

River-related accommodation development 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 river-related tourism and inland exploration
- This document outlines:
 1. **The market opportunity for investment in river-related accommodation**
 2. **The favourable conditions available to investors**
 3. **The support investors can expect to receive**

The most competitive country in West Africa¹

The world's 2nd most price competitive country for Travel & Tourism²

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 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

Tourism and the River Gambia

- 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, is one of the country's greatest tourism assets. Coupled with unique cultural and wildlife attractions, the river makes The Gambia the ideal eco-tourism landing spot for Sub-Saharan Africa. Some successful river-accommodation enterprises have been established, yet it remains an underutilised area of opportunity
- With a 30-year track record as a leading West African destination and a proven successful track record in river-related tourism, The Government is committed to cementing the country's position as a world-class eco-tourism destination

KEY FACTS:

- Tourism a key priority sector:
 - Accounts for 16,000 jobs (formal and informal) ¹
 - Contributes about 12% of GDP ¹
- 100,000 tourists per year ²
- Repeat tourists: 40% ³
- Predicted tourism growth rate: 3.7% until 2018 ²
- Boats with a draught of up to 6 metres can go inland as far as 300km ⁴
- 400 tourism students graduate each year ¹

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

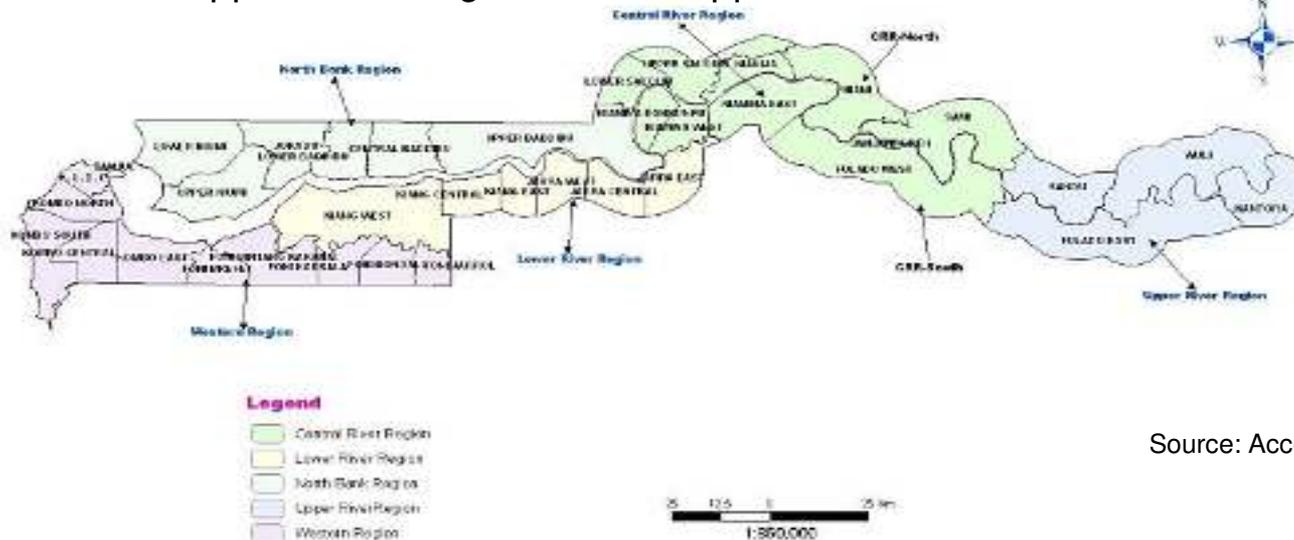
2. GiEPA Tourism Investment Brochure 2012

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

4. Gambia Ports Authority. Interviewed: 20/11/12

Locations

- The Gambia has a successful track record of river-related accommodation, with internationally-renowned centres like the award-winning Mandina Lodges in Makasutu Forest and Tumani Tenda Eco-Tourism Camp
- Despite these successes, much of the River Gambia remains underutilised and offers a wealth of opportunities for accommodation and river-related sights and activities
- Baobolong Wetland Reserve and the historical Kunta Kinteh Island in the North Bank Region, the River Gambia National Park and the town of Janjanbureh in the Central River Region, and Basse Santa Su in the Upper River Region all offer opportunities



Source: Access Gambia. Accessed: 11/3/13

Infrastructure

- Banjul Airport has undergone a US\$21 million modernisation¹ and the Government is continuing to upgrade the infrastructure. Passenger traffic at the airport reached 318, 240 in 2011 – a 5% increase on 2010's figures³
- Banjul port has 3 berths, 400m of pier and operates 24 hours per day, 361 days a year. The port also handles 8-9 river ferry crossings per day⁴
- The north- and south-bank roads along the navigable river ensure easy access from the rest of the country
- Other new relevant infrastructure / upgrades in development:
 - The Trans-Gambia bridge (completion due 2017)
 - Improved cross-border trunk roads with Senegal
 - Ongoing infrastructure upgrades at Banjul International Airport



1. GiEPA Investment Guide 2011

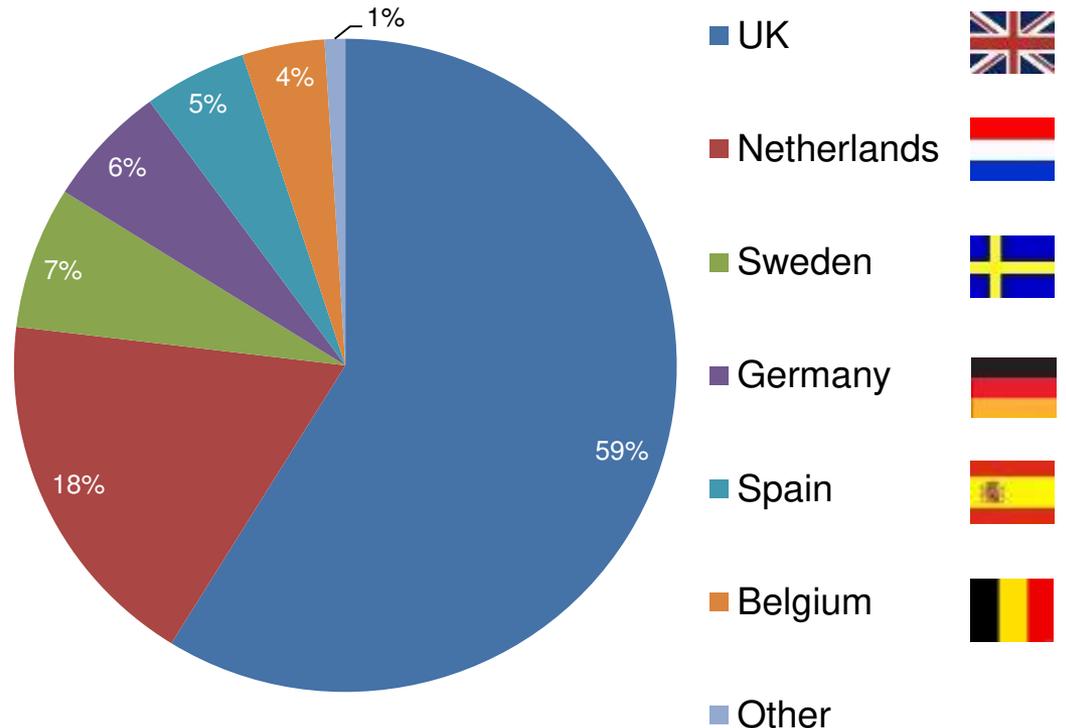
2. The Gambia Trade Policy 2011

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

4. Gambia Ports Authority. Interviewed: 20/11/12

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 2012¹. 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. This reinforces The Gambia's potential as a centre for river-based eco-tourism in West Africa



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

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 2013¹
- 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.

River Nature Reserves, Parks and Sites

- The River Gambia is home to rich and diverse wildlife and cultural attractions that attract tourists year after year. Principal sites include the following¹:

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 Janjanbureh in eastern Gambia. It was established mainly as a rehabilitation sanctuary for chimpanzees

Kunta Kinteh Island

Located about 30 km upstream on the river, This was the last piece of African soil that many slaves saw before being transported in ships to the Americas²

1. Information from the Gambia Tourism Board, via visitthegambia.gm site. Accessed: 12/3/13.

2. Information from Access Gambia. Accessed: 13/3/13.

The Gambia's tourism and river community

- The Gambia is already home to a developed community of stakeholders relating to tourism and the river (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 river-related accommodation development

EXAMPLES OF ORGANISATIONS:

Gambia Tourism Board	Tumani Tenda Eco-Tourism Camp	Mandina River Lodge (Makasutu Cultural Forest)	Bird Safari Camp	Gambia Tourism and Hospitality Institute
Gambia River Excursions	Gambia River Basin Development Organization	Kerewan Badala Camp	Madiana Hunting Camp	Association of Small Scale Enterprises in Tourism (ASSET)

“It’s nothing but a pleasure to work with people here - people love doing their jobs.”

*Lawrence Williams,
Mandina Lodges,
Makasutu*

Availability of incentives

- A host of incentives are available to investors river-related tourism accommodation, 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 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 four- and five-star hotels and high-class complementary facilities are offered land for free if the investment is in a TDA²



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.
2. The Gambia Investment Guide 2012

Operating costs

- The Gambia has by far the most efficient labour market in West Africa¹ and offers competitive costs in the hospitality sector
- Labour only accounts for around 10% of total resort costs,² compared with an international average of more than 40%³

INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day⁴
- Energy: 10.40 GMD / kWh (hotel tariff)⁵
- Water: 31.39 GMD / cubic metre (hotel tariff)⁵
- Telecoms: - From 0.73 GMD / min⁵
- Key taxes⁵:
 - Corporate: 32% (exemption possible)
 - Income: up to 35%
 - VAT: 15%
- Annual licence fees⁵:
 - Hotels: 15000 GMD (1 star) - 40000 GMD (5 star)
 - Up-country accommodation:
 - 10000 GMD (<10 rooms) – 35000 GMD (30 rooms or more)

1. World Economic Forum Global Competitiveness Report 2012-2013

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

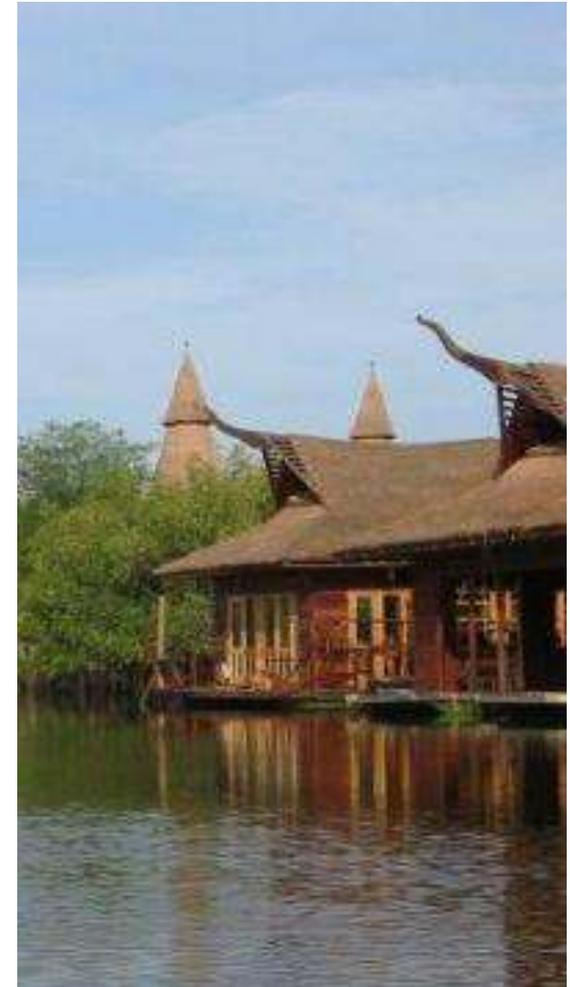
3. PKF Consulting Hospitality Research 2011. Accessed: 10/3/13

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
- Within the TDMP, the Tourism Development Framework attaches importance to developing the nature, heritage and community based tourism product along the River Gambia in a more intensive and commercial manner
- 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 2nd 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 RIVER TOURISM OFFER AND KNOW-HOW:

- A 1,200 km unspoilt and highly-navigable river
- Unique cultural and natural attractions along the river
- Around 400 tourism graduates each year
- Most efficient labour market in West Africa (WEF)

3

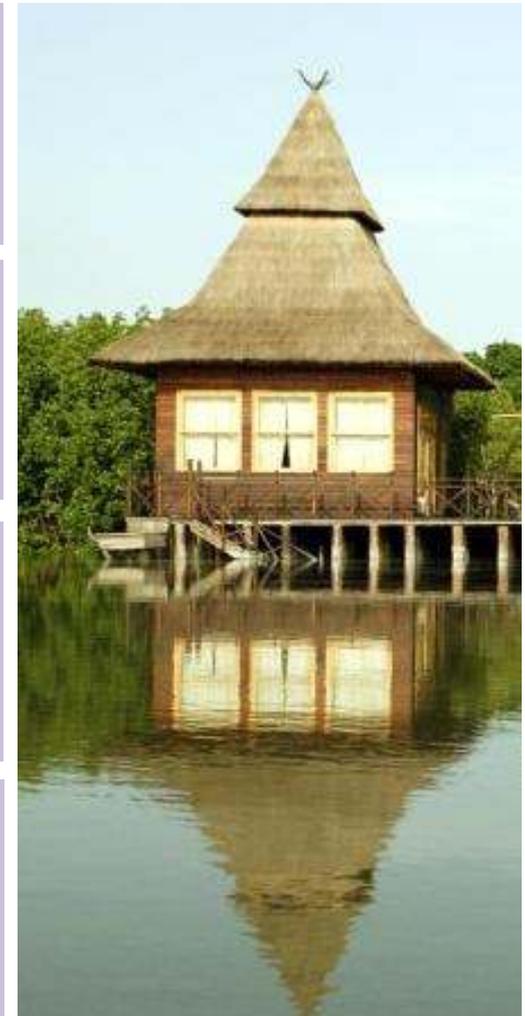
STRONG AND IMPROVING INFRASTRUCTURE:

- 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 c.25% of the international average
- Strong political support for river-related tourism development
- Comprehensive guidance and support from GIEPA



For further information, contact:

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