

# Tour Operations 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 tourism activities and inland exploration
  
- This document outlines:
  1. **The market opportunity for investment in tour and travel operations**
  2. **The favourable conditions available to investors**
  3. **The support investors can expect to receive**

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

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

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

**Winner of multiple 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 travel and tourism sector

- 5-7 hours from most of Europe by air and in the GMT time zone, The Gambia is fortunate to have a rare combination of attributes that make the country a world-class tourism destination
- The Gambia's pristine coastline, navigable, unspoilt river, extensive cluster of 4-5 star hotels, coupled with unique cultural and wildlife attractions, make it the ideal spot for tours in Sub-Saharan Africa
- Tourism activities still remain limited in The Gambia however. While some ground tour operations already exist and can support foreign tour operators, the market still offers untapped opportunities

### 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>
- 400 tourism students graduate each year<sup>1</sup>
- Home to over 560 species of birds and over 100 species of fish (more than 70 in the reefs alone)<sup>4</sup>

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

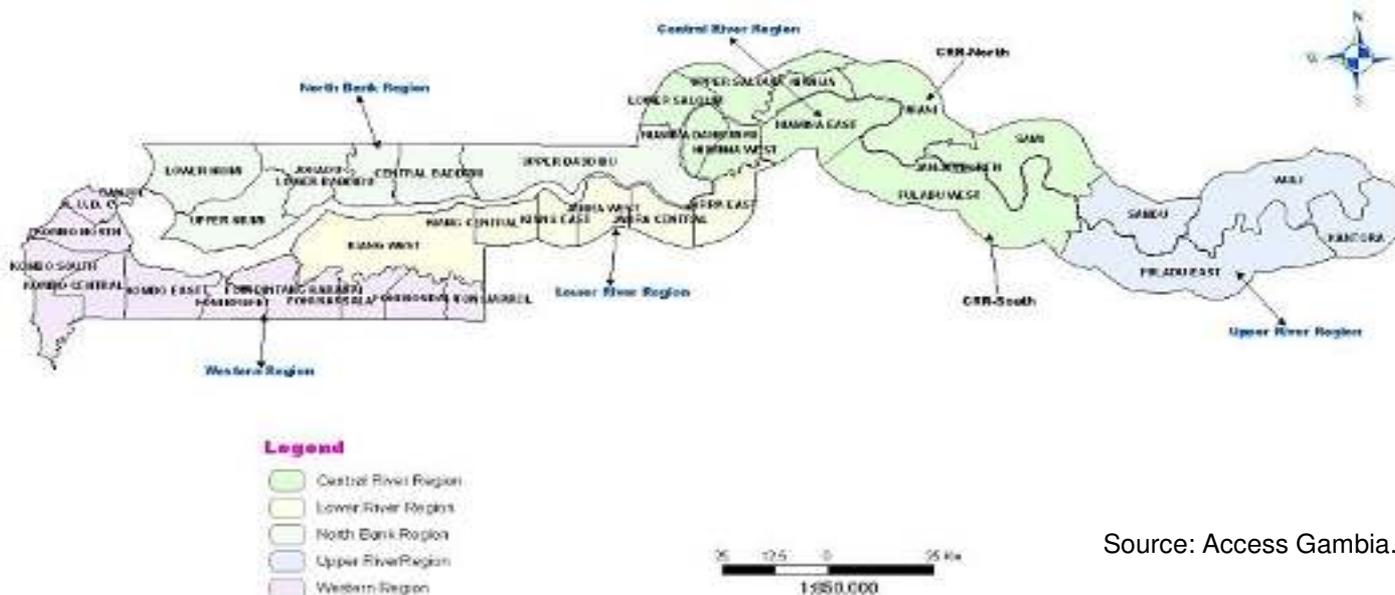
2. GIEPA Tourism Investment Brochure 2012

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

4. Access Gambia. Accessed: 14/3/13

# Locations

- Nature, cultural, heritage and community-related assets abound in The Gambia, and yet their integration with the country’s tourism offer remains limited. The Gambia’s geography alone invites tourists seeking more than ‘sun sea and sand’ to step away from the beach and experience its natural and cultural wealth, and yet organised tours to support this are lacking
- From eco-tourism centres and nature reserves to the colonial heritage of Kunta Kinteh Island and the ancient Wassu and Kerr Batch stone circles, unique attractions line the length of the country – offering important investment opportunities for tour operations



# Infrastructure

- 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 current cluster of high-end hotels is found along the coast, conveniently located 10-25 minutes from Banjul Airport
- Banjul port has 3 berths, 400m of pier and operates 24 hours per day, 361 days a year. The port also handles cruise liners (4-5 per year) and handles 8-9 river ferry crossings per day<sup>4</sup>
- 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



Source: Gambia Hotel Association

1. GiEPA Investment Guide 2011

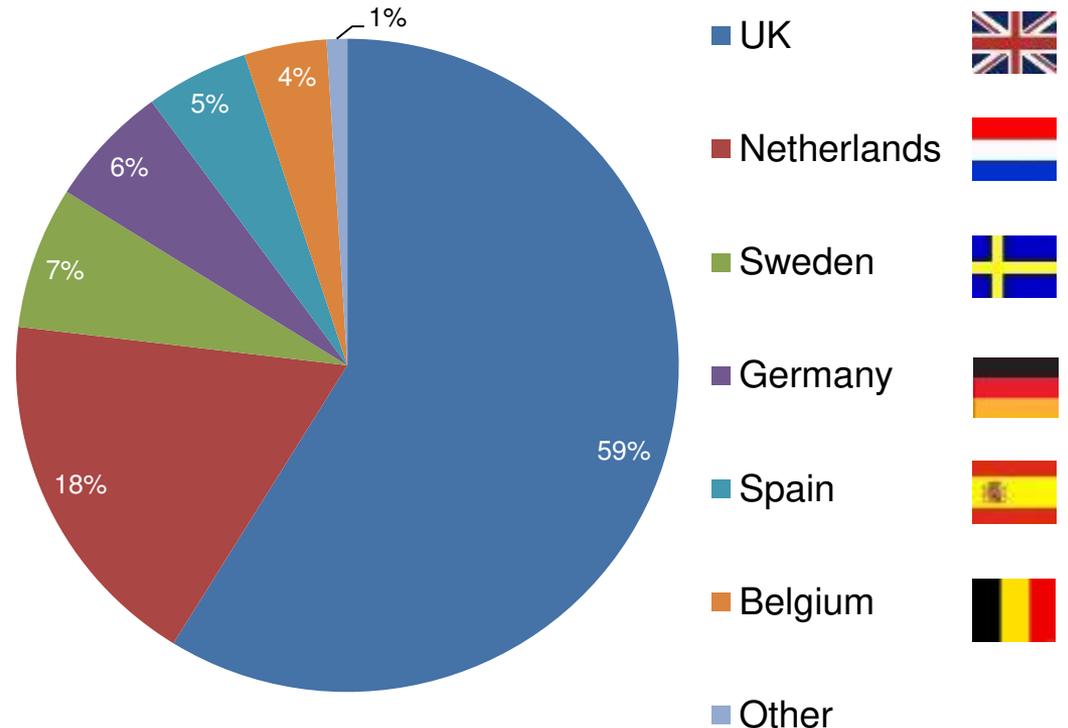
2. The Gambia Trade Policy 2011

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 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 escorted tours while on holiday. This reinforces The Gambia's potential as a centre for tour operations in West Africa<sup>2</sup>



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 airline (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.

## Sites of interest in The Gambia

- The Gambia is home to rich and diverse natural and cultural attractions that attract tourists year after year. These include the following: <sup>1</sup>

### **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 Americas

### **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

### **Makasutu Culture Forest**

A private eco-tourist reserve where visitors are able to enjoy some Jola traditional tribal dancing, drumming and singing as well as a traditional meal

### **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

### **Wassu Stone Circles**

The stones located around Wassu in the Central River Region are believed to be burial mounds of Kings and chiefs dating back to between 750 and 1000 AD

## The Gambia's tour operations community

- The Gambia is already home to a developed community of stakeholders in the tourism sector that are either involved in or support tour operations (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 tour operations

### EXAMPLES OF ORGANISATIONS:

Gambia Tours	West African Tours	Discovery Tours	First Choice	TUI Deutschland
Gambia Tourism Board	Alkamba Tours	African Safari Company Ltd.	Thomas Cook	Gambia Experience



## Availability of incentives

- A host of incentives are available to investors 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



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 tourism sector
- Annual licence fees for a variety of tour-related activities are also competitive

### INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day<sup>2</sup>
- Energy: 9.70 GMD / kWh (commercial tariff)<sup>3</sup>
- Water: 22.48 GMD / cubic metre (commercial tariff)<sup>3</sup>
- Telecoms: From 0.73 GMD / min<sup>3</sup>
- Key taxes<sup>3</sup>:
  - Corporate: 32% (exemption possible)
  - Income: up to 35%
  - VAT: 15%
- Annual licence fees<sup>3</sup>:
  - Tourist Guide: 1,150 GMD
  - Buses: 20,000 GMD
  - Boats: 15,000 GMD

1. World Economic Forum Global Competitiveness Report 2012-2013

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
- 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 attaches importance to developing and integrating the nature, heritage and community based tourism products 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 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 tourism awards

2

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

- 80km of pristine coastline and a navigable, unspoilt river
- Diverse nature and unique cultural 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:**

- Competitive labour costs and licence fees
- Strong political support for tour operation development
- 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](mailto:info@giepa.gm)  
Tel. +220 4377377 / 78  
[www.giepa.gm](http://www.giepa.gm)

