

Fish Farming in The Gambia

Project Profile

April 2013



Why The Gambia?

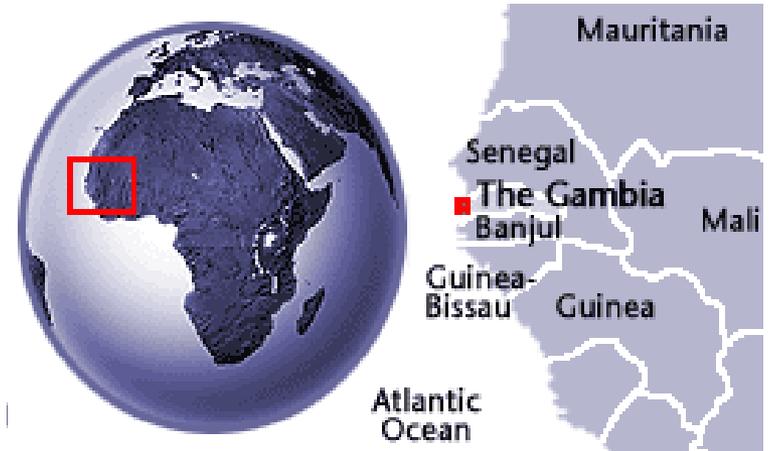
- Situated on the Atlantic coast and with a navigable river and tributaries that flow more than 1,100km inland, The Gambia is the ideal entry and exit point for West Africa and the Economic Community Of West African States (ECOWAS)
- This short document outlines:
 1. **The market opportunity for investment in fish farming**
 2. **The favourable conditions available to investors**
 3. **The support investors can expect to receive**

The most competitive country in West Africa¹

80 kilometres of coastline²

Home to the only West African river easily accessible to ocean-going shipping³

The most efficient labour market in West Africa¹



¹ World Economic Forum Global Competitiveness Report 2012-13

² GIEPA Fisheries Investment Brochure 2012

³ Encyclopaedia Britannica. Accessed: 2/3/13

Economic indicators

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

Fish Farming in The Gambia

- The Gambia's inland waters – the river, estuaries, and tributaries – provide extensive mangroves and favourable conditions for fish farming¹
- The Gambia's aquaculture industry is currently dominated by artisanal activity and commercial fish farming is still a largely untapped area of opportunity¹
- Additionally, with further population growth, increasing urbanisation and high cost of other animal proteins, domestic demand for fish is set to rise⁴

KEY FACTS:

- Trade values of fish and crustaceans, molluscs and other aquatic invertebrates:²
 - Imports 2010-11: US\$ 745,013
 - Exports 2010-11: US\$ 8,840,685
- Around 30,000 Gambians are employed in the aquaculture and fisheries sector³
- Artisanal activity accounted for 89.8% of all aquaculture and fisheries outputs in 2010-2011¹

1. The Gambia Investment Guide 2012

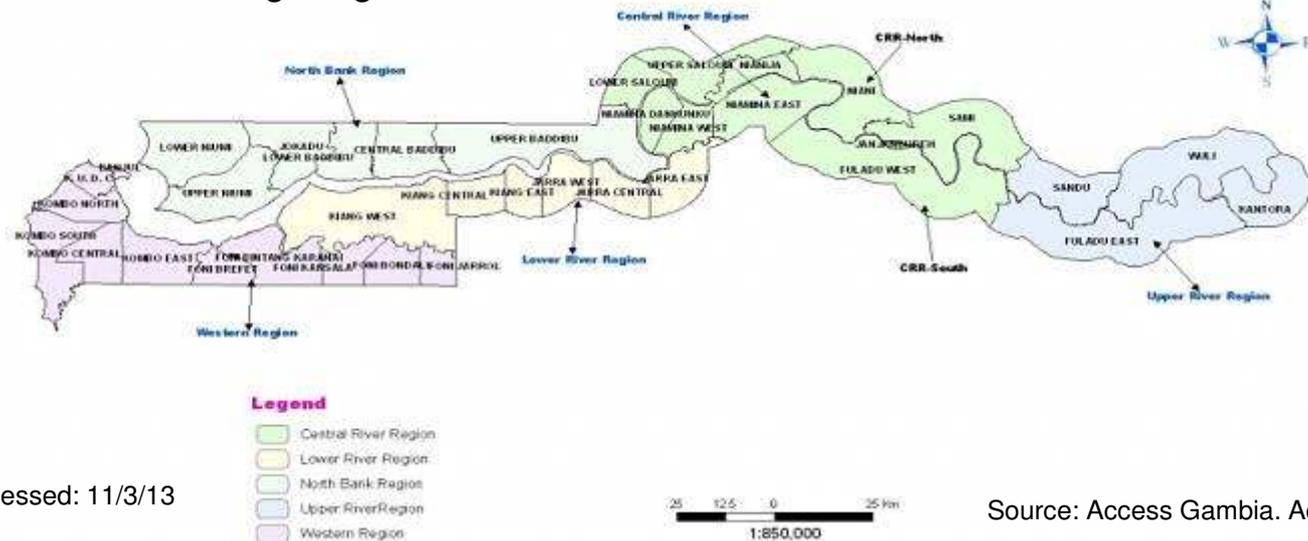
2. UN Comtrade. Accessed: 11/3/13

3. GIEPA Fisheries Investment Brochure 2012.

4. FAO Gambia Fishery Country Profile, December 2007. Accessed: 10/3/13.

Locations

- There are plenty of opportunities for fish farming along the mangrove-rich tributaries of the River Gambia as well as along the Atlantic coast. Sanyang and Lamin (both in the Western Region) are just two of The Gambia's centres for fish farming and other forms of aquaculture, as are numerous locations in the Central River Region
- A lack of industrial activity on the River Gambia has ensured an ideal environment for fish farming. There's no pollution from up-river, reducing the need for antibiotics in fish farming
- Banjul Port is conveniently located at the mouth of the River Gambia, making it easily accessible to trawlers and other boats navigating the coast as well as the river and its tributaries



Infrastructure

- Banjul port has a fisheries jetty with two 6-metre piers ¹
- A dedicated fisheries facility commenced operation at the port in December 2012 ¹
- Banjul port's handling capacity¹:
 - 48 metric tonnes of bulk cargo per hour
 - 17 container moves (discharging and loading) per hour
- Other new infrastructure / upgrades in development:
 - The Trans-Gambia bridge (completion due 2017)
 - Improved cross-border trunk roads with Senegal
 - Ports Expansion Programme underway – Gambia Ports Authority planning to build a second port on the Atlantic coast
 - Ongoing infrastructure upgrades at Banjul International Airport



The Gambia's aquaculture community

- The Gambia is already home to a developed community of stakeholders in the fish farming and broader aquaculture industry (including businesses, industry associations, representative groups and supporting international bodies) – a few examples of these organisations are displayed below
- The presence of these groups demonstrates The Gambia's attractiveness and potential as a prime location in West Africa for fish farming and aquaculture

EXAMPLES OF ORGANISATIONS:

Lamin Fish Farm	Fish Farmers Association for Sustainable Aquaculture	Food and Agricultural Organization (FAO)
West African Aquaculture	International Fish Company Gambia Ltd.	Gambia Artisanal Fisheries Development Association (GAMFIDA)



Export agreements

- Seafood and other Gambian products can be exported at preferential duty rates and quota free to:
 - ECOWAS markets under the ECOWAS Trade Liberalization Scheme (ETLS)
 - EU market under the Everything But Arms (EBA) Initiative offered by the European Union
 - US market under the African Growth and Opportunity Act (AGOA)
 - India, Brazil and South Korea under preferential duty rates for products from Least-Developed Countries (LDCs)



Availability of incentives

- A host of incentives are available to investors in the aquaculture sector, provided certain criteria relating to investment value and job creation are met.¹ These incentives include:
 - **Tax Holiday:** tax breaks on corporate and turnover tax, withholding tax on dividends and for a period of 5-8 years, depending on the project's location
 - For licenced operations in **Export Processing Zones**, tax holidays are for 10 years
 - **Import Tax Incentives:** Exemption from payment of import sales tax on direct inputs for the project, or customs duty and import sales tax if the investment is located in a zone

1. To access incentives, a new investment must be worth at least US\$250,000 and lead to the creation of at least five jobs in the aquaculture 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 Africa¹ and average daily wages are competitive
- Key utilities costs are also competitive

INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day²
- Electricity: 9.70 GMD / kWh (commercial tariff)³
- Water: 22.48 GMD / cubic metre (commercial tariff)³
- Telecoms: - From 0.73 GMD / min³
- Key taxes: - Corporate: 32% (exemption possible)
- Income: up to 30%
- VAT: 15%

1. World Economic Forum Global Competitiveness Report 2012-13

2. Program for Accelerated Growth and Employment 2012-15

3. 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
- In January 2012, the UN Food and Agricultural Organization (FAO) and the Gambian Government announced they would invest US\$480,000 for 10 pilot phase fish ponds in the country¹
- The Government's fisheries policy is guided by the Fisheries Regulation (2008), the focus of which is the management of the fish resources at the level of the artisanal, industrial and aquaculture sub-sectors.² The main policy objectives are to:
 - Attract investment in the sector
 - Improve handling and processing of fish and fishery products to conform to international standards
- The Government also plans to:
 - Increase the number of accredited laboratories – supported by the EU-funded West African Quality Programme
 - Establish the Gambia Food Safety and Quality Agency (GFSQA), following the passing of the GFSQA Act in 2011

1. Reported by AfricaNewswire.net on 4/1/12. Accessed: 11/3/13

2. Ministry of Trade, Industry, Regional Integration and Employment - Summary of Trade Policy in The Gambia.

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

STRONG DEMAND AND FISH FARMING POTENTIAL:

- The already high demand for fish is set to rise (FAO)
- The River Gambia is underused, unpolluted and offers the ideal environment for aquaculture

2

COMPETITIVE INVESTMENT ENVIRONMENT:

- The most competitive economy in West Africa (WEF 2012)
- West Africa's most efficient labour market (WEF 2012)
- Lower political risk than neighbouring countries (Maplecroft)

3

STRONG AND IMPROVING INFRASTRUCTURE:

- Efficient port with dedicated fishing piers and competitive costs
- New and upgrade projects underway, including new Atlantic port, Banjul International Airport upgrades and improved transport links with ECOWAS markets

4

ATTRACTIVE INCENTIVES, COMPETITIVE COSTS:

- Generous incentives for fish farming
- Competitive costs and fees
- Strong political support for investment in aquaculture
- Comprehensive guidance and support from GIEPA



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