



Seed Production 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)

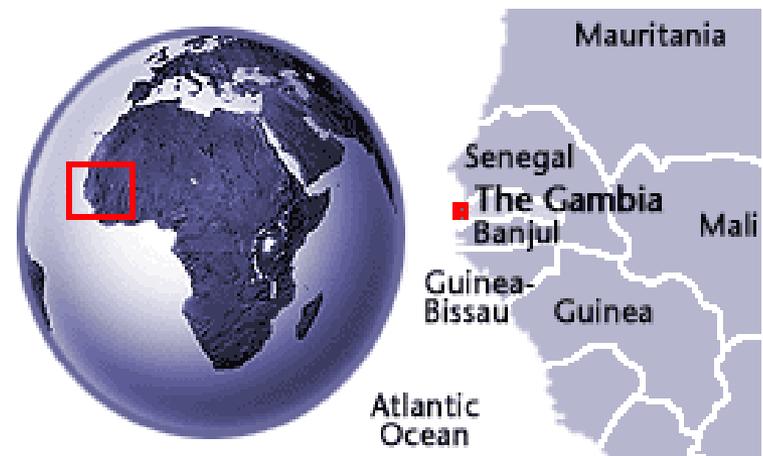
- This document outlines:
 1. **The market opportunity for investment in seed production**
 2. **The favourable conditions available to investors**
 3. **The support investors can expect to receive**

The most competitive country in West Africa¹

Average Crop Production one of the highest in West Africa²

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. Period measured: 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

Seed Production in The Gambia

- The Gambia offers a strong investment environment for seed production in terms of demand, arable land, climate and available labour and skills
- Various seeds are currently grown in The Gambia, including oil and rice seeds
- However, many key agricultural inputs – including seeds – are currently sourced through expensive imports
- The Gambian Government, through various local and international partners, is committed to bolstering the country's seed production industry

KEY FACTS:

- 558,000 hectares of arable land, of which nearly 60% is cultivated annually ¹
- 81,000 hectares of land is irrigable ²
- Agriculture employs 78.6% of the labour force and accounts for 30% of GDP ²
- The EU has provided 200 kg of seed treatment chemical worth over US\$330,000 ¹

1. Gambia National Agricultural Investment Programme 2011-2015

2. GiEPA Agriculture Investment Brochure 2012

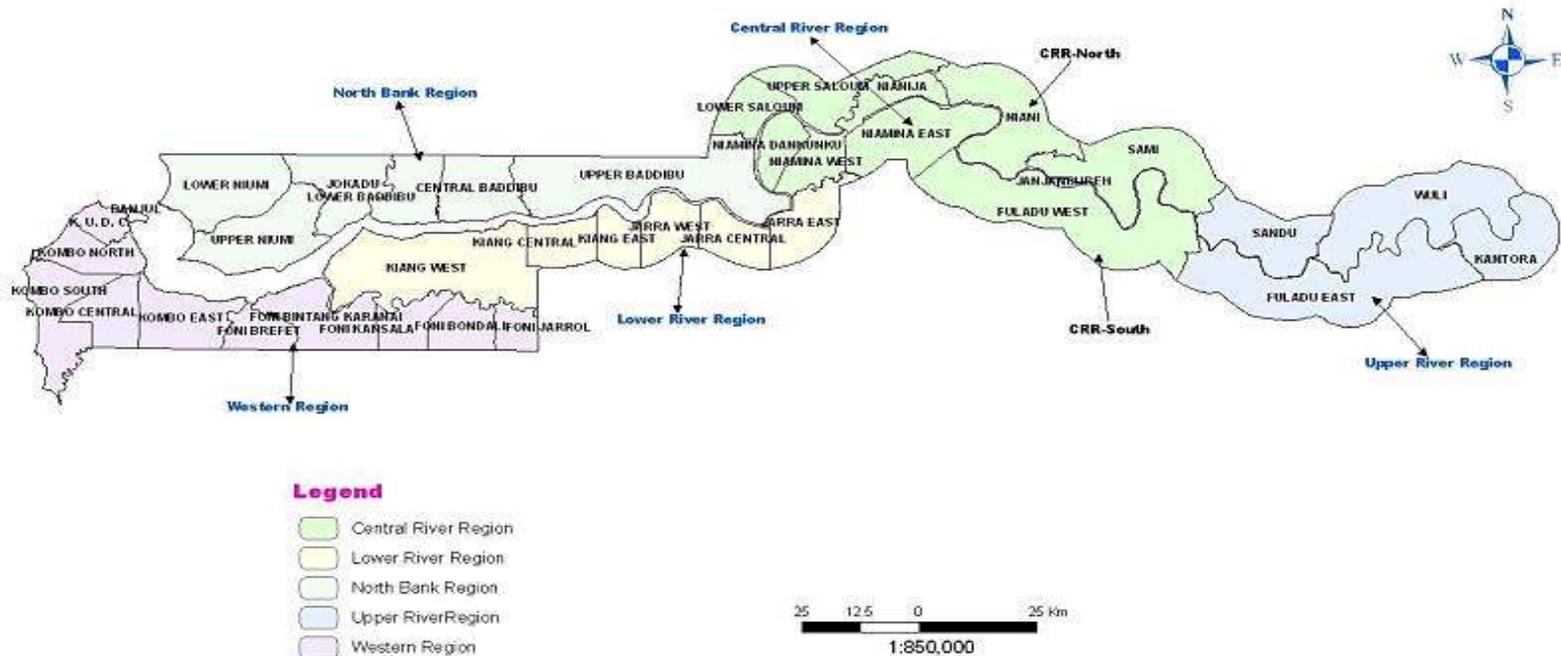
Horticultural Case Study

- 'Gambia is Good' (GiG) is a company that trades fresh produce in The Gambia linking small scale farmers in The Gambia with markets in the tourism sector. The company started trading in 2004 with 30 growers
- The number of growers has increased nearly tenfold and by March 2006, cumulative sales reached 106.8 tonnes with daily sales averaging 1 tonne
- GiG offers a wide variety of produce throughout the year, including tomatoes, onions, cabbages, cucumbers, carrots, white radishes, lettuces, sweet peppers, hot peppers and Irish potatoes. The project has been so successful that GiG has also been exporting radishes to Senegal. It has also been procuring seeds from the Senegalese company Tropicasem
- **Successful, yet seed import-reliant enterprises, such as GiG indicate the market demand and potential for investment in quality seed production in The Gambia to reduce dependency on seed and other horticultural imports**



Locations

- Current seed production and related research is concentrated in the Western Region, although seed production is possible almost all parts of The Gambia
- 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



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 seed and horticultural community

- The Gambia is already home to a developed community of stakeholders in the seed-related and broader horticultural sector (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 the production and export of seeds

EXAMPLES OF ORGANISATIONS:

National Agricultural Research Institute – Seed Technology Unit	Gambian Agrochemicals and Seed Trades Association	Gambia is Good (GiG)	New Nut Company
Gambia Horticulture Enterprise	Gambia Farmers Platform	ComAfrique Ltd.	Chossan Products Trading Gambia Ltd.

“We want to do something that is sustainable and instead of importing seeds which may be expensive, we want to embark on seed production in the country.”

Momodou Samateh
*Director of Administration
 New Nut Company*

Export agreements

- ☒ Various 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 seed production 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. seeders and other agricultural 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 agricultural labour
- Preferential rates for key utilities such as energy and water are offered to operators in the agricultural sector
- The cost of container shipments from Banjul to key European ports are broadly in line with other ports in West Africa

INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day²
- Energy: 9.10 GMD / kWh: (agriculture tariff)³
- Water: 10.37 GMD / cubic metre (agriculture tariff)³
- Container shipments to Europe: c.1,050 EUR⁴
- 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

4. Based on a quote from Maersk Gambia for a shipment of a 20ft container from Banjul to Felixstowe (UK), covering freight and local charges at each port. Quote provided on: 13/2/13

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 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
- The Government's National Seed Policy (2008) provides a well-defined and stable framework for the development of an effective and sustainable seed sector
- The Framework seeks to create an environment to foster cooperation between government and partners for quick delivery of new improved varieties from research to farmers, access to global experience and materials, monitoring of seed imports, seed security and emergency seed distribution ¹
- The Government also plans to increase the number of accredited laboratories – supported by the EU-funded West African Quality Programme

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 PRODUCTION LEVELS AND POTENTIAL:

- One of West Africa's leaders in the Crop Production Index (World Bank)
- 81,000 hectares of land is irrigable
- Demonstrated commercial successes in horticulture

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

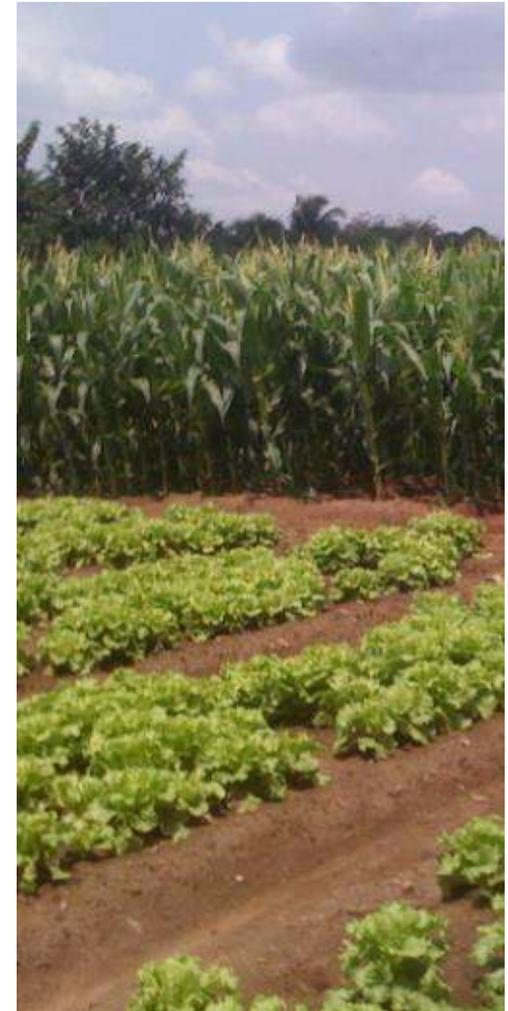
STRONG AND IMPROVING INFRASTRUCTURE:

- 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 seed production
- Competitive costs
- A well-defined and stable seed policy framework
- Comprehensive guidance and support from GIEPA



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