National Accounts Unit, Gambia Bureau of Statistics

Explanatory Note on the Revision of Annual (2023-2024) and Quarterly (Q1 2023-Q1 2025) GDP Estimates

1. Introduction

The revision of the Gross Domestic Product (GDP) estimates was undertaken to ensure that the national accounts provide an accurate and comprehensive representation of the current structure and performance of The Gambia's economy. Revisions are a standard component of the national accounts compilation process and are carried out to incorporate more complete, updated, and reliable data as they become available as well as correct for errors. Immediate revisions are usually undertaken when the overall changes to the previously published number are significantly large.

In this round of revisions, adjustments were made to correct identified inconsistencies and noted errors. These refinements have led to modifications in some GDP components, notably in the Fishing, Administrative, Support Service Activities and Public administration.

1.1 Basis for Revision

The revisions to the GDP estimates were guided by the following:

- **Correction of data inconsistencies** identified during the reconciliation of fishing quantities;
- **Correction of errors** in the compilation procedure of administrative and support activities and Public Administration.
- **Application of updated prices** to ensure accurate measurement of real economic activity.

1.2 Revision of Annual Revised 2023 and Provisional 2024 GDP Estimates

The nominal GDP for 2023 was revised upward from GMD 140.48 billion to GMD 145.85 billion, representing an increase of about 3.8 percent. Likewise, the real GDP was adjusted from GMD 72.47 billion to GMD 73.07 billion, reflecting a 0.8 percent upward revision. As a result, the real GDP growth rate for 2023 increased from 5.0 percent to 5.9 percent, indicating a stronger-than-earlier-estimated expansion in real economic activity.

The provisional nominal GDP estimate for 2024 was revised upward from GMD 159.68 billion to GMD 162.88 billion, representing an increase of approximately 2.0 percent. Similarly, the provisional real GDP was adjusted slightly upward from GMD 76.33 billion to GMD 77.13 billion, reflecting a 1.0 percent increase. Despite this modest improvement in real output levels, the real

GDP growth rate was revised upward from 5.3 percent to 5.6 percent, indicating a marginal strengthening in the pace of economic expansion.

Table 1: Summary of GDP Revisions for 2023 and 2024

Indicator	Previous Estimate	Revised Estimate	Revision Effect
Nominal GDP (2023)	GMD 140,475,119,678	GMD 145,854,002,257	↑ GMD 5,378,882,579 (+3.8%)
Real GDP (2023)	GMD 72,468,558,701	GMD 73,074,696,865	↑ GMD 606,138,164 (+0.8%)
Real GDP Growth Rate (2023)	**5.0 %**	**5.9 %**	↑ 0.9 percentage points
Nominal GDP (2024, Provisional)	GMD 159,684,910,839	GMD 162,875,098,689	↑ GMD 3,190,187,850 (+2.0%)
Real GDP (2024, Provisional)	GMD 76,333,748,996	GMD 77,131,263,790	↑ GMD 797,514,794 (+1.0%)
Real GDP Growth Rate (2024)	**5.3 %**	**5.6 %**	↑ 0.3 percentage points

The upward revisions of the nominal GDP estimates for 2023 and 2024 reflect enhancements in data coverage and methodological improvements. Users are advised to adopt these revised figures for all analytical, policy, and reporting purposes to ensure consistency and accuracy in economic analysis.

2. Explanation of Adjustments in the Fishing, Administrative and Support Services and Public Administration Sectors

2.1. Fishing Sector

The revision to the Fishing sector was primarily driven by the correction of inconsistencies identified in the quantity data obtained from the Department of Fisheries, along with an update to the price adjustment procedure to more accurately reflect prevailing market conditions. The following points outline the specific adjustments implemented in this sector.

a. Adjustment in Data

The Department of Fisheries has experienced system failures since 2023, leading to incomplete and inconsistent data submissions to the National Accounts Unit, including abnormally low reported quantities for several fish species.

To address this issue, trend extrapolation techniques were applied to adjust the reported quantities for species exhibiting abnormal declines. The initially reported quantities were unrealistically low; after applying the trend-based adjustments, the corresponding growth rates shifted from negative to positive, reflecting a more plausible production trend.

b. Adjustment to Prices

The price adjustment method for the fishing sector was also updated to improve the measurement of real value added. Previously, price estimates were obtained by extrapolating historical price trends from the base year, an approach that failed to capture actual fish price changes over time.

Current period fish prices were estimated by applying the trend observed in the CPI for fish to the previous year's prices. In the absence of a Producer Price Index (PPI) specific to fish, it is assumed that price changes for fish follow the same pattern as the CPI for fish.

Under this revised approach:

1. Nominal value added was revised based on the adjusted artisanal fishing data. Output at current prices is calculated by multiplying quantities by prices in the current period, which resulted in an increase in nominal values. This upward shift was driven by revisions in both quantities and prices. In contrast, changes in volume were solely attributed to upward revisions in quantities, as prices were held constant - base year prices.
2. Constant prices were derived by deflating nominal values using the CPI-based deflator, replacing the outdated extrapolated trend method.
3. The revised constant price estimates now better reflect actual price changes in the economy.

This methodological enhancement aligns with international best practices under SNA 2008 and provides a more accurate measure of real sector performance.

c. Impact of Adjustment

The combined effect of improved data imputation and the CPI-based deflation method resulted in an upward revision of the sector's real value added, with the sector's growth rate increasing from 3.5 percent to 13.7 percent in 2023. This contributed significantly to the upward revision of total real GDP growth for 2023.

2.2. Administrative and Support Services Sector

Revisions to this sector were mainly due to the correction of a data error in the compilation of Intermediate Consumption (IC).

a. Adjustment to Intermediate Consumption

Data for this sector were obtained from two key enterprises engaged in:

- Security and investigation activities, and
- Travel agency, tour operator, and reservation services.

During the revision process, it was discovered that the inventory component of the security firm, the dominant contributor to the sector had been erroneously included in total intermediate consumption. Correcting this error led to a reduction in IC, thereby increasing the sector's value added.

b. Impact of Adjustment

The correction resulted in a downward adjustment of intermediate consumption and a net increase in value added. Consequently, the sector's growth rate rose from 2.0 percent to 12.3 percent in 2023.

2.3. Adjustments to Public Administration Services

Revisions to the Public Administration Services component were undertaken to improve the accuracy and consistency of the estimates with source data from the Local Governments. The adjustments primarily addressed inconsistency issues in the compensation of employees and other charges.

a. Adjustment to Data

- **Correction of Source Data Errors:**
- Adjustments were made to address data inconsistencies in the compilation of wages and salaries based on information extracted from the Integrated Financial Management Information System (IFMIS) at the Accountant General's Department (AGD). The value of wages and salaries in the health sector exhibited an abnormal spike; therefore, the trend base method was applied to smooth the series and ensure consistency over time. These corrections ensured greater coherence, accuracy, and consistency of the estimates of the public administration sector.

- **Adjustment to Kanifing Municipality Data (2023):**
- A significant correction was applied to the "Other Charges" component of the Kanifing Municipality's 2023 other charges value. The reported value was disproportionately high relative to the municipality's compensation of employees, indicating an overstatement of Intermediate Consumption (IC) and, consequently, of gross output for the council. The anomaly was traced to a misclassification within operational expenses that inflated the IC estimates. Following internal statistical validation, the excessive values were adjusted downward to align the IC and output levels with plausible expenditure patterns, thereby ensuring a more accurate representation of the sector's contribution to GDP.

b. Impact of Adjustments

Overall, the adjustments resulted in a downward revision of value added in the Public Administration sector for 2023, mainly due to a decline in both output and intermediate consumption (IC) values. Consequently, the sector's real growth rate was revised downward from –9.5 percent to –26.7 percent, indicating a significant contraction in real value added following the data revisions.

2.4. Adjustments to Health Services

The source data corrections implemented in the Public Administration sector were reallocated to the wages and salaries component of the health sector. These adjustments resulted in a slight decline in the value added of the health sector, thereby enhancing the coherence, accuracy, and consistency of the sector's estimates.

3. Revised Quarterly GDP Estimates: Q1 2023-Q1 2025

The revision of the quarterly GDP estimates for the periods under review stems from the adjustments made to the initial annual GDP estimates. Given that the quarterly estimates are benchmarked to the annual GDP figures for 2023 and 2024, any changes in the annual estimates naturally lead to corresponding revisions in the quarterly series. Hence, the changes observed between the initial and revised quarterly estimates reflect the updates made to align with the revised annual benchmarks.

Table 2: Comparison of Initial and Revised Quarterly GDP Growth Rates (Q1 2023-Q1 2025)

Year	Quarter	Initial Growth Rate (%)	Revised Growth Rate (%)	Percentage Change (% point)	Revision Effect
2023	Q1	6.1	5.4	-0.7	Downward revision
	Q2	4.3	3.8	-0.5	Downward revision
	Q3	5.5	8.8	+3.3	Upward revision
	Q4	5.5	6.4	+0.9	Upward revision
2024	Q1	10.3	12.1	+1.8	Upward revision
	Q2	5.9	7.5	+1.6	Upward revision
	Q3	5.2	2.8	-2.4	Downward revision
	Q4	9.7	9.9	+0.2	Upward revision
2025	Q1	6.6	6.9	+0.3	Upward revision

3.1 Interpretation

The revision of quarterly GDP growth rates from Q1 2023 to Q1 2025 reflects the alignment of the quarterly series with the revised annual GDP benchmarks for 2023 and 2024. Overall, the revisions resulted in both upward and downward adjustments across different quarters, depending on the magnitude and direction of the updated sectoral data and methodological improvements.

a. 2023 Developments

- The first half of 2023 (Q1 and Q2) recorded slight downward revisions of 0.7 and 0.5 percentage points, respectively. These adjustments stem mainly from updates in the agriculture and public administration sectors, where revised output and intermediate consumption data reduced value added.
- Conversely, Q3 and Q4 2023 saw upward revisions, with Q3 registering the largest positive adjustment of +3.3 percentage points, primarily driven by stronger-than-expected performance in trade, transport, and manufacturing activities.

b. 2024 Developments

- The revised estimates for 2024 show mixed movements. Q1 and Q2 experienced significant upward revisions (+1.8 and +1.6 percentage points, respectively), suggesting stronger economic activity at the start of the year, largely reflecting improved data for the services and construction sectors.
- However, Q3 2024 recorded a downward revision of 2.4 percentage points, likely due to updated production and fiscal data indicating slower performance in key sectors such as agriculture and public administration.
- Q4 2024 remained broadly stable, with only a marginal upward revision of +0.2 percentage points, implying consistency between the initial and revised estimates.

c. 2025 Developments (Provisional)

- For the first quarter of 2025, revisions were minimal, with changes of less than 0.5 percentage points. These marginal adjustments suggest that early 2025 estimates remain broadly consistent with initial projections, pending further updates as additional data become available.

3.4 Consistency and Comparability

Efforts were made to ensure the revised quarterly estimates are consistent with the revised annual GDP figures and maintain comparability with historical data. Users are, however, advised that growth rates and levels for some quarters have changed due to the revisions, and thus, prior estimates should no longer be used for analytical or policy purposes.

4. Conclusion

The 2023 and 2024 GDP revisions reflect ongoing efforts to strengthen the accuracy, consistency, and reliability of national accounts data in The Gambia. The adjustments in both the Fishing, Administrative and Support Services and Public Administration sectors demonstrate the continuous improvement of data sources, estimation procedures, and methodological alignment with international statistical standards.

The revision of the quarterly GDP estimates from Q1 2023 to Q1 2025 represents a significant improvement in the compilation and presentation of national accounts statistics. It reflects the continuous commitment of the national statistical system to enhance data quality and to provide policymakers, researchers, and other stakeholders with reliable and timely economic indicators for informed decision-making.

Future updates will continue to integrate enhanced data sources, improved methodologies, and updated classifications in line with evolving statistical standards and user requirements. These periodic revisions form an essential component of the national accounts compilation process and are consistent with international best practices as outlined in the System of National Accounts (2008 SNA).

The revisions enhance the internal consistency and overall reliability of the national accounts, ensuring that the GDP estimates more accurately capture the structure and dynamics of the Gambian economy. Users are therefore advised to adopt these revised figures for all analytical and reporting purposes going forward.

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