



Poultry Processing in The Gambia

Project Profile



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 entry and exit point for West Africa and the Economic Community Of West African States (ECOWAS)

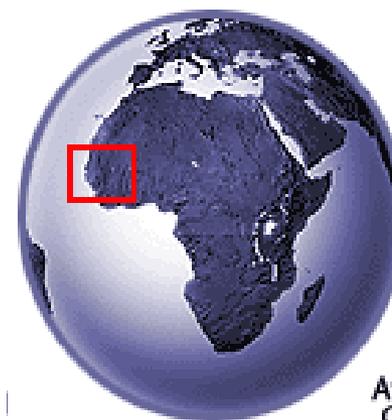
- This short document outlines:
 1. **The market opportunity for investment in poultry processing**
 2. **The favourable conditions available to investors**
 3. **The support investors can expect to receive**

The most competitive country in West Africa¹

Average Agriculture Value Added per worker +60% higher than in Senegal²

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

The best agricultural policy framework in West Africa¹



1 World Economic Forum Global Competitiveness Report 2012-13
 2 World Bank, Online Data Resource – latest data (2008-10). Accessed: 8/2/13
 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

The Gambia's Poultry Industry

- The Gambia offers the ideal environment for rearing and processing of poultry in terms of grazing land, climate, know-how and available skills
- The Gambia is heavily reliant on poultry imports, which increased by more than US\$380,000 in value between 2010-11.¹ There is strong demand for locally-processed chicken and other poultry products to supply the domestic and tourism market. This requires investment in abattoirs and cold storage facilities
- This favourable investment environment is bolstered by political support – and an established target – to increase the supply of livestock products to the tourism sector by 15% by 2016³

1. UN Comtrade. Accessed: 07/03/13

2. GiEPA Agriculture Investment Brochure 2012

3. Ministry of Trade, Regional Integration & Employment – Medium Term Programme 2013-2016

4. Department of Planning, National Agricultural Development Agency, September 2008. Reported in FAO's Poultry Sector Review Gambia 2008. Accessed: 6/2/13

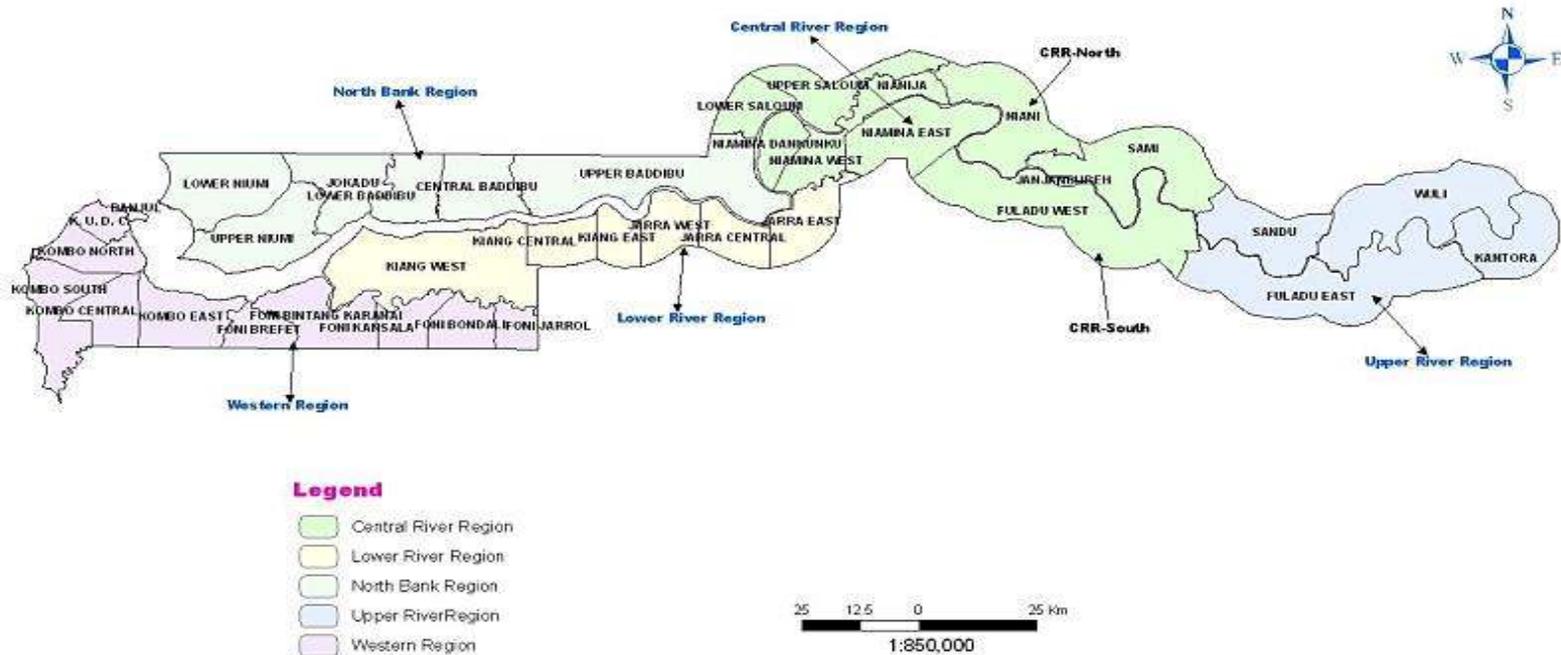
5. Gambia Livestock Marketing Agency, reported in January 2013

KEY FACTS:

- Poultry import values (meat, edible offal and live poultry):¹
 - 2010: US\$ 1,424,646
 - 2011: US\$ 1,805,919
- Agriculture employs 78.6% of the labour force and accounts for 30% of GDP²
- Livestock contributes approximately 20% of total agricultural output and just under 5% of the GDP³
- Gambia's chicken population (2007):⁴
720,000
- 465 livestock dealers and 394 butchers registered with the Gambia Livestock Marketing Agency (GLMA)⁵

Locations

- The Western Region has the highest concentration of commercial and backyard chickens, although poultry can be reared in many parts of The Gambia ¹
- The west coast offers easy access to Banjul's port and international airport, while the north and south roads and navigable river ensure easy access from the rest of the country



1. FAO Poultry Sector Review Gambia 2008. Accessed: 6/2/13.

Source: GNAIP Agriculture Investment Plan 2011-2015

Infrastructure

- ☒ Banjul port has a handling capacity¹ of:
 - 48 metric tonnes of bulk cargo per hour
 - 17 container moves (discharging and loading) per hour

- ☒ Banjul Airport has undergone a US\$21 million modernisation² and the Government is continuing to upgrade the infrastructure³

- ☒ 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
 - Gambia Ports Authority is assessing the potential establishment of an inland port to facilitate shipping to inland locations across the region



1. Gambia Ports Authority. Interviewed: 20/11/12
2. GIEPA Investment Guide 2011
3. The Gambia Trade Policy 2011

The Gambia's poultry community

- The Gambia is already home to a developed community of stakeholders in the poultry industry (including businesses, industry associations and representative groups) – 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 poultry processing

EXAMPLES OF ORGANISATIONS:

Gambia Livestock Marketing Agency	TeeFarms Company Ltd.	Lammeh Kunda Poultry Farm	Gambia Commercial Poultry Farmers Association
Poultry Processing Equipment	Empass Farm	Rue Chicken Ltd.	GreenGold Gambia Ltd.



Export agreements

- ☒ Poultry products and other Gambian agricultural 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 poultry processing 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
 - **Import Tax Incentives:** Exemption from payment of import tax on direct inputs for the project (e.g. agri-processing machinery)
 - **Export Incentives:** Exemptions / reductions on corporate and turnover tax, exemption from Excise Duty and Sales Tax on goods produced or imported within the Export Processing Zone (EPZ) for processing and export – depending on proportion of goods exported
 - **No export tax on agricultural products**

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 agriculture 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 offers competitive costs in key areas such as agri-processing labour
- Preferential rates for key utilities such as energy and water are offered to operators in the agricultural sector

INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day²
- Energy: 10.40 GMD / kWh: (industrial tariff)³
- Water: 31.39 GMD / cubic metre (industrial tariff)³
- 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 Gambia National Agricultural Investment Programme (GNAIP) 2011-2015 is the national strategic framework for accelerated growth, poverty reduction as well as food, nutrition and income security
- A key objective of GNAIP is to transform agriculture from the traditional subsistence form to a commercial and modern Gambian model with well-integrated food chains and a viable agro-processing private sector ¹
- The Government has identified the promotion of commercial investment in livestock production as a key measure for adoption ²
- 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. Ministry of Trade, Industry, Regional Integration and Employment: Summary of the Agriculture and Natural Resources Policy 2010 – 2015

2. The Gambia Trade Policy 2010

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 PRODUCTION POTENTIAL:

- Poultry imports grew by more than \$380,000 from 2010-2011
- 465 livestock dealers and 394 butchers registered nationally
- Government target of 15% increase in the supply of livestock products to the tourism sector by 2016

2

COMPETITIVE INVESTMENT ENVIRONMENT:

- Best agricultural policy framework and 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:

- River Gambia - easily accessible to ocean- going shipping
- Efficient port with competitive costs (fixed unit tariff system)
- New and upgrade projects underway, improving transport links with ECOWAS markets

4

ATTRACTIVE INCENTIVES, COMPETITIVE COSTS

- Generous incentives for poultry processing
- Competitive costs
- Strong political support for livestock investment and processing
- Comprehensive guidance and support from GIEPA



For further information, contact:

Chief Executive Officer
Gambia Investment And Export Promotion Agency (GiEPA)
GiEPA House
48 Kairaba Avenue, Serrekunda, K.S.M.D., P.O.Box 757, Banjul, The Gambia
info@giepa.gm
Tel. +220 4377377 / 78
www.giepa.gm

