

# Eco-tourism Lodges and Resorts in The Gambia

## Project Profile

April 2013



# Why The Gambia?

- Situated on the Atlantic coast and with a navigable river that flows more than 1,100km inland, The Gambia is the ideal, convenient landing spot in sub-Saharan Africa for eco-tourism and inland exploration
  
- This document outlines:
  1. **The market opportunity for investment in eco-tourism lodges and resorts**
  2. **The favourable conditions available to eco-tourism investors**
  3. **The support investors can expect to receive**

**The most competitive destination in West Africa<sup>1</sup>**

**The world's 2<sup>nd</sup> most price competitive destination for Travel & Tourism<sup>2</sup>**

**80km of pristine coastline and a navigable, unspoilt river**

**Winner of multiple eco-tourism awards**



1. World Economic Forum Global Competitiveness Report 2012-13

2. World Economic Forum Africa Competitiveness Report 2011

## Economic indicators

- **GDP:** US\$752mn in 2011 – predicted rise to \$941mn by 2015 <sup>1</sup>
- **GDP growth:** 3.3% in 2011 – predicted annual growth average of 5.9% between 2012-2015 <sup>1</sup>
- **Country risk:** Lower risk level (yellow) than all neighbouring countries and in the same category as Sierra Leone, Ghana, Togo and Benin <sup>2</sup>
- **CPI Inflation (2011):** 4.4% <sup>3</sup>
- **Exports / Imports value (2011) :** - Exports: \$94.7mn <sup>4</sup>  
- Imports: \$343.69mn
- **Labour force (2008) :** 400,000 <sup>3</sup>
- **FDI stock and inflows (2011):** \$703mn stock / \$36mn inflows <sup>5</sup>
- **Currency exchange rates 2012 – highs (H) and lows (L):** <sup>6</sup>
  - GMD/USD: 0.033 (H) / 0.029 (L)    GMD/GBP: 0.021 (H) / 0.018 (L)
  - GMD/EUR: 0.028 (H) / 0.022 (L)



1. IMF World Economic Outlook. Real GDP (constant prices). Accessed: 8/2/13

2. Maplecroft Political Risk 2012. Accessed: 8/2/13

3. Access Gambia. Accessed: 8/2/13

4. UN Comtrade. Accessed: 11/2/13

5. UNCTAD Stat. Accessed: 11/2/13

6. Oanda.com. Accessed: 9/4/13

## The Gambia's eco-tourism sector

- 5-7 hours from most of Europe by air, The Gambia is fortunate to have a rare combination of attributes that make the country a world-class eco-tourism destination
- The Gambia's navigable, unspoilt river, coupled with unique cultural and wildlife attractions, make it the ideal eco-tourism landing spot for Sub-Saharan Africa
- With a proud 30-year track record as a leading West African destination and a proven successful track record in eco-tourism, The Gambia's Government is committed to cementing the country's position as a world-class destination

### KEY FACTS:

- Tourism a key priority sector:
  - Accounts for 16,000 jobs (formal and informal)<sup>1</sup>
  - Contributes about 12% of GDP<sup>1</sup>
- 100,000 tourists per year<sup>2</sup>
- Repeat tourists: 40%<sup>3</sup>
- Predicted tourism growth rate: 3.7% until 2018<sup>2</sup>
- Resort labour costs around 10% of total hotel costs<sup>3</sup> (compared with international average of +40%)<sup>4</sup>
- 400 tourism students graduate each year<sup>1</sup>

1. Ministry of Trade, Industry, Regional Integration and Employment: Programme for Accelerated Growth and Employment (PAGE) 2012-15, 2011

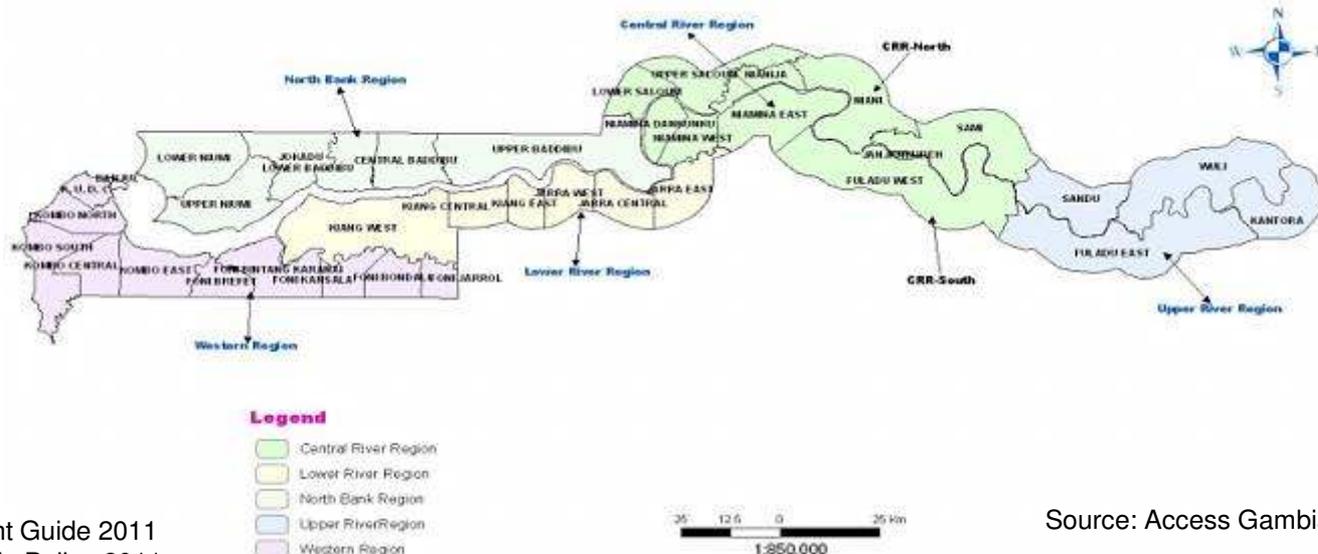
2. GIEPA Tourism Investment Brochure 2012

3. Gambia Tourism Board. Interviewed: 21/11/12

4. PKF Consulting Hospitality Research 2011. Accessed: 10/3/13

# Locations and infrastructure

- The West Coast and broader Western Region, home to existing eco-tourism centres, are easily reachable from Banjul International Airport
- Banjul Airport has undergone a US\$21 million modernisation<sup>1</sup> and the Government is continuing to upgrade the infrastructure.<sup>2</sup> Passenger traffic at the airport reached 318, 240 in 2011 – a 5% increase on 2010's figures<sup>3</sup>
- The north- and south-bank roads along the navigable river ensure easy access from the rest of the country



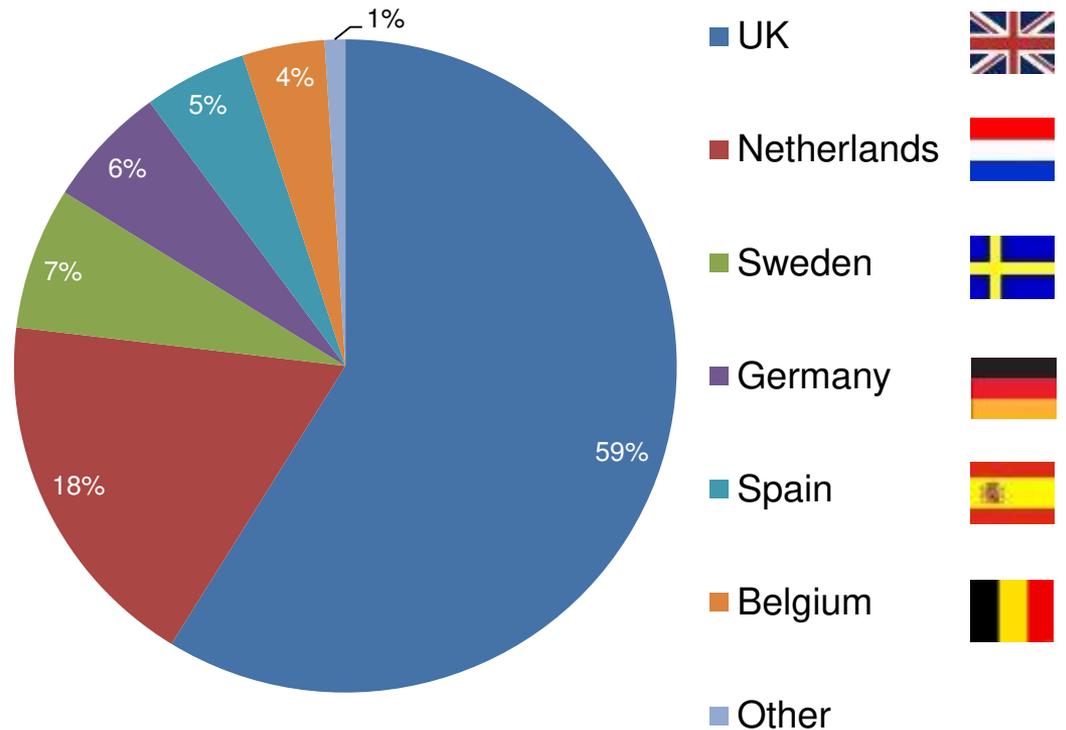
1. GiEPA Investment Guide 2011

2. The Gambia Trade Policy 2011

3. The Gambia Civil Aviation Authority (GCAA). As reported in The Daily Observer, 1/11/12

# Tourists in The Gambia

- The vast majority of tourists in the Gambia tend to come from Northern Europe
- The UK is typically the largest source market by far. The chart to the right shows the principal source markets between January and October 2012<sup>1</sup>. The Netherlands and to a lesser extent Sweden, Germany, Spain and Belgium are also important markets
- Many of these core markets have a strong affinity with eco-tourism and environmentally-friendly, sustainable lifestyles.<sup>2</sup> This reinforces The Gambia's potential as a centre for eco-tourism in West Africa



1. Gambia Tourism Board. Visitor statistics from January – October 2012

2. The UK, Sweden, Germany and the Netherlands all featured among the top 20 markets globally in Yale University's 2012 Environmental Performance Index. Accessed: 14/3/13

## Direct flights to The Gambia

- Direct flights currently link The Gambia to numerous countries in West Africa, North Africa and Western and Northern Europe
- Sixteen commercial airlines currently fly to Banjul International Airport – the most recent addition (Spain's Vueling) commenced operations in spring 2013<sup>1</sup>
- Key major European cities such as London, Madrid, Barcelona, Amsterdam, Brussels, Milan, Frankfurt, Stockholm, Oslo, Copenhagen, Manchester and Birmingham all have direct flights to Banjul



1. Corporate announcement on Vueling's website from 17/10/12. Accessed: 14/3/13.

## Nature Reserves and Parks

- The Gambia is home to rich and diverse wildlife that attract eco-tourists year after year. Principal nature reserves include the following<sup>1</sup>:

### **Bijilo Forest Park**

Covers 51 hectares and is easily accessible with its location in Kololi along the coast and the Senegambia tourist area. Popular for its birds and monkeys.

### **Abuko Nature Reserve**

Covers 105 hectares in Western Gambia. The reserve protects a large tract of gallery forest, and it is particularly noted for its bird and monkey populations.

### **Baobolong Wetland Reserve**

Located on the northern bank of the Gambia River in central Gambia, opposite Kiang West. This wetland covers 22,000 hectares.

### **Kiang West National Park**

Located on the southern bank of the river in central Gambia. Its 11,000 hectares are dominated by dry woodland vegetation, with mangroves and mud flats.

### **River Gambia National Park**

It is a 580 hectare park covering five mid-river islands near Georgetown in eastern Gambia. It was established mainly as a rehabilitation sanctuary for chimpanzees.

### **Tanji River Bird Reserve**

Located on the coast. Its 612 hectares include dunes, lagoons, mangroves, dry woodland and is popular for the variety of birds which can be seen in the reserve.

1. Information from the Gambia Tourism Board, via [visitthegambia.gm](http://visitthegambia.gm) site. Accessed: 12/3/13.

# The Gambia's eco-tourism community

- The Gambia is already home to a developed community of stakeholders in the eco-tourism industry (including businesses, industry associations and representative groups). A few examples of these organisations are displayed below
- The presence of these businesses and supportive organisations demonstrates The Gambia's attractiveness and potential as a prime location in West Africa for eco-tourism development

## EXAMPLES OF ORGANISATIONS:

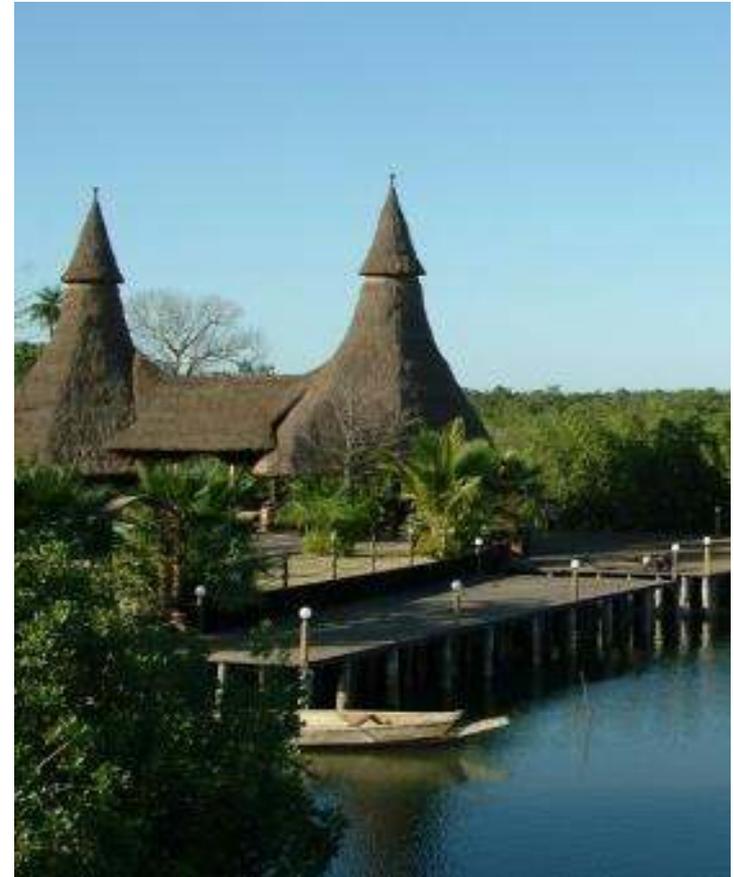
Gambia Tourism Board	Kartong Association for Responsible Tourism (KART)	Mandina River Lodge (Makasutu Cultural Forest)	Gambia Tourism and Hospitality Institute
Sandele Eco-Retreat	Tumani Tenda Eco-Tourism Camp	Gambia Chamber of Commerce & Industry	Association of Small Scale Enterprises in Tourism (ASSET)

**“It was not a question of whether tourism was going to come to Kartong, but when. So we thought, perhaps we can start this region off in a slightly different way, proposing an alternative kind of tourism”**

*Gerri Mitchell,  
Proprietor, Sandele Eco-Retreat*

## Availability of incentives

- A host of incentives are available to investors in eco-tourism accommodation, provided certain criteria relating to investment value and job creation are met.<sup>1</sup> These incentives include:
  - **Tax holiday:** tax breaks on corporate and turnover tax, withholding tax on dividends and depreciation allowance for period of 5-8 years, depending on the project's location
  - **Import Sales Tax Incentives:** Exemption from payment of import sales tax on direct inputs for the project
  - **Free land:** Under The Gambia's "Tourism Development Area" (TDA) initiative, investors in eco-tourism accommodation can be offered land for free if the investment is in a TDA



1. To access incentives, a new investment must be worth at least US\$250,000 and lead to the creation of at least three jobs in the tourism sector. Source: GIEPA Regulations 2012. More information on criteria available from GIEPA.

## Operating costs

- The Gambia has by far the most efficient labour market in West Africa<sup>1</sup> and offers competitive costs in the hospitality sector
- Labour only accounts for around 10% of total resort costs,<sup>2</sup> compared with an international average of more than 40%<sup>3</sup>

### INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day<sup>4</sup>
- Energy: 10.40 GMD / kWh (hotel tariff)<sup>5</sup>
- Water: 31.39 GMD / cubic metre (hotel tariff)<sup>5</sup>
- Telecoms: - From 0.73 GMD / min<sup>5</sup>
- Key taxes<sup>5</sup>: - Corporate: 32% (exemption possible)  
- Income: up to 35%  
- VAT: 15%

1. World Economic Forum Global Competitiveness Report 2012-2013

2. Gambia Hotel Association. Interviewed: 21/11/12

3. PKF Consulting Hospitality Research 2011. Accessed: 10/3/13

4. Program for Accelerated Growth and Employment 2012-15

5. GiEPA Investment Guide 2012

## Government policy position

- The Gambian Government recognizes the importance of private sector participation in the economy, both as an engine of growth and as a source of knowledge transfer
  
- The Government's tourism policy is guided by the Tourism Development Master Plan (TDMP), which emphasises growth, development and marketing of The Gambia as an interesting, attractive and exciting tourism destination. The TDMP identifies eco-tourism as one of the key niche markets that should be prioritised for development
  
- Consistent with its tourism policy and the promotion of private sector development, the Government has established:
  - Gambia Tourism Board (GTB)
  - Gambia Hospitality and Tourism Institute (GHTI)
  - 10 specific Tourism Development Areas (TDAs)



## A helping hand – every step of the way

- The Gambia Investment and Export Promotion Agency (GIEPA) is the Government Agency mandated to support companies with their investment, business and export development as well as support to MSMEs
- From the initial provision of information right through to supporting the establishment, growth and development of an investment project, GIEPA is your supporting partner for doing business in The Gambia – every step of the way
- Here are just a few of the ways in which GIEPA can support your business:

Provide all business-related information to current and potential investors

Serve as the link between investors and authorities

Help to identify joint venture partners

Help to obtain licences, land, clearances etc.

Provide advisory services and training to exporters

Support companies planning to expand / diversify

Provide ongoing assistance to companies once they've started operations

Administer and advise on incentives



# Four Good Reasons to Choose The Gambia

1

## **COMPETITIVE TOURISM HOT-SPOT:**

- World's 2<sup>nd</sup> most price-competitive market for Tourism (WEF)
- The most competitive country in West Africa (WEF)
- Predicted tourism growth rate of 3.7% until 2018
- Winner of multiple eco-tourism awards

2

## **EXCELLENT ECO-TOURISM OFFER AND KNOW-HOW:**

- 80km of pristine coastline and a navigable, unspoilt river
- Unique cultural and natural attractions
- Around 400 tourism graduates each year
- Most efficient labour market in West Africa (WEF)

3

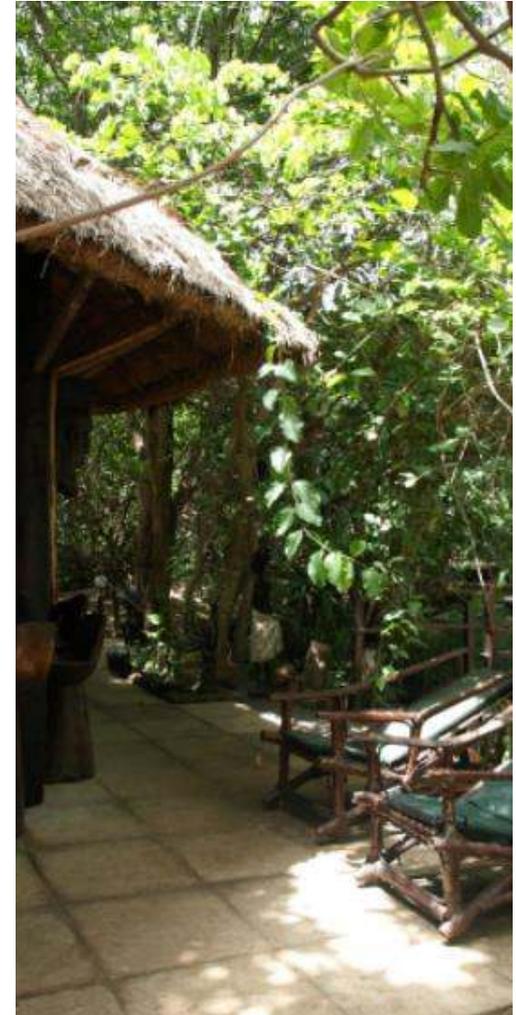
## **STRONG AND IMPROVING INFRASTRUCTURE:**

- Banjul International Airport recently upgraded with US\$21 million investment, with 318,240 passengers in 2011
- North- and south-bank roads along the navigable river ensure easy access throughout the country

4

## **ATTRACTIVE INCENTIVES, COMPETITIVE COSTS:**

- Resort labour costs just 25% of the international average
- Strong political support for eco-tourism development
- Comprehensive guidance and support from GIEPA



For further information, contact:

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