

Industrial Fishing 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 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 industrial fishing**
 2. **The favourable conditions available to investors**
 3. **The support investors can expect to receive**

The most competitive country in West Africa¹

80 kilometres of coastline²

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

The most efficient labour market in West Africa¹



¹ World Economic Forum Global Competitiveness Report 2012-13

² GiEPA Fisheries Investment Brochure 2012

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

Fisheries in The Gambia

- With 80km of coastline and a continental shelf area of 4,000km²,¹ The Gambia offers the ideal environment for industrial fishing
- Within this continental shelf area, there are commercially viable stocks of demersals, crustaceans, cephalopods, molluscs, and pelagic (sardinella, red mullet, horse mackerel, cranx, shads, cat fish, grunts, jacks, and snappers) ¹
- The Gambia's fishing industry is currently dominated by artisanal activity¹ and industrial fishing is still a largely untapped area of opportunity
- With further population growth, increasing urbanisation and high cost of other animal proteins the already high demand for fish is set to rise ⁴

KEY FACTS:

- Trade values of fish and crustaceans, molluscs and other aquatic invertebrates:²
 - Imports 2010-11: US\$ 745,013
 - Exports 2010-11: US\$ 8,840,685
- Exclusive Economic Zone: 19,500 km², yielding an estimated 75,000 tonnes of fish per year ¹
- Less than 32,000 tonnes of fish were extracted in total in 2011 ³
- Around 30,000 Gambians are employed in the fisheries sector ¹
- Artisanal fishing accounted for 89.8% of all fisheries outputs in 2010-2011 ¹

1. The Gambia Investment Guide 2012

2. UN Comtrade. Accessed: 10/3/13

3. The Ministry of Fisheries April 2012. Reported in The Gambia Investment Guide 2012.

4. FAO Gambia Fishery Country Profile, December 2007. Accessed: 10/3/13.

Locations

- There are plenty of opportunities for industrial fishing along and off The Gambia's 80km coastline and within its 4,000 sq km continental shelf
- The River Gambia has saltwater as far as 150km upstream
- Banjul Port is conveniently located at the mouth of the River Gambia, making it easily accessible to trawlers and other fishing boats navigating the coast as well as the mouth of the river



Fish species in Gambian waters¹

DEMERSAL SPECIES:

- Sole
- Grunts
- Sea-breems
- Carangids
- Cephalopods

PELAGIC SPECIES:

- Bonga
- Sardinella
- Red Mullet
- Shads
- Catfish
- Jacks
- Snappers



Infrastructure

- Banjul port has a fisheries jetty with two 6-metre piers ¹
- A dedicated fisheries facility commenced operation at the port in December 2012¹
- Banjul port's handling capacity¹:
 - 48 metric tonnes of bulk cargo per hour
 - 17 container moves (discharging and loading) per hour
- Other new infrastructure / upgrades in development:
 - Ports Expansion Programme underway – Gambia Ports Authority planning to build a second port on the Atlantic coast
 - The Trans-Gambia bridge (completion due 2017)
 - Improved cross-border trunk roads with Senegal
 - Ongoing infrastructure upgrades at Banjul International Airport



The Gambia's fisheries community

- The Gambia is already home to a developed community of stakeholders in the fisheries 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 industrial fishing

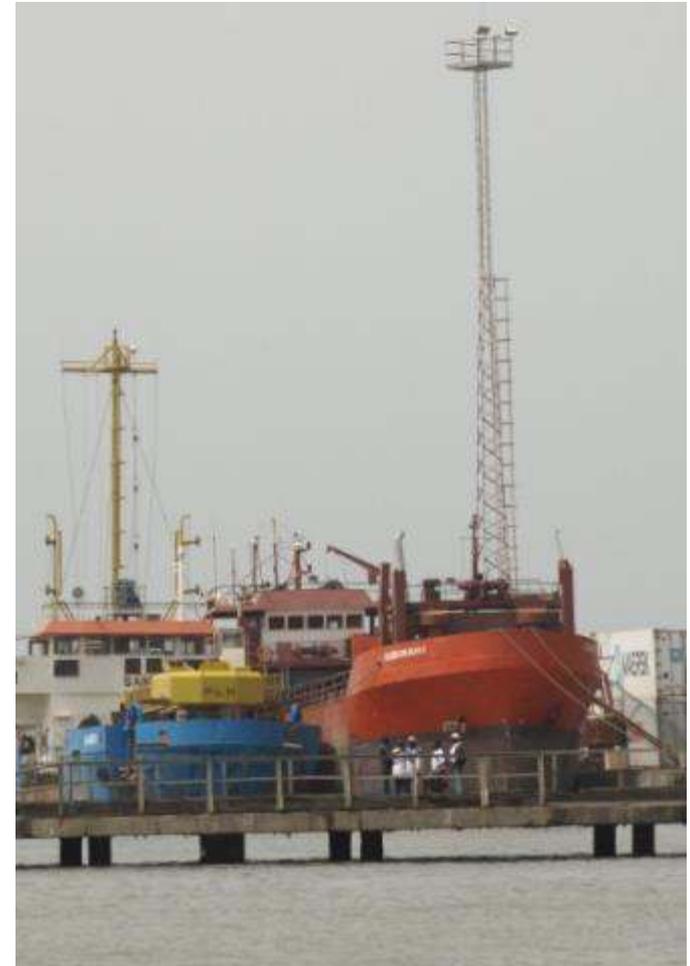
EXAMPLES OF ORGANISATIONS:

Atlantic Seafood Company	Association of Industrial Fishing Companies	Rosamond Trade Gambia Co. Ltd.
International Pelican Seafood Gambia Ltd.	Gambia Artisanal Fisheries Development Association (GAMFIDA)	Kendaka Fishing Company



Export agreements

- Fish and other Gambian 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 fisheries 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.
 - **Export Incentives:** available for export oriented enterprises (exports of 30% of output minimum). Exporters can apply for a tax holiday in respect of its corporate or turnover tax and support for its investment activities (e.g. export planning advice and export market research).
 - For licenced operations in **Export Processing Zones**, tax holidays are for 10 years.
 - **Import Tax Incentives:** Exemption from payment of import sales tax on direct inputs for the project, or customs duty and import sales tax if the investment is located in a zone.

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 fisheries 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 sectors such as fisheries
- Licence and permit fees for the fisheries sector are also competitive

INDICATIVE KEY COSTS:

- Average daily wages for unskilled labour hover between US\$2-4 a day²
- Annual Fishing vessel licences (per gross registered tonnage):³
 - Foreign trawler – US\$122
 - Local trawler – US\$46
 - Processing vessel – US\$73
- Electricity: 9.70 GMD / kWh: (commercial tariff)³
- Water: 22.48 GMD / cubic metre (commercial 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 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
- Regulations for those investing in the fisheries sector are stipulated in The Fisheries Act, 2007. The Fisheries Act is designed to ensure profitable but environmentally-sustainable operations
- For all businesses operating in fishing, vessels must be registered and a fishing license obtained. Businesses in the fishing industry must also employ at least 20% of the crew and one inspector from The Gambia, as well as have at least 20% of the catch land on Gambian shores for local consumption¹
- 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



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:

- Less than 50% of The Gambia's annual fish yields were extracted in 2011, despite high demand for fish
- The already high demand for fish is set to rise, according to the FAO

2

COMPETITIVE INVESTMENT ENVIRONMENT:

- 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 dedicated fishing piers and competitive costs
- New and upgrade projects underway, including new Atlantic port and improved transport links with ECOWAS markets

4

ATTRACTIVE INCENTIVES, COMPETITIVE COSTS

- Generous incentives for industrial fishing
- Competitive costs and fees
- Strong political support for investment in fisheries
- Comprehensive guidance and support from GIEPA



For further information, contact:

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