

2022

Solar Energy in The Gambia

Investment Opportunity



Top 5 Reasons: Why Investors Should Choose the Gambia for Solar Energy

1. Attractive Domestic Market

Driven by a **steady growing population** (2.42m growing at 3% p.a.), **business expansions** and **rapid urbanization** – the Gambian electricity sector is expected to see **strong growth in the coming years.**



2. Attractive Solar Opportunities

A variety of businesses, institutions and enterprises in The Gambia would benefit from investment into the solar energy sector. The Gambia also has ideal conditions for solar energy generation.



3. Strong Government Support

The government of The Gambia is committed to increasing the share of RE from **2% (at present) to 40%** in the coming years.

The government has undertaken several initiatives such as **providing fiscal concessions, investing in R&D, and improving its regulatory regime** to attract foreign investments.

4. Stable Business Climate

The Gambia has strong macro-economic fundamentals with a **liberal market-based economy.**

The country is **one of the safest and politically stable countries** in Africa and has attracted over **\$830m** in FDI since 2003.

5. Skilled & Cost Effect Workforce

The Gambian workforce is one of the country's **principal assets**, arousing considerable enthusiasm among business-people, both foreign and domestic.

The Gambia has a young and talented labor force of an estimated **774,000** people.

Reason 1: Attractive Domestic Market

The Gambia is an attractive place for solar energy because of its energy deficiency driven by its growing population & business expansions

Growing Population & Business Expansions

Business & investments have rapidly scaled up triggering an increasing need for electricity which **exceeds the available domestic capacity**.

As a result, **many businesses are forced to rely on diesel generators**.

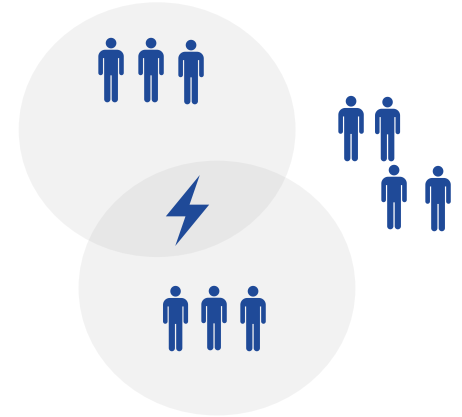
▲ **35%**

Population increase in last 10 years

Supply & Demand Mismatch

Driven by rising demand, Gambia's existing installed capacity which is approximately 100 MW has been **unable to cope demand**.

With **60%** of the population having access to electricity, **there is significant headroom for expansion and growth**.



High Electricity Costs

Due to high demand, operational inefficiencies, and volatility of fuel prices, The Gambia has one of the highest electricity costs in the world at **\$0.2/kWh**.

Opportunity for Solar Energy

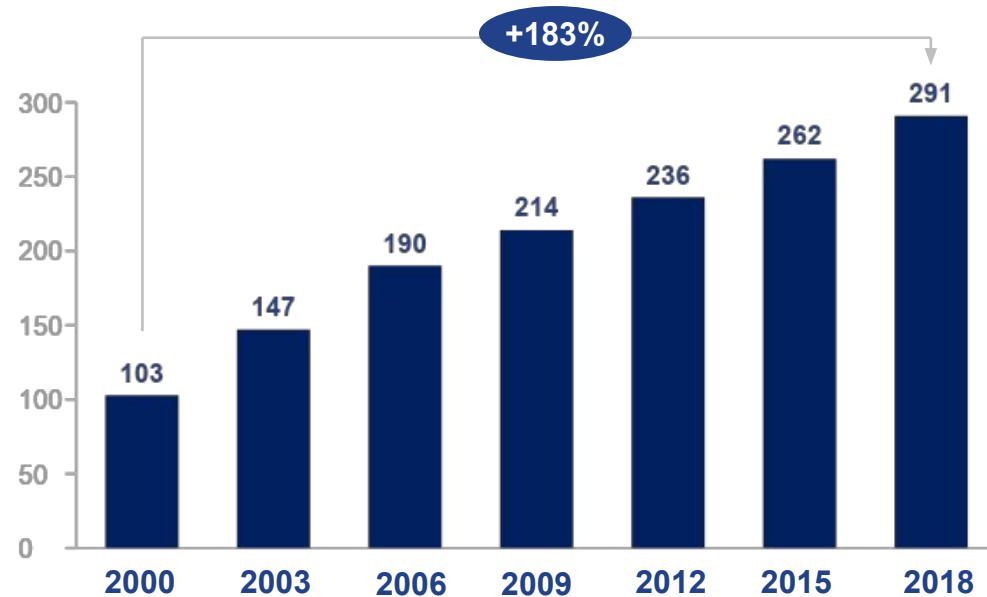
To match the rising demand and to provide sustainable and accessible energy to all Gambians, the potential for solar energy investment is immense in The Gambia.

The government of The Gambia seeks to **increase RE's contribution to 40% from 2% presently in the coming years**.

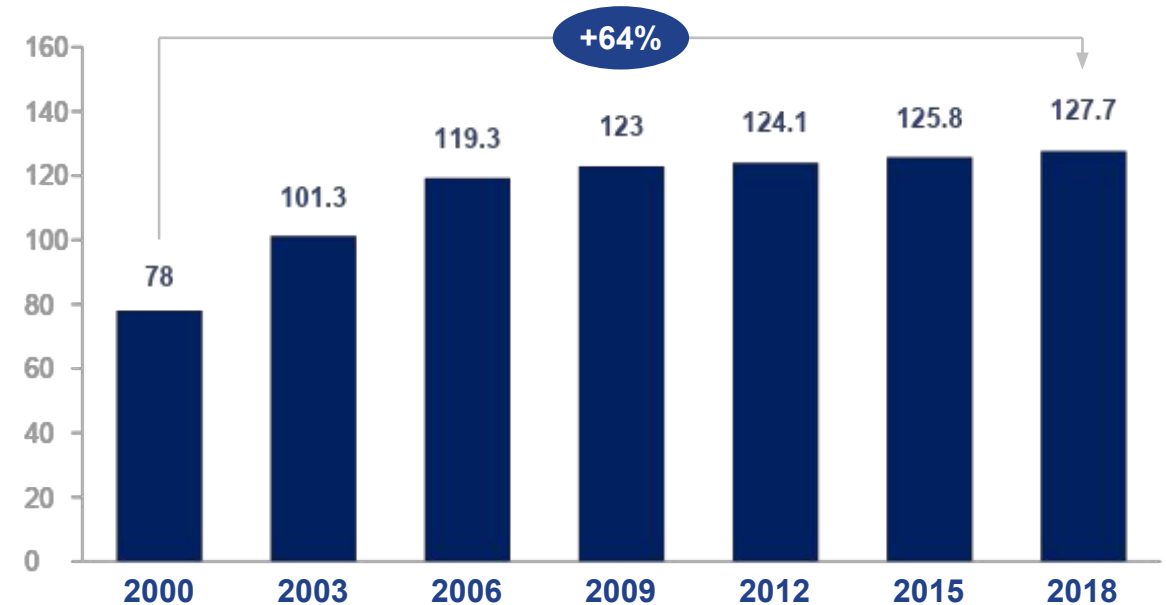
Reason 1: Attractive Domestic Market

The Gambia's electrical demand prospects are on a steady upward trajectory

Annual Electricity Consumption in Gambia (in GWh)
2010-2018, total



Per Capita consumption of electricity in Gambia (KWh)
2000-2018, total



The Gambia's absolute electricity consumption and per capita consumption have been **steadily increasing** since 2000 demonstrating the country's demand tailwinds. This trend is expected to continue in the near-term with a **rising population and the continued expansions of businesses**.

Source: World Bank, GIEPA – Investment Guide

Reason 2: Attractive Solar Opportunities

The Gambia has a variety of sectors and enterprises that would benefit from solar energy investment

Hotels & Hospitality

Due to frequent power outages, hotels and the hospitality sector are in need of alternative energy sources that can provide **interruption-free electricity** for their hotels, conference centers, restaurants and other establishments.



Schools & Healthcare Facilities

Frequent power outages are a hinderance on schools whom often **cannot hold classes after sunset** and **healthcare facilities** that need reliable sources of **energy in order to provide safe patient care.**

Solar mini-grids have already been successful in pilot programs at providing lighting to schools.



Factories & Commercial Enterprises

Factories and commercial production facilities in the Gambia are highly constrained by unreliable power connections, the high cost of energy and frequent power outages.

Many facilities are forced to rely on expensive and environmentally-degrative diesel generators, and are seeking a cleaner/more reliable energy solution.



General Businesses

The **high cost of energy is noted among the top concerns for businesses in the Gambia.**

Cleaner, more reliable and cost effective solutions are desirable for all businesses.

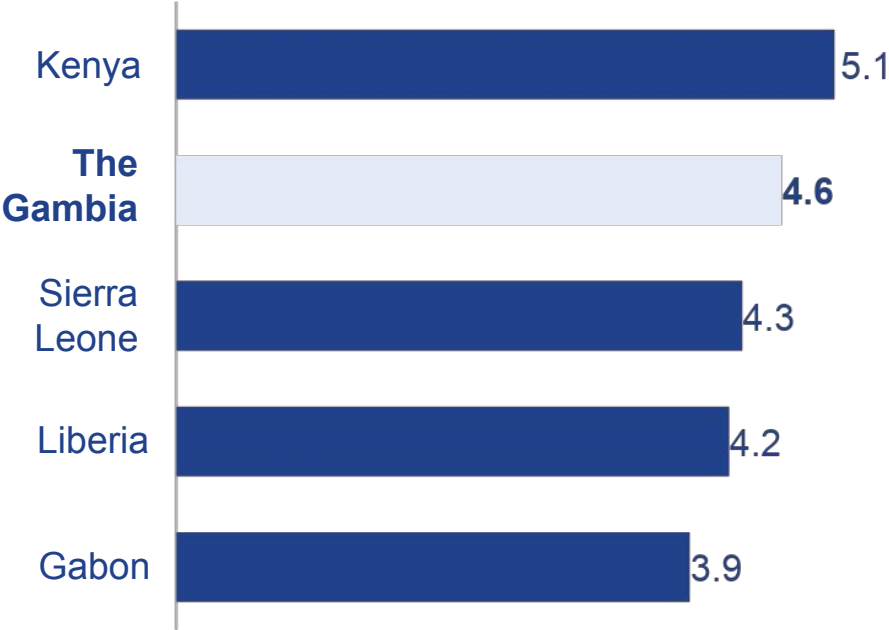


Reason 2: Attractive Solar Opportunities

The Gambia is highly competitive in its solar potential compared to regional competitors

The Gambia performs strongly in Solar Irradiation when compared with its regional peers

Solar Irradiation (Average daily solar irradiation in kW/m²) 2021, total



Source: Global Solar Atlas

Reason 3: Strong Government Support

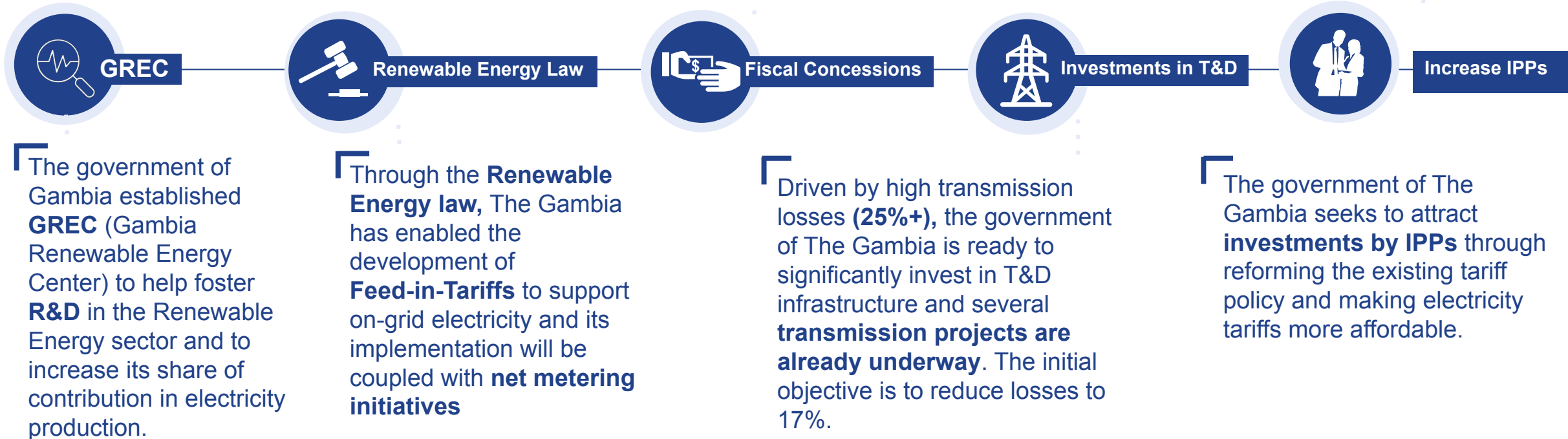
The government of The Gambia is seeking to rapidly scale up the Renewable Energy sector

The Gambia through the **National Development Plan** seeks to increase its share of Renewable Energy from **2% to 40%** and encourage private sector participation to provide **24/7 access to electricity to all Gambians**.

For this reason, The Gambia has introduced **the following measures to attract foreign investments**:

To encourage investments, the government of The Gambia is keen on providing **fiscal concessions** such as:

- Exemptions on import duties
- Exemption on retail taxes for 15-years



Source: GIEPA – Investment Guide, Gambia National Development Plan (2018-21)

Note: 1. Transmission & Distribution 2. Independent Power Producers

Reason 4: Stable Business Climate

The Gambia has strong macro-economic fundamentals and is ready for foreign investments in the solar energy sector



Peaceful & Politically Stable Country

The Gambia is **one of the safest and most peaceful countries in Africa** with a high degree of political stability. In the most recent Global Peace Index, it finished **#5** in Sub-Saharan Africa out of 44 countries.



Liberal Market-Based Economy

Liberia's labor force is both **youthful** with the median age being just **19.4 years** and **extremely cost competitive** at \$5/day for unskilled labor.



Direct Market Access to West Africa

Driven by its geographical proximity to West African countries, The Gambia offers an excellent opportunity for investors to tap into a growing market with over 300m+ potential consumers. The Gambia also provides a port with access to shipping from the Atlantic ocean and a variety of preferential trade partners.



\$830m

FDI inflows since 2000

Source: GIEPA, Vision of Humanity, World Bank, UNCTAD, fDi Markets a service from fDi Intelligence, Financial Times Limited

Reason 5: Skilled & Cost-Effective Workforce

1.2m

Estimated population of **working age** in The Gambia

68%

are of the ages
15-35 years

32%

are between the
ages **36-64 years**

315k *students*

in secondary education

200k *students*

in tertiary education

The minimum daily wage rate starts at **USD \$1.50** for **unskilled labor**, but the average wages range between **USD \$2.50** and **USD \$4** a day.

Source: 1: Gambia Bureau of Statistics, Labor force survey, 2018 – [link](#), 2: UNESCO, Institute for Statistics, 2021 - [link](#)

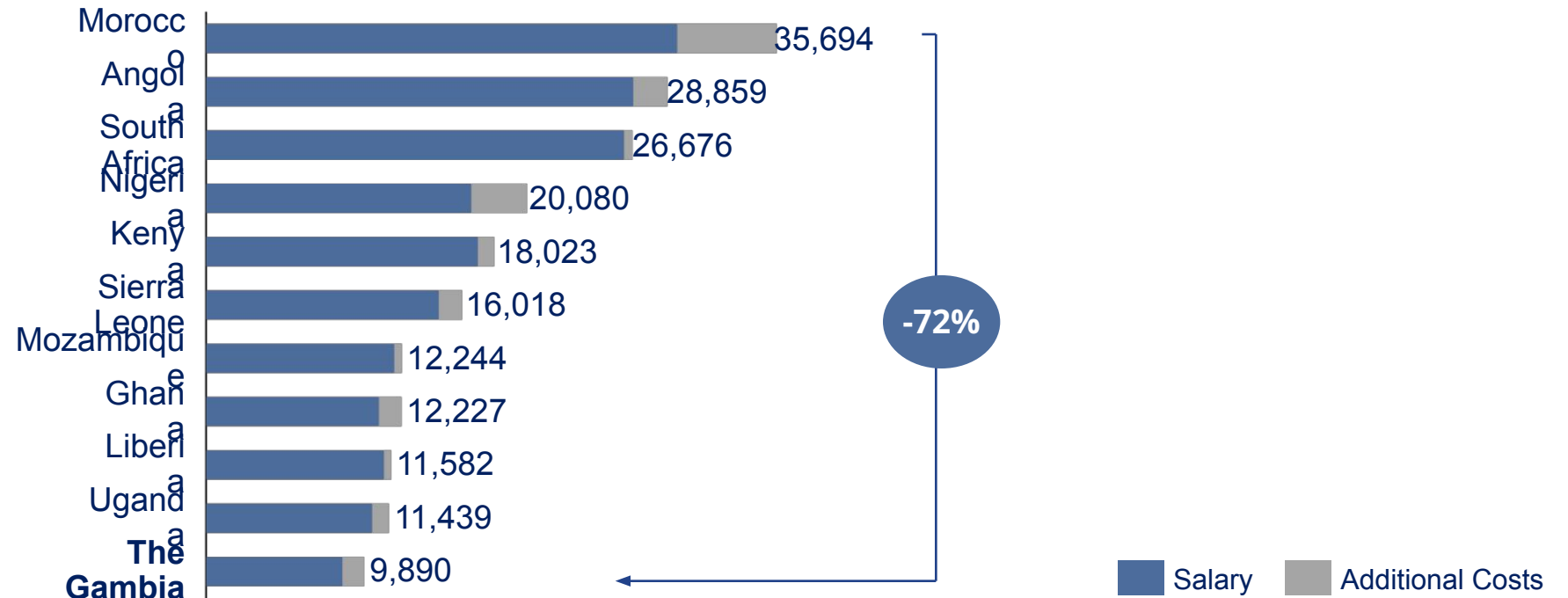


Reason 5: Skilled & Cost-Effective Labor

The Gambia is highly competitive in labor costs when compared to its peers

The Gambia is up to **72%** more cost effective than peers in Solar Energy professions

Total Annual Cost for Electronics Engineer (in \$) 2019



Source: fDi Benchmark, a service from fDi Intelligence, Financial Times Limited

Case Study: Unique Energy

The Gambia is highly competitive in its renewable energy potential compared to regional competitors

Unique Energy provides alternative power backup systems, electrical installations and renewable energy solutions with a focus on generating the cleanest and most cost-effective energy solutions for wholesale energy markets.

This includes **Power Backup Systems** (Uninterruptible Power Supply (UPS), Power-Back up Systems, High Quality Batteries, Inverters and various options of power backup) as well as the development of **Solar Mini-grids**.

Unique Energy, in a project funded by the United States Agency of International Development, recently developed **the first mini-grid solar farm in the Gambia**.

Unique Energy has worked for GIEPA for several years and highlights their success work together:

“My experience with GIEPA has always been first class. Their core mandate of investment promotion and providing incentives to investors has always been successful”

– Papa Yusupha Njie, CEO and Group Chairmain of Unique Group



Source: Wavteq based on consultation with Unique Energy

Quality of Life

Known as the **Smiling Coast of Africa**, The Gambia is Located on the Western Coast of Africa on the Atlantic Ocean.

The country is renowned for its pristine beaches, winter sun, fishing villages, and diverse flora & fauna.

8%

7%

Amounts to Government Health Expenditure of The Gambia's total GDP.¹

of government budget is spent on education, equating to 2.5% of Gambia's GDP.¹

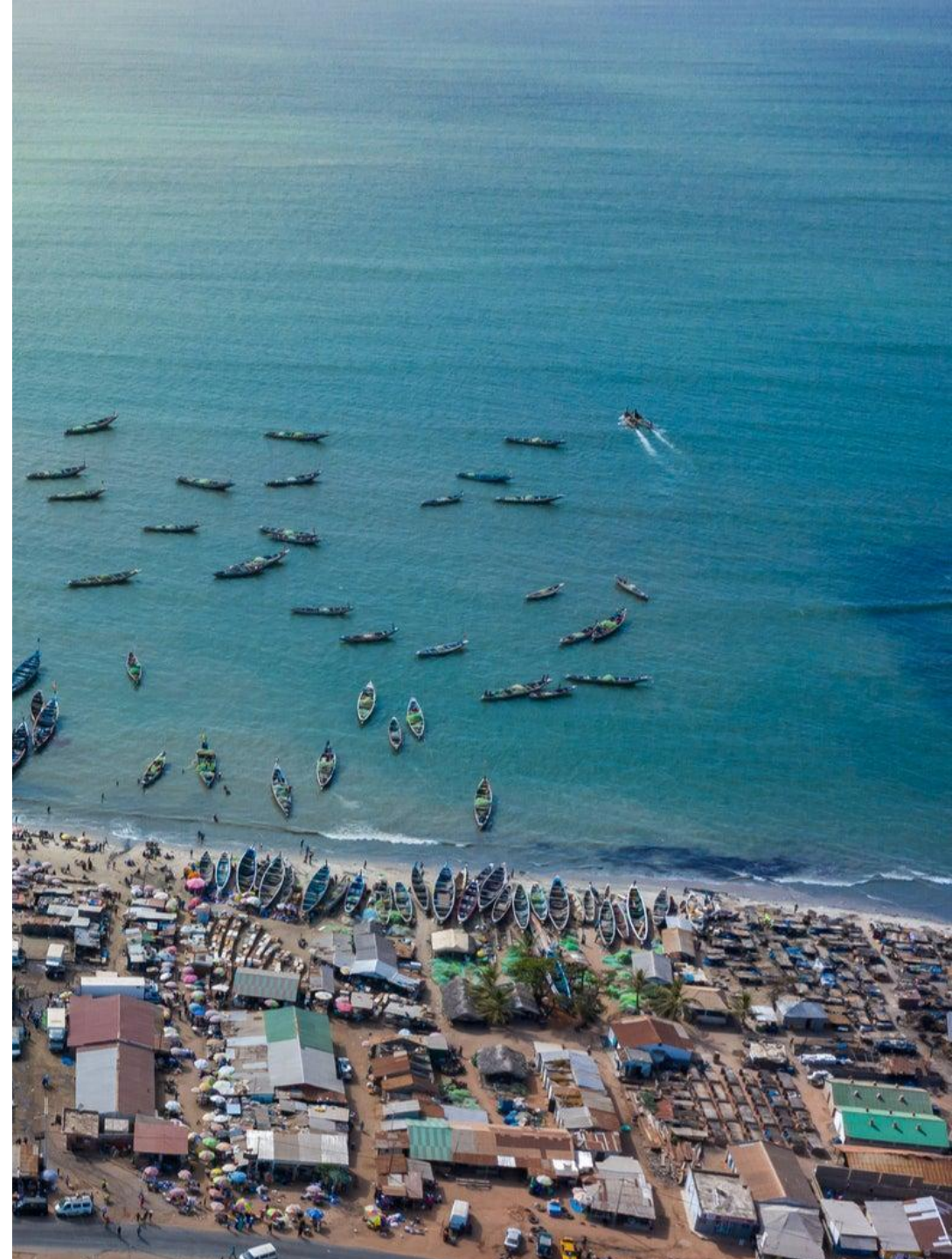


27.5°C

Average annual temperatures

¹ World Bank Group, data indicators, 2018 – [link](#)

² Global Solar Atlas, 2021 - [link](#)



Tourism & Experiences

Abuko Nature Reserve: Walk through the jungle to see a variety of rare animals.

Hippo watch in Janjangbureh, formally known as “Georgetown”, is one of the oldest towns in The Gambia and where hippos can be seen wallowing on the muddy banks.

Explore Jinack Treasure Island, Cross the River Gambia on the Banjul-Barra ferry and spend the day on the unspoiled island of Jinack.

Visit River Gambia National Park home of the world-renowned chimpanzees’ rehabilitation project that helps reacclimatize chimpanzees from labs and zoos so they can return to the wild.

Enjoy unspoiled beaches, Many of which are secluded, particularly the beach at the front of White Horse Residence, the perfect spot to witness the sunset.



SOURCE: 1 World Bank Group, data indicators, 2018 – [link](#), 2 Global Solar Atlas, 2021 - [link](#)

Investment Incentives

GIEPA administers various investment incentives to foster business success particularly in selected priority sectors and geographical locations within the country.

There are also incentives for MSMEs and exporting companies. The following priority categories have been established by the **GIEPA Act 2015**:

Priority sectors, which consists of the list of sectors specified and which meet the minimum employment creation criteria prescribed in regulations

Priority region, which consists of geographical areas which the Government consider to be in urgent need of development.



Attractive Government incentives for renewable/solar energy projects

Tax Holidays

Incentives for zone investors

Incentives for Export

Tariff and sales tax incentives

Value added tax (VAT) waivers



Get in touch!



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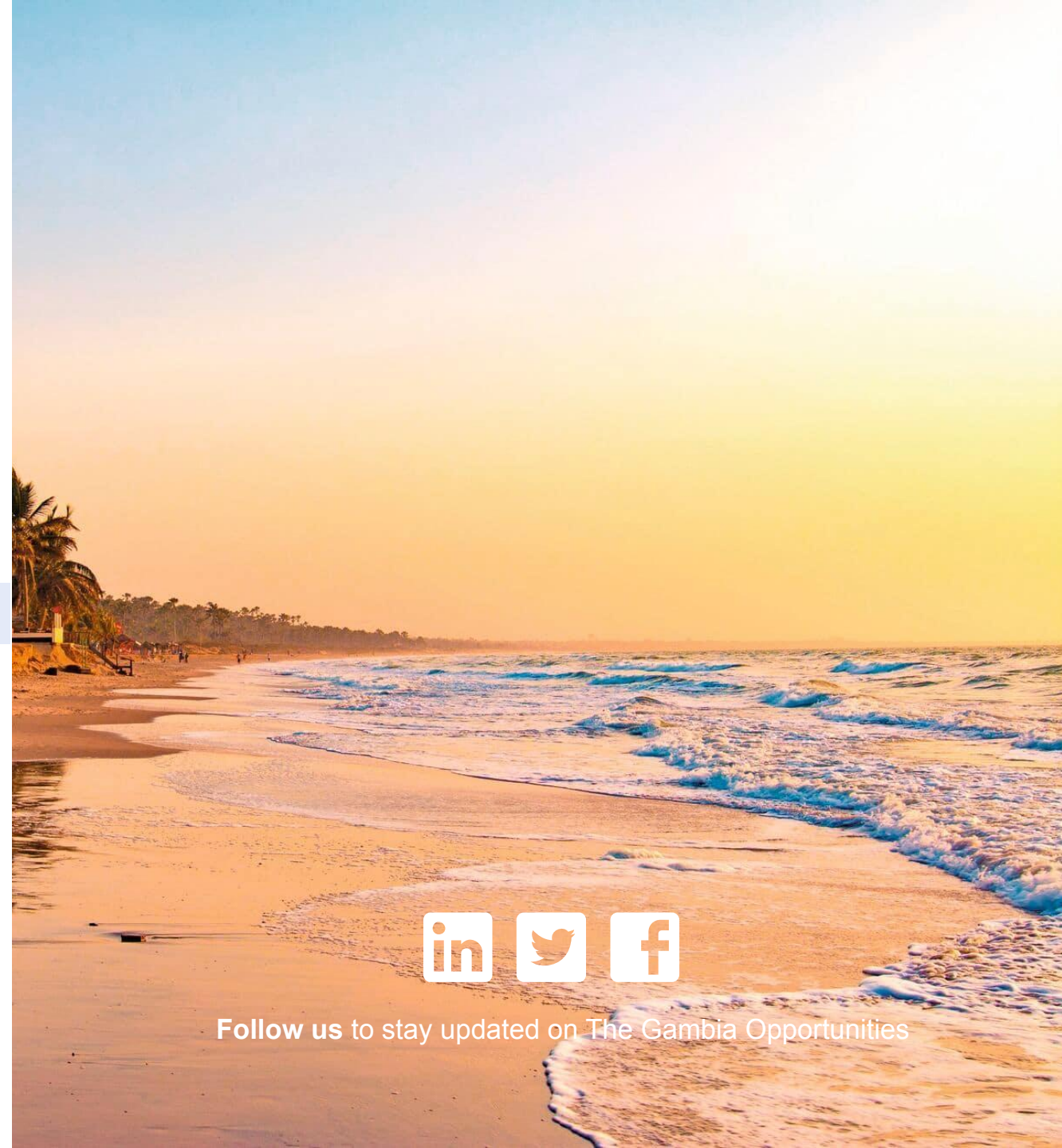
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