent with the experience of the CFA countries, there was a contraction in economic activities in the non-CFA countries in 2020 due to the Covid-19 pandemic, albeit with some heterogeneities in the growth rates. Average real GDP growth in the non-CFA countries plummeted significantly from 4.1 per cent in 2019 to -2.4 per cent in 2020 (Table 4.1). Specifically, whilst countries such as Cabo Verde, The Gambia, Liberia, Nigeria and Sierra Leone experienced negative growth rates, Ghana and Guinea had positive growth rates, although their growth rates plummeted significantly in the period (Table 4.1). The huge economic contraction in Cabo Verde (-6.8 per cent growth rate) significantly pulled down the average growth rate for non-CFA countries.

It is worth noting that, among the non-CFA economies, the economy of Guinea still remain robust in 2020 with a real GDP growth rate of 1.4 per cent (Table 4.1), despite the negative effects of the Covid-19 pandemic on her economy. In the case of Liberia, there was already a contraction in economic activities in 2019, with a real GDP growth of -2.5 per cent, which further dipped to -3.1 percent in 2020 (Table 4.1). The dip in real GDP growth of countries in the non-CFA zone was largely due to decrease in external demand for major exports, delays of major projects, reduction in output of the service and manufacturing sectors as well as decline in activities of the extractive industry.

Unlike the experience of the CFA countries, average inflation rate for non-CFA countries plummeted between 2019 and 2020. Specifically, average inflation rate dipped from 11.2 per cent in 2019 to 9.6 per cent in 2020 (Table 4.2). However, there were mixed experiences in terms of changes in inflation in the individual non-CFA countries between 2019 and 2020. Specifically, Ghana, Nigeria and Sierra Leone experienced a hike in their inflationary rates, whilst Cabo Verde, The Gambia, Guinea and Liberia experienced a dip in 2020 (Table 4.2). The hike in inflation in Ghana, Guinea, Nigeria and Sierra Leone was largely due to the pandemic-related interruptions in supply chains, expansionary monetary and fiscal policies aimed at mitigating the adverse economic effects of the pandemic. On the contrary, the dip in inflation in Cabo Verde, The Gambia, Guinea and Liberia could be attributed to subdued aggregate demand, effective exchange rate management and lower energy costs in these countries.

4.4 OUTLOOK FOR 2021

Although 2020 was a recessionary period for the economy of West Africa and also for the rest of the world, the outlook for 2021 is positive. Real GDP growth in West Africa is expected to rebound to 4.5 per cent in 2021, from a recessionary rate of -1.3 per cent in 2020 (Table 4.1). All countries in West Africa (both CFA and non-CFA) are optimistic of growth resurgence in 2021. The positive outlook for 2021 is based on the following assumptions: (1) There will be massive vaccination exercise and the Covid-19 pandemic will be contained. (2) Consequently, there will be increased demand for key exports such as cocoa, iron ore, gold, diamond, rubber, crude oil etc. and this will generate employment as well as boot revenue for governments. (3) The various governments in the sub-region will be able to successfully implement their national programmes with increased donor support. Given the above assumptions, the West African economy is expected to bounce back strongly in 2021, particularly with the recovery of Nigeria's economy which accounts for nearly 70 per cent of West Africa's regional GDP. Nigeria's under performance, in terms of GDP growth in 2020, significantly pulled down the average growth for West Africa. The economy of Nigeria is expected to leap out of recession in 2021 due to expected recovery in crude oil prices and production. In addition, the successful implementation of the Economic Sustainability Plan (ESP) and the Finance Act of 2020 has the potency to boost non-oil revenue for the Nigerian government in 2021.

In conclusion, the outlook for positive growth in the West African economy in 2021 is confronted with many risks and considerable uncertainties. These include the possibility of emergence of second (2nd) and third (3rd) waves of the COVID-19 pandemic in most West African countries, global trade tensions (particularly between China and America), normalization of interest rates in advanced economies and volatility in global commodity prices. Whilst a number of these risks are exogenous shocks to the economy of West Africa, governments of the sub-region must make efforts to address the structural challenges caused by over-reliance on primary commodity exports, political instability and insecurity, inequalities, weak manufacturing sector, persistent fiscal deficits and debt vulnerability.

Table 4.1: Real GDP Growth in West Africa (%)

CFA	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021***
Benin	3.0	4.8	7.2	6.4	1.8	3.3	5.7	6.7	6.9	2.0	5.0
Burkina Faso	6.6	6.5	5.8	4.3	3.9	6.0	6.2	6.8	5.7	-2.0	3.9
Cote d'Ivoire	-4.2	10.1	9.3	8.8	8.8	7.2	7.4	6.8	6.5	1.8	6.2
Guinea-Bissau	8.1	-1.7	3.3	1.0	6.1	5.3	4.8	3.4	4.5	-2.9	3.0
Mali	3.2	-0.8	2.3	7.1	6.2	5.9	5.0	5.2	5.1	-2.0	4.0
Niger	2.2	11.8	5.3	7.5	4.3	5.7	5.0	7.2	5.9	0.5	6.9
Senegal	1.3	4.0	2.4	6.2	6.4	6.4	7.4	6.4	5.3	-0.7	5.2
Togo	6.4	6.5	6.1	5.9	5.7	4.9	4.4	4.9	5.3	0.0	3.0
Average for CFA Countries	***3.3***	***5.1***	***5.2***	***5.9***	***5.4***	***5.6***	***5.7***	***5.9***	***5.7***	***-0.4***	***4.7***
Non-CFA											
Cabo Verde	4.0	1.1	0.8	0.6	1.0	4.7	3.7	4.5	5.7	-6.8	4.5
The Gambia	-8.1	5.2	2.9	-1.4	4.1	1.9	4.8	7.2	6.1	-1.8	6.0
Ghana	14.0	9.3	7.3	2.9	2.2	3.4	8.1	6.3	6.5	0.9	5.0
Guinea	5.6	5.9	3.9	3.7	3.8	10.8	10.3	6.2	5.6	1.4	6.6
Liberia	7.7	8.4	8.8	0.7	0.0	-1.6	2.5	1.2	-2.5	-3.0	3.2
Nigeria	5.3	4.3	5.4	6.3	2.7	-1.6	0.8	1.9	2.2	-4.3	1.7
Sierra Leone	6.3	15.2	20.7	4.6	-20.5	6.3	3.8	3.5	5.4	-3.1	2.7
Average for Non-CFA Countries	***5.0***	***7.1***	***7.1***	***2.5***	***-1.0***	***3.4***	***4.9***	***4.4***	***4.1***	***-2.4***	***4.2***
Average for West Africa	**4.0**	**6.0**	**6.0**	**4.4**	**2.6**	**4.6**	**5.3**	**5.3**	**5.0**	**-1.3**	**4.5**

Source: IMF, AfDB, GSS, BoG, MoF, World Bank
***2021 Figures are based on projection**

Table 4.2: Consumer Price Inflation (Annual Averages, %)

CFA	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Benin	0.4	-0.5	0.2	-0.8	1.8	0.8	1.8	0.8	-0.9	2.5	2.0
Burkina Faso	0.5	-0.3	0.7	0.4	1.5	2.0	0.4	2.0	-3.2	2.0	2.0
Cote d'Ivoire	2.6	0.4	1.3	0.7	0.7	0.4	0.7	0.4	0.8	1.2	1.4
Guinea-Bissau	5.7	6.9	6.6	6.3	8.0	4.7	-0.2	0.4	0.2	2.0	2.0
Mali	4.1	3.5	3.2	1.5	2.3	3.0	1.8	1.7	-2.9	0.5	1.5
Niger	8.5	8.1	9.0	15.7	16.5	12.1	0.2	2.8	-2.5	4.4	1.7
Senegal	4.3	1.4	4.0	-1.0	2.9	3.7	1.1	0.5	1.0	2.0	2.0
Togo	1.8	0.2	2.6	1.3	-1.0	0.9	-0.2	0.9	0.7	1.4	1.5
Average for CFA Countries	***3.5***	***2.5***	***3.5***	***3.0***	***4.1***	***3.5***	***0.7***	***1.2***	***-0.8***	***2.0***	***1.8***
Non-CFA											
Cabo Verde	1.5	-0.2	0.1	-1.4	0.8	1.3	0.8	1.3	1.1	1.0	1.2
Gambia, The	11.7	15.5	17.1	17.5	12.4	7.8	8.0	6.5	7.1	6.1	6.0
Ghana	11.9	7.1	10.8	8.2	8.9	9.8	12.4	9.8	7.2	10.4	8.0
Guinea	1.2	-1.5	1.5	1.5	1.0	0.4	8.9	9.8	9.5	9.1	8.0
Liberia	2.6	2.4	9.8	25.9	28.5	13.6	12.4	23.5	27.0	11.9	9.5
Nigeria	10.3	5.9	2.3	2.5	7.2	8.3	16.5	12.1	11.4	12.9	12.7
Sierra Leone	4.5	1.3	1.4	2.3	2.9	5.1	18.2	16.0	14.8	15.7	15.5
Average for Non-CFA Countries	***6.2***	***4.4***	***6.1***	***8.1***	***8.8***	***6.6***	***11.0***	***11.3***	***11.2***	***9.6***	***8.7***
Average for West Africa	**4.7**	**3.3**	**4.6**	**5.2**	**6.2**	**4.8**	**5.2**	**5.6**	**4.4**	**5.3**	**4.8**

Source: IMF, AfDB, GSS, BoG, MoF, World Bank
***2021 Figures are based on projection**

5.0 OVERVIEW OF ECONOMIC DEVELOPMENTS IN AFRICA

5.1 INTRODUCTION

Economic activity in Africa was slowed down in 2020 due to the global pandemic caused by COVID–19, which has claimed millions of lives and adversely affected countries, communities and families all over the world. Real GDP in Africa contracted by 2.1 percent in 2020, constituting the continent's first recession in fifty years. The outlook is, however, subject to great uncertainty from both external and domestic risks. The continent is projected to grow by 3.4 percent in 2021. This projected recovery is expected to be driven by a resumption of tourism, a rebound in commodity prices, and the rollback of pandemic-induced restrictions. The shock emanating from the COVID-19 pandemic and the ensuing economic crisis have had direct implications for budgetary balances and debt burdens. Therefore, the average debt-to-GDP ratio for Africa is expected to rise in the short to medium term. Hence many African countries experienced debt challenges with disorderly defaults and lengthy resolutions which could become a major obstacle to Africa's progress toward prosperity. Many African countries would, therefore welcome Global partnership efforts to support temporary debt relief through the Debt Service Suspension Initiative.

It is both imperative and possible for economic managers and policymakers in Africa to turn the COVID–19 crisis into opportunities by engaging in prudent economic management, focusing on food and nutritional security, reforming health care and social protection systems, creating conducive environment for the private sector to thrive, especially small and medium-sized enterprises and women-led firms, harnessing and proper management of the natural resources revenue streams, operationalizing the Africa Continental Free Trade Area and by paying greater attention to climate change.

5.2 MACROECONOMIC OUTCOMES IN 2020

In 2020, real GDP shrunk by 2.1 percent and GDP per capita is estimated to have contracted by 10 percent in nominal terms due to the COVID-19 pandemic. Fiscal deficits are estimated to have doubled in 2020 to a historical high of 8.4 percent of GDP. Debt burdens rose in the short to medium term. Exchange rate fluctuations became elevated, and inflation inched up, with external financial inflows heavily disrupted.

Leading indicators, however, point to a recovery of economic activity in Africa towards the last quarter of 2020. Indicators of business confidence around the world, such as the industrial production indexes and the purchasing managers indexes, especially for Africa's major trading partners, picked up in the third and fourth quarters of 2020. Major trading partners' stock market indexes rebounded from declines that exceeded 50 percent between March and May 2020. The high volatility in global financial markets in the first half of 2020 stabilized towards the end of 2020. Increasingly accommodative monetary policy by major central banks around the world helped stem the capital flight from Africa that occurred at the peak of the crisis. Since July 2020, capital flight has reversed in Africa, and sovereign bond spreads continued to narrow from the more than 700 basis points that prevailed in March and April 2020.

5.2.1 GDP GROWTH

Africa suffered its worst recession in more than 50 years in 2020 due to the COVID–19 pandemic, although there were regional disparities in terms of growth outcomes.

East Africa was the most resilient region, probably due to less reliance on primary commodities and greater diversification of the constituent economies. The region registered a positive growth of 0.7 percent in 2020 compared with an average growth rate of 5.3 percent in 2019. In 2021, this region is projected to grow in real terms by 3.0 percent with Djibouti (9.9 percent), Kenya (5.0 percent), Tanzania (4.1 percent), and Rwanda (3.9 percent) as the top performers.

The region, most adversely affected by the COVID-19 pandemic was Southern Africa which recorded a contraction in growth of 7.0 percent in 2020. However, this region is projected to grow by 3.2 percent in 2021. Likewise, the West African sub-region was estimated to have contracted by 1.5 percent in 2020, somewhat better than the initial projection of -4.3 percent growth. This was attributed to the relatively limited spread of the corona virus in the sub-region. Many West African countries maintained positive growth in 2020 because the lockdown was more targeted and less restrictive. Republic of Benin recorded GDP growth of 2.3 percent, Côte d'Ivoire (1.8 percent), and Niger (1.2 percent). Countries which had negative GDP growth, such as Cabo Verde posted growth rate of -8.9 percent, Liberia (-3.1 percent), and Nigeria (-3 percent). Growth in the sub-region is projected to rebound at 2.8 percent in 2021 following expected ease of lockdown and the recovery of commodity prices.

Real GDP is estimated to have contracted by 2.7 percent in Central Africa in 2020. Countries significantly impacted by the COVID-19 induced crisis in this sub-region include Cameroon with real GDP contraction of 2.4 percent, Republic of Congo (-7.9), Democratic Republic of Congo (-1.7), and Equatorial Guinea (-6.1). The sub-region is however, projected to recover with a real GDP growth of 3.2 percent in 2021.

Average growth in the North African sub-region equally registered a contraction of 1.1 percent in 2020. Almost all the countries in the region except Egypt contracted in growth. The countries that contracted significantly in 2020, included Tunisia (-8.8 percent), Morocco (-5.9 percent), and Algeria (-4.7 percent). The economic crises occasioned by the adverse effects of COVID-19, internal conflict, and a drop in oil prices caused an estimated 60.3 percent contraction of real GDP in Libya alone. The North African sub-region is, however projected to recover with a growth rate of 4 percent in 2021.

GDP in oil-exporting countries in Africa is estimated to have contracted by 1.5 percent in 2020, driven by the collapse in oil demand and prices. As already indicated Libya's economy contracted by 60.3 percent. In addition, the economy of Equatorial Guinea contracted by 6.1 percent, Algeria's economy contracted by 4.7 percent, Angola (-4.5 percent), and Nigeria (-3.0 percent) among others. The recovery in 2021 is projected at 3.1 percent, following an expected modest recovery in oil prices. Other resource-intensive economies are estimated to have contracted by 4.7 percent in 2020 because of a drop in metal and mineral prices due to lower demand. Botswana's economy contracted by -8.9 percent, South Africa (-8.2 percent), Zambia (-4.9 percent), and Liberia (-3.1 percent). These group of countries are projected to grow by 3.1 percent in 2021. On the other hand, oil-importing countries were estimated to have contracted by 2.8 percent in 2020, and are projected to grow by 3.7 percent in 2021.

5.2.2 INVESTMENT AND EXPORTS

The COVID-19 pandemic adversely affected and disrupted Financial inflows in 2020. Major inflows, including foreign direct investment (FDI), portfolio investments, remittances and official development assistance (ODA), declined between 2019 and 2020. Uncertainty in the investment environment drove FDI flows down by an estimated 18 percent, from $45.37 billion in 2019 to an estimated $37.20 billion in 2020. The decline in investment flows affected all sectors, including tourism, leisure, energy, aviation, hospitality, and manufacturing. From a net inflow of $23 billion in 2019, portfolio investment reversed to a net outflow of $27 billion in 2020. Many investors liquidated their investments in search of safer assets elsewhere. ODA is estimated to have declined by 10 percent in 2020, from $52.88 billion in 2019 to $47.59 billion in 2020.

Until the pandemic in 2020, remittances which constituted a significant source of external financial flow to Africa had been increasing. Due to the economic crises occasioned by the outbreak of COVID-19, remittances to Africa declined from $85.8 billion in 2019 to $78.3 billion in 2020. Lesotho, Mozambique, and Seychelles led countries with significant decline in remittances. The economic fallout of the pandemic, including lockdowns, job losses, and business closures affected migrant workers in Africa as many of them in low-skill and part-time jobs and those who work in contact-intensive sectors such as tourism, hospitality, and retail businesses lost their jobs with corresponding losses in income. Countries which recorded relatively minimal decline in remittances in 2020 included Zimbabwe, Burkina Faso, Niger, Liberia, Togo, and Madagascar. However, Kenya recorded increase in remittances during the period under review. In collaboration with private banks the Kenya Central Bank rolled out some policy changes to maintain access to remittances. These policies included waiving of fees payable when transferring money from bank accounts to digital wallets; doubling the daily transaction limit; removing the cap on the number of transactions per month and increasing the amount of money that can be kept in e-wallet.

During the crisis external positions deteriorated but are projected to recover in the near term. Africa suffered estimated overall current account deficit of 5.5 percent of GDP in 2020 but is projected to narrow to 4.1 percent in 2021 due to expected recovery of GDP and Africa's major commodity exports.

5.2.3 INFLATIONARY PRESSURE

In 2020 inflation in Africa was estimated at 10.4 percent, showing a marginal increase from 9.8 percent in 2019. It is projected to moderate to 9.0 percent in 2021. According to African Development Bank, the general price level in Africa is subject to countervailing pressures. Upward price pressures arise from accommodative monetary policy, the pass-through from exchange rate depreciation to prices, rising food prices because of low agricultural output, and increased production and distribution costs due to supply-chain disruptions. Downside pressures include cheaper imported oil, increased precautionary savings due to perceived uncertainties, and the credible anchoring of inflation expectations in countries belonging to a currency union.

5.3 OUTLOOK FOR 2021

The outlook for growth recovery in Africa is subject to headwinds and significant tailwinds. The projected growth recovery of 3.4 percent in 2021 is uncertain. New waves of the COVID–19 infections could require re-imposition of lockdowns and quarantine that would potentially slow down or retard the recovery process.

Downside economic and social factors include the risks of social tensions, debt overhang, extreme weather events, subdued commodity prices, weaker tourism and remittances, and financial market volatility that could impede capital flows. However, if effective vaccines are available and accessible in the continent, the projected recovery could be achieved and even surpassed.

Tailwinds and upside factors

The recovery can be better than projected if:

Universal access to safe and effective COVID-19 therapeutics and vaccines is achieved and if the availability of vaccine leads to return to pre-pandemic levels of economic activities.

African governments can sustain the fiscal stimulus packages extended to their citizens through 2021, to boost aggregate demand that could help crowd in private investments and consumption.

The productivity of human and physical capital in the private and public sectors is continually boosted through accelerated digitalization due to COVID-19 pandemic-related containment measures.

Headwinds and downside risks

On the other hand, the projected recovery would be threatened by:

- Possibility of repeated COVID–19 waves, and slower-than expected progress in the deployment of safe and effective treatments and vaccines.
- High debt and liquidity shortfalls by African countries and corporate entities could tighten financing conditions.
- Increase in conflict-related events which has the potential to result in policy uncertainty and dampening of investor confidence.
- Natural and weather-related disasters, such as the locust invasion of farmlands, droughts, floods, cyclones etc.
- A sluggish rebound in tourism, remittances, oil and commodity prices, which could constrain public finances for tourism-dependent and oil-dependent economies.

Table 5.1 Real GDP Growth in Africa, 2010 -2021

Indicator and Country Group	2010 -2014	2015	2016	2017	2018	2019	2020 * Est.	2021 ** Proj.
Central Africa	5.0	3.3	0.2	1.1	2.2	2.9	-2.7	3.2
East Africa	5.9	6.5	5.1	5.9	5.7	5.3	0.7	3.0
North Africa	3.7	3.7	3.2	4.9	4.3	4.0	-1.1	4.0
Including Sudan		3.6	3.7	3.2	4.8	3.6	-1.6	3.7
Southern Africa		3.8	1.6	0.7	1.6	0.3	-7.0	3.2
West Africa		6.2	3.2	0.5	2.7	3.6	-1.5	2.8
Africa		4.7	3.5	2.1	3.6	3.3	-2.1	3.4
Excluding Libya		4.4	3.6	2.2	3.0	3.2	-1.8	3.1
Sub-Saharan Africa		5.2	3.4	1.5	2.9	3.0	-2.6	3.0
Excluding South Africa		5.9	3.9	1.8	3.3	3.6	-1.5	3.0
Oil-Exporting Countries		4.7	3.3	1.5	3.2	3.2	-1.5	3.1
Oil-importing Countries		4.6	3.7	3.1	4.2	3.6	-2.8	3.7

2020* Figures Estimated

2021 Figures Projected**

Source: African Development Bank Statistics

FINANCIAL STATEMENT & ACCOUNTS

WEST AFRICAN INSTITUTE FOR FINANCIAL
AND ECONOMIC MANAGEMENT
Lagos, Nigeria

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Governors of West African Institute for Financial and Economic Management ("the Institute") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Institute as at 31 December 2020, its financial performance, changes in equity and cash flows for the year then ended, in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

In preparing the financial statements, the Board of Governors are responsible for:

- Properly selecting and applying accounting policies
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Institute's financial position and financial performance, and
- Making an assessment of the Institute's ability to continue as a going concern

The Board of Governors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Institute
- Maintaining adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute
- Maintaining statutory accounting records in compliance with IFRS
- Taking steps that are reasonably available to them to safeguard the assets of the Institute; and
- Preventing and detecting fraud and other irregularities

Going Concern

The Board of Governors have made an assessment of the Institute's ability to continue as a going concern and have no reason to believe the Institute will not remain as a going concern in the year ahead.

The financial statements of the Institute for the year ended 31 December 2020 were approved by the Board of Governors on 26 August 2021.

On behalf of the Board of Governors of the Institute

Godwin Emefiele
Chairman of the Board of Governors

Baba Yusuf Musa
Director General

6 Sept. 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

Report on the Audit of the Financial Statements

We have audited the financial statements of West African Institute for Financial and Economic Management ("the Institute"), which comprise the statement of financial position as at 31 December 2020, and the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The Board of Governors are responsible for the other information. The other information comprises the information included in the document titled "West African Institute for Financial and Economic Management Annual Report and Financial Statements for the year ended 31 December 2020", which includes the Statement of Board of Governors' Responsibilities in Relation to the Preparation of the Financial Statements, the Value Added Statement and the Five-year Financial Summary. The other information does not include the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Responsibilities of the Board of Governors for the financial statements

The Board of Governors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of the Board of Governors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria
29 September 2021

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 US$	2019 US$
Income			
Subscriptions	4	5,063,323	5,065,786
Training income	5	162,525	161,998
Other operating income	6	28,760	374,698
Total operating income		5,254,608	5,602,482
Expenses			
Personnel expenses	7	2,269,508	2,265,982
Training expenses	8	181,350	1,287,169
Depreciation	10	151,961	225,584
Amortisation	11	1,672	1,128
Operating expenses	9	490,073	952,376
Total expenses		3,094,564	4,732,239
Surplus for the year		2,160,044	870,243
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,160,044	870,243

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 US$	31 December 2019 US$
Assets			
Non-current assets			
Property and equipment	10	591,041	425,759
Intangible assets	11	1,126	2,798
		592,167	428,557
Current assets			
Inventories	12	13,001	14,437
Trade and other receivables	13	-	40,470
Cash held for Staff Provident Fund (SPF)	14	1,978,148	1,679,541
Cash and bank balances	15	3,889,572	1,834,812
		5,880,721	3,569,260
Total assets		6,472,888	3,997,817
Equity and liabilities			
Equity			
Accumulated funds	19	4,430,901	2,270,857
Non current liabilities			
Staff provident fund	17	1,978,148	1,679,552
Other liabilities	18	-	11,233
		1,978,148	1,690,785
Current liabilities			
Trade and other payables	16	63,839	36,175
Total liabilities		2,041,987	1,726,960
Total equity and liabilities		6,472,888	3,997,817

These financial statements were approved by the Board of Governors on 26 August 2021 and signed on its behalf by:

Godwin Emiefele
Chairman of the Board of Governors

Baba Yusuf Musa 6-09-2021
Director General

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Accumulated funds US$
As at 1 January 2020	2,270,857
Surplus for the year	2,160,044
At 31 December 2020	4,430,901
As at 1 January 2019	1,400,614
Surplus for the year	870,243
At 31 December 2019	2,270,857

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 US$	2019 US$
Operating activities			
Surplus for the year		2,160,044	870,243
Adjustments for non-cash items:			
Depreciation of property and equipment	10	151,961	225,584
Amortisation of intangible assets	11	1,672	1,128
Net foreign exchange loss	9	5,692	3,340
Working capital adjustments:			
Decrease in inventories		1,436	4,082
Increase in trade and other receivables		(258,137)	(190,119)
Increase/ (decrease) in trade and other payables		27,664	(57,120)
Increase in other liabilities		287,363	181,281
Net cash flows from operating activities		2,377,695	1,038,419
Investing activities			
Purchase of property and equipment	10	(317,243)	(383,252)
Purchase of intangible assets	11	-	(2,498)
Net cash flows used in investing activities		(317,243)	(385,750)
Net increase in cash and cash equivalents		2,060,452	652,669
Net foreign exchange difference on cash and cash equivalents	9	(5,692)	(3,340)
Cash and cash equivalents at 1 January	15	1,834,812	1,185,483
Cash and cash equivalents at 31 December	15	3,889,572	1,834,812

The accompanying notes to the financial statements form an integral part of these financial statements.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

The West African Institute for Financial and Economic Management ("WAIFEM"; "the Institute") was established in 1996 by the Central Banks of Nigeria, The Gambia, Sierra Leone, Ghana and Liberia. The Institute commenced operations in January 1997.

1.1 Principal activities

The principal activities of the Institute continue to be strengthening capacity building for macro-economic management in the West African sub-region by offering short-term customized courses to professional staff of Central banks, Ministries of finance and economic planning and other agencies involved in the formulation and implementation of macro-economic policies in the West African sub-region.

1.2 Approval of financial statements

The financial statements were approved by the Board of Governors and authorised for issue at its meeting held on 26 August 2021.

1.3 Statement of compliance with International Financial Reporting Standards

The financial statements of the Institute has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

1.5 Functional and presentation currency

Items included in the financial statements of the Institue are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). These financial statements are presented in US Dollars ($), which is the entity's functional currency.

2 Significant accounting policies

The following are the significant accounting policies applied by the Institute in preparing its financial statements:

a) Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the income can be reliably measured. Income is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized.

Subscription

This relates to contributions from member Central Banks of the Institute in accordance with the agreed distribution policy of 35%, 25% for the Central Banks of Nigeria and Ghana respectively and 13.33% for each of Liberia, The Gambia and Sierra Leone against the approved budget for the year. Contributions are made directly to the Institute's bank account housed with the Central Bank of Nigeria. The income is recognized on an accrual basis.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

a) Income recognition - continued

Grants

These represent grants received from donor organizations towards specific training programs.

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Institute receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

The spending of these grants is usually monitored by the donors.

Other income

This represents income from consultancy, course executions and business development programs. These are recognized on an accrual basis.

b) Expenses

This comprised of personnel expenses, training expenses and other operating expenses. These are recognized on an accrual basis, as services are received.

c) Property and equipment

Recognition and measurement

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Institute and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The useful lives for significant items of property and equipment are as follows:

	Years
Motor vehicle	5
Office furniture	4
Office equipment	4
Household furniture	4
Household equipment	5

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

c) Property and equipment - continued

<u>Derecognition</u>

An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

d) Intangible assets

<u>Computer Software</u>

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The Institute's intangibles assets are Computer software. These represent the cost of procuring computers software. Computer software is amortized on a straight line rate of 50%. Cost associated with maintaining the software programs are recognized as an expense when incurred.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase cost and other cost incurred in bringing the stocks to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities
All financial assets and liabilities- which include derivative financial instruments- have to be recognized in the statement of financial position and measured in accordance with their assigned category.

- *Initial recognition and measurement*

Financial assets are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial Instruments.

- *Subsequent measurement*

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

- *Classification and related measurement*

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

i) Financial assets
Subsequent to initial recognition, all financial assets within the Institute are measured at

Amortized cost
Fair value through comprehensive income (FVOCI); or
Fair value through profit or loss (FVTPL)

Debt instruments at amortised cost or at FVTOCI
The Institute assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Institute's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Institute determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Institute's business model does not depend on management's intentions for an individual instrument. Therefore the business model assessment is performed at a higher level of aggregration rather than on an instrument- by- instrument basis.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

Debt instruments at amortised cost or at FVTOCI - continued

The Institute has more than one business model for managing its financial instruments which reflects how the Institute manages its financial assets in order to generate cash flows. The Institutes's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Institute considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Institutes does not reasonably expect to occur, such as so-called 'worst case' or' stress case' scenarios. The Institute takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Institute determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Institute reassess its business models at each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Institute has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

As at 31 December 2020, the Institute did not hold any debt instrument measured at fair value through other comprehensive income (FVOCI).

Debt instruments at Fair value through profit or loss

Financial assets at FVTPL are:

Assets with contractual cashflows that are SPPI; or/and assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised on profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

Impairment

The Institute recognises loss allowances for expected credit losses (ECLs) on the following financial instruments at amortised cost:

Debt investment securities;
Other receivables;

ECLs are required to be measured though a loss allowance at an amount equal to:

-12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage1); or full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

-A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal significantly or insignificantly to the 12-month ECL.

-ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Institute under the contract and the cash flows that the Institute expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

-The Institute measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

The Institute monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Institute will measure the loss allowance based on lifetime rather than 12 month ECL. The Institute's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Institute monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Institute compares the risks of a default occurring on the financial statements at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Institute considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Institute's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighing of these different scenarios that forms that basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

As a back-stop, when an asset becomes 30 days past due, the Institute considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the convenant is or is not met (e.g. a change to the increase in the interest rate that arises when the covenants are breached).

When a financial asset is modified, the Institute assesses whether this modification results in derecognition. In accordance with the Institute's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Institute considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is to be performed to compare the present values to the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occassion where the new loan is considered to be originated credit impaired. This applies only in the case when the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Institute monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Institute determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

-the remaining lifetime PD estimate based on data at initial recognition and the original contractual terms; with

- the remaining lifetime of PD at the reporting date based on the modified terms.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

i) Financial assets and liabilities - continued

Modification and derecognition of financial assets - continued

The Institute derecognizes a financial asset only when contractual rights to the asset's cashflows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute neither recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than its entirety (e.g. when the Institute retains an option to repurchase part of a transferred asset), the Institute allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain/loss allocated to it that had been recognized in OCI is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

Write-off

Debt securities and other receivables are written off when the Institute has no reasonable expectations of the financial asset (either in its entirety or portion of it). This is the case when the Institute determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Institute may apply enforcement activities to the financial assets written off. Recoveries resulting from the Institute's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- for debt instruments measured at FVTOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Institute's own equity instruments and is a non-derivative contract for which the Institute is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Institute's own equity instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL

A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short term profit taking or it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; in accordance with the Institute's documented risk management or investment strategy, and information about the accompanying is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at their fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line in the profit or loss account.

The Institute does not have any financial liabilities at fair value through profit or loss at the reporting date.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method (EIR).

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity - continued

Derecognition of financial liabilities

The Institute derecognizes financial liabilities when, and only when, the Institute's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

When the Institute exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Institute accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Institute are recognized as the proceeds received, net of direct issue costs.

Repurchase of the Institute's own equity instruments is recognized and deducted directly in equity. No gain/loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Institute's own equity instruments.

g) Employee benefits

Staff provident fund (SPF)

The Institute operates a defined contribution pension scheme. The scheme is managed in-house.

The SPF is a contributory fund where all employees of the Institute make a contribution of 10% of their basic salary and the Institute contributes 20% of the employee's basic salary. Management administers this Fund in accordance with the approved Regulations of the Staff Provident Fund. Employees can make withdrawals of up to 60% of their total contributions from the fund as long as certain conditions are met. This withdrawal can be made after the employee has worked for the Institute for more than 3 years.

Employees are entitled to the full balance of their total contribution, less any withdrawals, upon termination or resignation or retirement from employment with the Institute. There is no requirement for interest to be paid on these contributions except the money is invested. The fund is currently held in a US dollar domicillary account with the Central Bank of Nigeria where it generates little or no interest.

h) Foreign currency translations

Transactions denominated in currencies other than the United States Dollar are translated at the rate of exchange ruling at the reporting date.

Monetary assets and liabilities in foreign currencies are converted to USD at the rate of exchange ruling at the reporting date.

Gains and losses arising there from are included in the income and expenditure account.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Significant accounting polcies - Continued

i) Taxation
According to Article vii (1) of The Headquarters agreement between WAIFEM and the Government of the Federal Republic of Nigeria, West African Institute for Financial and Economic Management (WAIFEM) is exempted from taxes and duties of any kind whether State, Provincial, Local and any other authority and whether such taxes and duties are now in existence or are to be imposed or issued in the future.

j) Current versus non-current classification
The Institute presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Institute classifies all other liabilities as non-current.

3 Significant accounting judgments, estimates and assumptions
The preparation of the Institute's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods

<u>Estimates and assumptions</u>

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

<u>Useful lives and carrying value of property and equipment, and intangible assets</u>
The estimation of the useful lives of assets is based on management's judgment. The useful lives are determined based on the expected period over which the asset will be used and benefits received by the Institute from the use of the asset. Residual values are determined by obtaining observable market prices for the asset with the same age that the asset would be at the end of its useful life. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items (See note 11).

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Significant accounting judgments, estimates and assumptions - continued

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Institute applies the impairment assessment to its separate cash generating units. This requires management to make significant judgments and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realizable values. Management's judgment is also required when assessing whether a previously recognized impairment loss should be reversed. There was no indicator of impairment of property and equipment throughout the year.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 22.

3.1 New and amended standards and interpretations

There are several amendments and interpretations that apply for the first time in 2020, but do not have an impact on the financial statements of the Institute. These include the following:

(a) Amendments to IAS 1and IAS 8 Definition of Material
(b) Conceptual Framework for Financial Reporting issued on 29 March 2018
(c) Amendments to IFRS 3: Definition of a Business
(d) Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
(e) Amendments to IFRS 16 Covid-19 Related Rent Concessions

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(a) IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. These amendments will currently have no impact on the financial statements of the Institute.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

3.2 Standards issued but not yet effective - continued

(b) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use liabilities
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments will currently have no impact on the financial statements of the Institute, and its effective annual reporting periods beginning on or after 1 January 2022.

(c) IFRS 16 Leases Illustrative Example accompanying - Lease incentives liabilities

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Other amendments to standards, which currently do not apply to the Institute are listed below:

-IFRS 17 Insurance Contracts
-Proposed amendments to IFRS 17
-Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
-Amendments to IFRS 3 - Reference to the Conceptual Framework
-Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
-Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract
-IAS 41 Agriculture - Taxation in fair value measurements

-Interest Rate Benchmark Reform – phase 2 - Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16

Annual Improvements 2018-2020 cycle (issued in May 2020)
-IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS - Continued

4 Subscriptions	2020 US$	2019 US$
Central Bank of Nigeria	1,772,172	1,773,034
Bank of Ghana	1,265,836	1,266,450
Bank of Sierra Leone	675,105	675,434
Central Bank of The Gambia	675,105	675,434
Central Bank of Liberia	675,105	675,434
Total revenue	5,063,323	5,065,786

5 Training income		2020 US$	2019 US$
Net consultancy fees	(Note 5.1)	158,664	18,893
Sundry income & E-learning		3,286	135,385
Course fees		575	7,720
		162,525	161,998

5.1 Net consultancy fees		
Consultancy fees	516,440	559,090
Demand Driven Courses expenses	(357,776)	(540,197)
	158,664	18,893

6 Other operating income			
Grant	(Note 6.1)	19,232	359,127
Interest		9,528	15,571
		28,760	374,698

6.1 Grants			
World Bank	i	8,000	263,864
ACBF Grant for property and equipment	ii	11,232	30,173
International Monetary Fund Institute (IMF)	iii	-	40,470
African Capacity Building Foundation (ACBF)	iv	-	24,620
		19,232	359,127

i World Bank Grant relates to grant received for various courses organized by the Institute under the World Bank Debt Management Facility.

ii ACBF grant was received for the purchase of certain items of property and equipment. Recognition of the grant asset has been spread over the useful life of the asset.

iii International Monetary Fund Institute relates to grant received for various courses organized.

iv African Capacity Building Foundation (ACBF) relates to grants received for training programmes and research activities (under AFDB and World Bank Funding).

v The Institue acted in compliance with the requirements of the grant agreements between it and the African Capacity Building Foundation (ACBF) and the World Bank.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

7 Personnel expenses

	2020 US$	2019 US$
Salaries and wages	1,511,234	1,447,743
Provident fund contribution	406,837	386,000
Leave allowance, home leave and ex-gratia allowance	152,239	249,119
13 month Salary	130,597	124,276
Utility allowance	31,236	51,432
Overtime allowance	6,237	7,412
Resettlement, recruitment costs and shipment of personal effects	31,128	-
	2,269,508	2,265,982

7.1 Staff Renumeration

			2020 Number	2019 Number
			49	49
Salary range				
$1,001	-	$10,000	8	8
$10,001	-	$20,000	22	22
$20,001	-	$30,000	-	-
$30,001	-	$40,000	4	4
$40,001	-	$50,000	3	3
Above $50,000			12	12
			49	49

8 Training expenses

	2020 US$	2019 US$
Programme fees	138,480	1,147,184
Training materials, Cost of administration & transportation	42,870	98,708
E-learning Expenses & Staff Retreat	-	36,777
Research unit activities	-	4,500
	181,350	1,287,169

9 Operating expenses

	2020 US$	2019 US$
Board expenses	130,144	273,418
Official mission and travels	81,564	254,531
Printing, stationery and computer consumables	46,684	70,096
General insurance	32,827	15,073
Audit fees	31,000	31,000
Motor vehicle running expenses	23,402	25,480
Postages and telecommunications	21,534	33,128
Social programmes	16,989	45,308
Medical expenses	15,474	25,080
Electricity, lighting and rates	14,667	15,839
Internet subscription/ website	13,555	13,294
Souvenir teaching aids	13,025	24,621
Repairs and maintenance	8,543	8,342
Management expenses	8,186	2,578
Upkeep of grounds and buildings	7,719	46,875
Hospitality and security	5,777	8,823
Net foreign exchange loss	5,692	3,340
Entertainment	3,502	5,263
Staff training	3,313	40,393
Journals, periodicals and newspapers	3,278	4,164
Cleaning materials and staff uniforms	2,023	3,599
Bank charges	1,175	2,131
	490,073	952,376

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

10 Property and equipment

	Motor Vehicles US $	Office Furniture US $	Office Equipment US $	Household Furniture US $	Household Equipment US $	Total US $
Cost						
At 1 January 2019	589,367	154,161	743,674	122,443	173,528	1,783,173
Additions	300,009	-	22,779	19,408	41,056	383,252
At 31 December 2019	889,376	154,161	766,453	141,851	214,584	2,166,425
Additions	198,060	10,309	74,843	3,487	30,544	317,243
Write off	(359,632)	(150,804)	(400,180)	(100,150)	(134,712)	(1,145,479)
At 31 December 2020	727,804	13,666	441,116	45,188	110,415	1,338,189
Accumulated depreciation:						
At 1 January 2019	500,995	152,876	608,060	105,181	147,971	1,515,083
Depreciation charge for the year	149,857	645	58,842	5,351	10,889	225,584
At 31 December 2019	650,851	153,521	666,902	110,532	158,860	1,740,666
Depreciation charge for the year	64,969	861	50,968	9,071	26,092	151,961
Write off	(359,632)	(150,804)	(400,180)	(100,150)	(134,712)	(1,145,479)
At 31 December 2020	356,187	3,579	317,690	19,453	50,239	747,148
Net book value:						
At 31 December 2020	371,617	10,087	123,426	25,735	60,176	591,041
At 31 December 2019	238,525	640	99,551	31,319	55,724	425,759

i) There were no restrictions on title and no asset pledge as security for liabilities during the year.

ii) At the end of the reporting period, management has assessed all items of property and equipment for any indication of impairment and based on judgment there is no such indication.

11 Intangible assets

	Computer Software ₦'000
Cost	
At 1 January 2019	77,826
Additions	2,498
At 31 December 2019	80,324
Additions	-
At 31 December 2020	80,324
Accumulated amortisation:	
At 1 January 2019	76,398
Amortisation	1,128
At 31 December 2019	77,526
Amortisation	1,672
At 31 December 2020	79,198
Net book value:	
At 31 December 2020	1,126
At 31 December 2019	2,798

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Inventories

	2020 US$	2019 US$
Stationery	5,815	6,738
Computer consumables	5,938	6,319
Household items	732	939
Cleaning materials	516	441
	13,001	14,437

12.1 Inventories are carried at the lower of cost and net realisable value. There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year.

13 Trade and other receivables

	2020 US$	2019 US$
Sundry debtors (note 13.1)	-	40,470
	-	40,470

13.1 Sundry debtors

Receivable from International Monetary Fund (IMF)	-	40,470
	-	40,470

14 Cash held for Staff Provident Fund (SPF)

	2020 US$	2019 US$
Cash held for Staff Provident Fund (SPF)	1,978,148	1,679,541

14.1 60% of the Staff Provident Fund are payable to staff on demand if certain conditions are met. The full balance is payable to staff upon termination or resignation or retirement from employment with the Institute.

15 Cash and cash equivalents

	2020 US$	2019 US$
Cash in banks	3,795,209	1,753,956
Endowment fund at bank	87,937	79,265
Cash on hand	6,426	1,591
	3,889,572	1,834,812

Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Endowment fund is credited with surpluses from the Institute's overall operations.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Inventories

	2020 US$	2019 US$
Stationery	5,815	6,738
Computer consumables	5,938	6,319
Household items	732	939
Cleaning materials	516	441
	13,001	14,437

12.1 Inventories are carried at the lower of cost and net realisable value. There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year.

13 Trade and other receivables

	2020 US$	2019 US$
Sundry debtors (note 13.1)	-	40,470
	-	40,470

13.1 Sundry debtors

Receivable from International Monetary Fund (IMF)	-	40,470
	-	40,470

14 Cash held for Staff Provident Fund (SPF)

	2020 US$	2019 US$
Cash held for Staff Provident Fund (SPF)	1,978,148	1,679,541

14.1 60% of the Staff Provident Fund are payable to staff on demand if certain conditions are met. The full balance is payable to staff upon termination or resignation or retirement from employment with the Institute.

15 Cash and cash equivalents

	2020 US$	2019 US$
Cash in banks	3,795,209	1,753,956
Endowment fund at bank	87,937	79,265
Cash on hand	6,426	1,591
	3,889,572	1,834,812

Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Endowment fund is credited with surpluses from the Institute's overall operations.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

18 Other liabilities

	2020 US$	2019 US$
ACBF Grant for property and equipment (note 6.1)		
As at 1 January	11,233	41,406
Recognised in the year	(11,233)	(30,173)
	-	11,233

The ACBF grant was received for the purchase of certain items of property and equipment. The grant is being amortized over the useful economic life of the asset.

19 Accumulated funds

	2020 US$	2019 US$
As at 1 January	2,270,857	1,400,614
Surplus for the year	2,160,044	870,243
	4,430,901	2,270,857

20 Related party disclosures

All related parties transactions are from Business Development and Consultancy Unit and fees are charged on cost recovery basis.

Directors Renumeration

	2020 US$	2019 US$
Salaries	736,517	621,572

The number of Directors excluding the Board of Governors, whose emoluments fall within the following ranges were:

			2020	2019
$50,000	-	$120,000	5	4
$120,001	-	$200,000	1	1

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies

The nature and carrying values of financial instruments that the Institute deploys in carrying out its activities are included in notes 13 to 17. The Institute's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance operations and to provide guarantees that support its operations. The Institute has trade and other receivables, and cash and bank balance that arise directly from its operations. The major risks that the Institute is exposed to as a result of deploying financial instruments include market risk, credit risk, liquidity risk and Operational risk. The Institute oversees the management of these risks. The Management advises on financial risks and the appropriate financial risk strategy within its policy framework to ensure that risks are kept at a minimum level. The Management provides assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed to reduce the impact on its operations. The Management reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The Institute is not exposed to any significant market risks resulting from its financial instruments.

(b) Interest rate risk

The Institute does not have any long term debt obligations. The Institute's trade and other payables are for working capital and as such the Institute has little or no exposure to interest rate risk as at the year end.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute's exposure to the risk of changes in foreign exchange rates relates primarily to the Institute's operating activities (when revenue or expense is denominated in a different currency from the Institute's presentation currency).

The table below summarises the Institute's exposure to foreign currency exchange rate risk at 31 December 2020 and 31 December 2019. Included in the table are the Institute's financial instruments at carrying amounts, categorised by currency.

	NAIRA US$	EURO US$
As at 31 December 2020		
Net foreign currency exposures		
Cash and bank balances	127,359	77,513
As at 31 December 2019		
Net foreign currency exposures		
Cash and bank balances	105,106	77,320

Foreign currency sensitivity

The Foreign exchange sensitivity analysis of the Institue is presented below.

For each foreign currency net exposure it is reasonable to assume a 5% appreciation/depreciation against the functional currency. If all other variables are held constant, the tables below present the impacts on profit or loss before tax if these currency movements had occurred.

The following table details the sensitivity to a 13% increase and 1% decrease in US Dollar against the Naira and a 5% increase and decrease against the Euro. Management believe that the percentage movement above is reasonably possible at the reporting date. The sensitivity analysis below include outstanding Naira and Euro denominated assets and liabilities. A positive number indicates an increase in profit where US Dollar strengthens by 13% against the Naira and 5% against the Euro. For a 1% and 5% weakening of US Dollar against the Naira and Euro respectively, there would be an opposite impact on profit, and the balance below would be negative.

	NAIRA US$	EURO US$
Foreign exchange sensitivity analysis (31 December 2020)		
US Dollar strengthens by 13% (Naira) & 5% (Euro)		
Profit/ (loss)	19,104	3,876
US Dollar weakens by 1% (Naira) & 5% (Euro)		
Profit/ (loss)	(1,274)	(3,876)
Foreign exchange sensitivity analysis (31 December 2019)		
US Dollar strengthens by 5%		
Profit/ (loss)	5,255	3,866
US Dollar weakens by 5%		
Profit/ (loss)	(5,255)	(3,866)

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(d) Price risk

The Institute does not carry any financial instrument that exposes it to significant price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Institute if members or donors fail to meet their contractual obligations, and arises principally from the Institute's receivables from members and donor agencies. The Institute's principal exposure to credit risk is influenced mainly by the individual characteristics of each member and/or donor agency. Management is responsible for analysing each existing and new members based on experience and relevant available information on an ongoing basis. This is to ensure that the subscriptions and/or grants in form of subscription/contribution are made good by the respective members and donors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Institute evaluates the concentration of risk with respect to cash and bank balances and trade and other receivables as low. This is because its customers are located in several jurisdictions and operate in largely independent markets and also, it uses the services of several banks.

i) Credit Collateral

The Institute generally does not hold collateral over its financial assets and no such collaterals were held as at 31 December 2020 (2019: Nil).

ii) Credit exposure

The credit risk analysis below is presented in line with how the Institute manages the risk. The Institute manages its credit risk exposure based on the carrying value of the financial instruments.

iii) Industry analysis

	Financial services US$	Government US$	Consumer US$	Others US$	Total US$
As at 31 December 2020					
Cash and cash equivalents	3,883,146	-	-	-	3,883,146
Total credit risk exposure	3,883,146	-	-	-	3,883,146
As at 31 December 2019					
Trade and other receivables	-	-	-	40,470	40,470
Cash and cash equivalents	1,833,221	-	-	-	1,833,221
Total credit risk exposure	1,833,221	-	-	40,470	1,873,691

The table below provides information regarding the credit risk exposure of the Institute by classifying assets according to the Institute's credit ratings of counterparties:

iv) Neither past-due nor impaired

	Investment grade US$	Non-investment grade: satisfactory US$	Non-investment grade: unsatisfactory US$	Neither past-due nor impaired US$	Total US$
As at 31 December 2020					
Cash and cash equivalents	3,883,146	-	-	-	3,883,146
Total	3,883,146	-	-	-	3,883,146
As at 31 December 2019					
Trade and other receivables	-	-	-	40,470	40,470
Cash and cash equivalents	1,833,221	-	-	-	1,833,221
Total	1,833,221	-	-	40,470	1,873,691

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(e) Credit risk - continued

v) Age analysis of financial assets past due but not impaired

	< 30 days US$	31 to 60 days US$	> 60 days US$	Total past due but not impaired US$
As at 31 December 2020				
Trade and other receivables	-	-	-	-
Total	-	-	-	-
As at 31 December 2019				
Trade and other receivables	40,470	-	-	40,470
Total	40,470	-	-	40,470

(f) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Institute's approach to managing liquidity is to ensure, as far as practicable, that it will always have sufficent liquidity to meet its liabilities as at when due, without incurring unacceptable losses or risking damage to the Institute's reputation.

However, the Institute ensures that it has sufficient cash on demand to meet current and expected operational needs.

i) Maturity profiles

The table that follows summarises the maturity profile of the financial assets and financial liabilities of the Institute based on remaining undiscounted contractual obligations, including interest payable and receivable.

Maturity analysis (contractual undiscounted cash flow basis)

	Carrying amount US$	Up to 3months US$	3-6 months US$	Total US$
As at 31 December 2020				
Financial assets				
Cash and cash equivalents	3,883,146	3,883,146	-	3,883,146
Total assets	3,883,146	3,883,146	-	3,883,146
Financial liabilities				
Trade and other payables	63,839	63,839	-	63,839
Total liabilities	63,839	63,839	-	63,839
Total liquidity gap	3,819,307	3,819,307	-	3,819,307

	Carrying amount US$	Up to 3months US$	3-6 months US$	Total US$
As at 31 December 2019				
Financial assets				
Trade and other receivables	40,470	40,470	-	40,470
Cash and cash equivalents	1,833,221	1,833,221	-	1,833,221
Total assets	1,873,691	1,833,221	-	1,873,691
Financial liabilities				
Trade and other payables	36,175	36,175	-	36,175
Total liabilities	36,175	36,175	-	36,175
Total liquidity gap	1,837,516	1,797,046	-	1,837,516

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

21 Financial Risk Management objectives and policies - continued

(g) Capital management

Capital is the equity attributable to the equity holders of an entity. The primary objective of the Institute's capital management is to ensure that it maintains strong accumulated funds in order to support its operations and to sustain future developments. The Institute is not subject to any internally or externally imposed capital requirements.

(h) Operational risk

Operational risk is the risk of loss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems.

Managing operational risk is seen as part of the day-to-day operations and management, which includes explicit consideration of both opportunities and the risks of all business activities. Operational risk management includes Institute-wide policies that describe the standard required of both staff and specific internal control systems designed for implementation in the Institute. Compliance with corporate policies and departmental internal control systems are managed by departmental management and an active internal audit function.

22 Fair value of financial assets and liabilities

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Institute can use in order to estimate the fair value;

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no assets or liabilities measured at fair value at reporting date (2019: Nil).

22.1 Financial instruments not measured at fair value

Table below shows the carrying value of financial assets not measured at fair value.

	Level 1	Level 2	Level 3
As at 31 December 2020			
Financial assets	-	-	3,889,572
Cash and bank balances	-	-	1,978,148
Cash held for Staff Provident Fund (SPF)	-	-	5,867,720
Financial liabilities	-	-	63,839
Trade and other payables	-	-	1,978,148
Staff provident fund	-	-	2,041,987
As at 31 December 2019			
Financial assets	-	-	1,834,812
Cash and bank balances	-	-	1,679,541
Cash held for Staff Provident Fund (SPF)	-	-	40,470
Trade and other receivables	-	-	3,554,823
Financial liabilities	-	-	36,175
Trade and other payables	-	-	1,679,552
Staff provident fund	-	-	1,715,727

The Institute considers the carrying value of all financial assets and liabilities to approximate their fair values.
There were no transfers between the different levels in 2020 and 2019.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS - Continued

23 Contingent liabilities

There were no pending litigations as at 31 December 2020 (2019: Nil) against the Institute.

24 Capital Commitments

There was no capital expenditure contracted but not provided for in these financial statements as at 31 December 2020 (2019: Nil).

25 Events after the reporting period

There are no other events after reporting date which could have a material effect on the financial position of the Institute as at 31 December 2020 and income and expenditure and other comprehensive income on that date which have not been adequately adjusted for or disclosed.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 US$	%	2019 US$	%
Gross earnings	5,254,608	115	5,602,482	167
Less:				
Bought in material and services	(671,423)	(15)	(2,239,545)	(67)
Value added	4,583,185	100	3,362,937	100
Applied as follows:				
To employees:				
- personnel expenses	2,269,508	50	2,265,982	67
Retained for the Institute's future:				
- depreciation	151,961	3	225,584	7
- amortisation	1,672	-	1,128	-
- Surplus/ (deficit) for the year	2,160,044	47	870,243	26
Value added	4,583,185	100	3,362,937	100

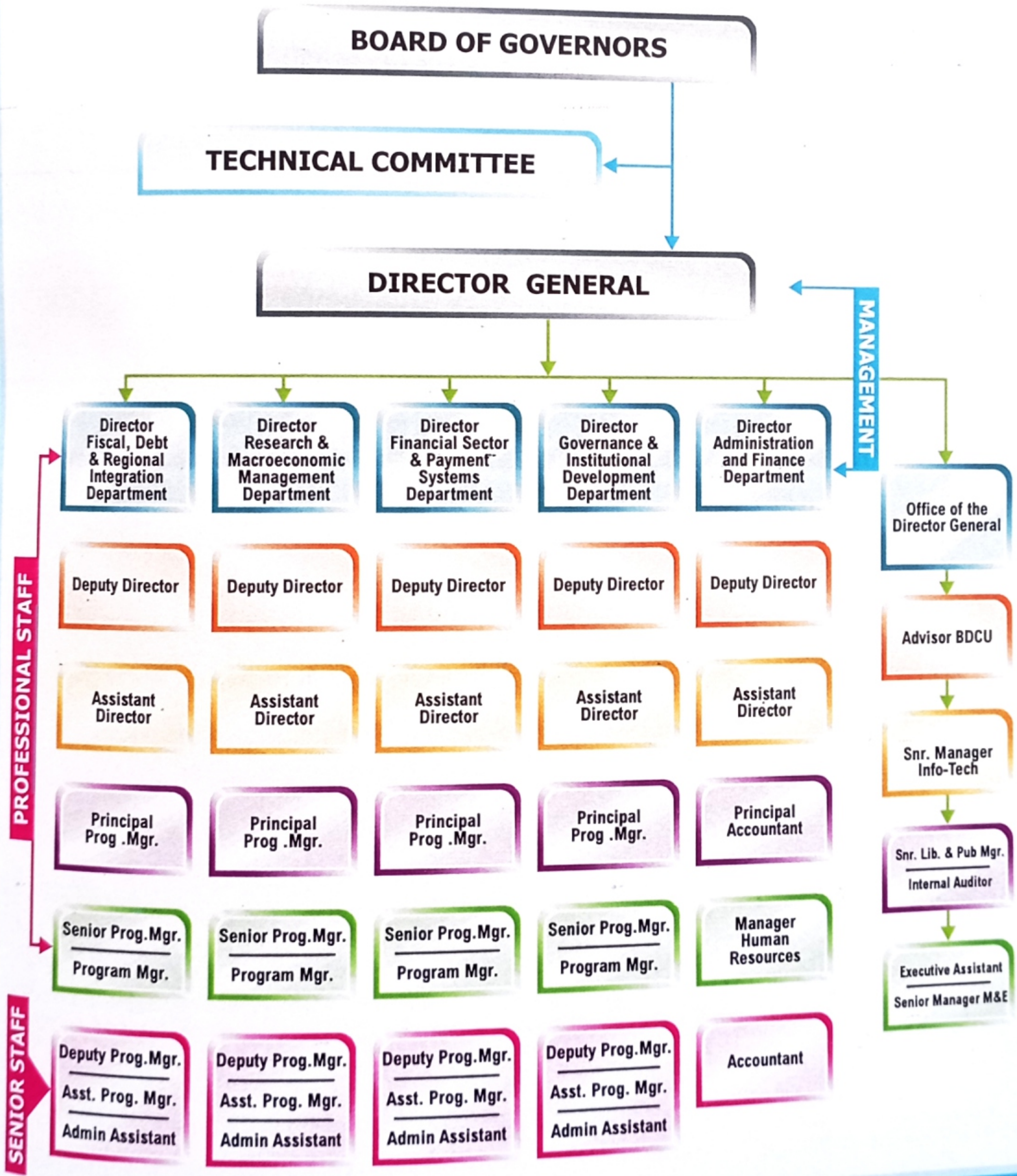
Value added represents the additional wealth which the Institute has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees and that retained for the future creation of more wealth.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
FIVE-YEAR FINANCIAL SUMMARY

Statement of Financial Position At 31 December	2020 US$	2019 US$	2018 US$	2017 US$	2016 US$
Assets					
Non-current assets					
Property and equipment	591,041	425,759	268,090	316,882	251,031
Intangible assets	1,126	2,798	1,428	3,045	8,857
	592,167	428,557	269,518	319,927	259,888
Current assets					
Inventories	13,001	14,437	18,519	16,406	12,328
Trade and other receivables	-	40,470	61,806	580,297	78,297
Cash and bank balances	3,889,572	1,834,812	1,185,483	977,621	965,593
Cash held for Staff Provident Fund (SPF)	1,978,148	1,679,541	1,468,087	1,516,925	1,393,336
	5,880,721	3,569,260	2,733,895	3,091,249	2,449,554
Total assets	6,472,888	3,997,817	3,003,413	3,411,176	2,709,442
Equity and liabilities					
Equity					
Accumulated funds	4,430,901	2,270,857	1,400,614	1,474,547	1,115,578
Total equity	4,430,901	2,270,857	1,400,614	1,474,547	1,115,578
Non-current liabilities					
Staff provident fund	1,978,148	1,679,552	1,468,098	1,516,929	1,393,336
Other liabilities	-	11,233	41,406	71,579	101,752
	1,978,148	1,690,785	1,509,504	1,588,508	1,495,088
Current liabilities					
Trade and other payables	63,839	36,175	93,295	348,121	98,776
	63,839	36,175	93,295	348,121	98,776
Total liabilities	2,041,987	1,726,960	1,602,799	1,936,629	1,593,864
Total equity and liabilities	6,472,888	3,997,817	3,003,413	3,411,176	2,709,442

Statement of Profit or Loss	2020 US$	2019 US$	2018 US$	2017 US$	2016 US$
Total operating income	5,254,608	5,602,482	6,053,228	5,976,248	5,157,735
Expenditure					
Personnel expenses	(2,269,508)	(2,265,982)	(2,429,414)	(2,118,159)	(2,117,534)
Training expenses	(181,350)	(1,287,169)	(2,400,255)	(2,375,798)	(1,331,592)
Depreciation	(151,961)	(225,584)	(137,618)	(113,682)	(127,995)
Amortisation	(1,672)	(1,128)	(2,732)	(6,885)	(5,215)
Operating expenses	(490,073)	(952,376)	(1,157,142)	(1,002,755)	(976,857)
Total expenses	(3,094,564)	(4,732,239)	(6,127,160)	(5,617,279)	(4,559,193)
Surplus/ (deficit) for the year	2,160,044	870,243	(73,932)	358,968	598,542

WAIFEM Management & Professional Staff



APPENDIX 2

PRINCIPAL OFFICERS OF THE INSTITUTE

1.	Dr. Baba Y. Musa	Director General
2.	Mr. Euracklyn V. Williams	Director, Admin. & Finance Department
3.	Dr. Paul Mendy	Director, Financial Sector & Payment Systems Department
4.	Dr. Alvin Johnson	Director, Governance & Institutional Development Department
5.	Dr. Emmanuel Owusu-Afriyie	Director, Research & Macroeconomic Management Department
6.	Mr. Yakubu Aliyu	Director, Fiscal Policy, Debt Management & Regional Integration Department
7.	Dr. Patricia A. Adamu	Assistant Director, Financial Sector & Payment Systems Department
8.	Prof. Douglason Omotor	Advisor, Business Development& Consultancy Unit
9.	Dr. Okon J. Umoh	Principal Programme Manager, Research & Macroeconomic Management Department.
10.	Mr. Ogbonnaya Agu	Senior Programme Manager, Governance & Institutional Development Department
11.	Mr. Gabriel Y. Asante	Senior Programme Manager 1, Fiscal Policy, Debt Management & Regional Integration Department
12.	Mr. MomodouL. Jarjue	Senior Programme Manager 2, Fiscal Policy, Debt Management & Regional
13.	Mr. Linus Gimoh	Principal Accountant
14.	Mr. Samuel J. Sepha	Library & Publications Manager
15.	Mr. Victor F. Emmanuel	Internal Auditor
16.	Mr. Josephine Robert	Executive Assistant
17.	Mr. John Owusu-Afriyie	Programme Manager, Research & Macroeconomic Management Department
18.	Mr. Emmanuel Ekpo	Senior Manager, Monitoring & Evaluation
19.	Ms. Rebecca O. Ikpeme	Systems Administrator
20.	Mr. Abubakar N. Adamu	Deputy Programme Manager, Governance & Institutional Development Department
21.	Mr. Aniekan B. James	Assistant Programme Manager, Business Development & Consultancy Unit

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

WAIFEM

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