

An enabling environment

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ABDOU KOLLEY graduated from Jean Monnet University in France with both a Master's Degree in Economics and Business Management (Honours) as well as a Bachelor's Degree in Economics. He has been a Cabinet Minister since 2007 when he was appointed as the Minister of Trade, Industry and Employment, and from June 2009 to March 2010 as Minister of Finance and Economic Affairs. He has recently been appointed as the Minister of Fisheries, Water Resources and National Assembly Matters in the new Cabinet.

The Gambia maintains an open and liberal trading environment and continues to pursue policies that aim at improving the competitiveness of its economy to attain the government's goal of boosting exports and increasing the country's market share in an increasingly globalised world. In as much as I agree that private investment is largely dependent on individual investors' decisions based on their analysis of suitability and viability, I equally believe that government policy and intervention can and do influence such decisions. It is for this reason that the government of The Gambia has created, and continues to create, an environment conducive for private sector growth and development.

Indeed, The Gambia has continued to ensure macroeconomic stability, and has put in place appropriate legal and regulatory structures for private sector growth, while reducing the regulatory burden on firms and enterprises. The government continues to reaffirm its commitment to make the business environment more competitive and to strengthen the relationship between the public and the private sector to enhance trade and investment. The recognition of the important role of the private sector has been consistent in government's national development programmes, from the Economic Recovery Programme of the mid 1980s to its recent Programme for Accelerated Growth and Employment (PAGE), launched in December 2011.

A sign of this commitment is the establishment by government of a number of specialised agencies to handle specific issues and facilitate interaction with businesses and private sector operators. These include the Gambia Investment and Export Promotion Agency (GIEPA) to attract, support and facilitate the establishment of businesses in The Gambia; the Gambia Tourism Board to facilitate tourism development and marketing of the destination; the Public Utilities Regulatory Authority to regulate interventions and enterprises in the electricity, water and telecommunication sectors; the Gambia Revenue Authority to streamline the tax regime and enhance the efficiency of revenue collection; and the Gambia Competition Commission to ensure a level playing field in the operation of the market. All these efforts are geared towards making the business environment more predictable and investor-friendly.

A National Trade Policy and a new investment legislation were formulated and adopted in 2010 and are being implemented to address trade and investment challenges and to leverage the potentials of the productive sectors for an export-led growth. The Trade Policy calls for the formulation of an export development strategy to promote production for exports, a Quality Policy to ensure that Gambian products meet international standards for increased market access, and it focuses on measures to:

- improve the competitiveness of The Gambia trading environment;
- support production activities for the domestic and international markets
- establish and strengthen quality infrastructure for enhanced market access
- ensure a fair trading environment for producers and consumers
- establish an efficient trade information system
- strengthen bilateral, regional and multilateral trade corporation.

With the new investment legislation establishing GIEPA in 2010, a new impetus has been given to the promotion of investments and exports in The Gambia. The GIEPA Act provides attractive incentives for investment and enterprise development particularly the Micro, Small and Medium sized Enterprises (MSMEs), as guided by the National MSME Policy and Strategy. In addition, government has recently formulated and enacted the Gambia Standards Bureau Act in 2010 and Gambia Food Safety and Quality Act in 2011 to promote safety and quality of Gambian products for improved market access.

The Gambia is also strategically located on the West African coast making it easy to access the other West African countries, Europe and the United States. Government, as part of its trade strategies, is thus adopting measures aimed at positioning The Gambia as a hub to the regional market. The trade facilitation systems of The Gambia are therefore being strengthened as part of the national effort to achieve this objective. Reforms have been undertaken under the new Customs and Excise Act of 2010, which helped in improving the capacity of the Gambia Revenue Authority. Customs operating system has also been upgraded to ASYCUDA++ and is being extended to

all the major border posts in the country. Customs procedural requirements have been further simplified and made more transparent to increase efficiency of clearing goods.

The capacities of both the Gambia Ports Authority and Banjul International Airport are being strengthened through the port expansion and the airport improvement projects, respectively. In effect, the Gambia Ports Authority has introduced a system enabling shippers to process documentation in one step, thereby avoiding the seemingly endless official procedures that some ports are known for. This institutional arrangement has enhanced the competitiveness of The Gambia as a viable trade and investment destination within the sub-region. The Port of Banjul has indeed become one of the most efficient in the region in terms of customs clearance and turnaround time of vessels.

The Gambia also offers real business potential and opportunities for companies that want to take advantage of the over 250 million consumers in the ECOWAS Market through the ECOWAS Trade Liberalisation Scheme (ETLS). Currently sixteen Gambian registered companies are certified to operate under the ECOWAS Trade liberalisation Scheme and they can export to the regional market duty free and quota free. The ETLS thus offers The Gambia the opportunity to expand its market size and gain economies of scale for its industries.

Apart from the above policy and institutional initiatives, the peaceful nature of The Gambia and its strategic location, its favourable climate for tourism and suitable land for agriculture and horticulture production, and rich marine resources with great export potential, all provide excellent trade and investment opportunities to potential investors. Furthermore, the government has identified 160 hectares of land as a free zone within the airport perimeter, 8.8 hectares of which has been developed with the accompanying utilities for use by the private sector. We are now looking for a potential zone developer to take over the zone and develop it for use by free zone operators and enterprises.

As part of the strategy to enable businesses take advantage of these opportunities, government is currently implementing an attractive incentive scheme to promote the development of private investment. Investors in The Gambia can take advantage of not only the regional market but also to the European and US markets through the various preferential market access schemes extended to The Gambia under the EU Everything But Arms (EBA) initiative and the US AGOA scheme. Thus under the new investment legislation: Any newly established investment enterprise (of at least US\$250,000) that falls within any

priority investment sector shall be granted a tax holiday in respect of its corporate or turnover tax, depreciation allowance, withholding tax on dividends;

- In the case of a priority sector, for a period of 5 years
- In the case of a priority area (outside the Greater Banjul Area and Brikama town), for a maximum period of eight years, from the date of commencement of operations.


Any newly established investment enterprise (of at least US\$250,000) that falls within any priority investment sector shall be granted import sales tax waiver in respect to:

- Its manufacturing plant, construction material, and spare parts for a period of five years from the date of signing of the investment agreement
- Raw materials and intermediate inputs, for a period of five years from the date of commencement of operations and
- The products listed in the Third Schedule to the Customs and Excise Act.

Any existing investment enterprise within any priority investment sector that embarks on an expansion project worth at least two hundred thousand dollars (US\$ 200,000) shall be granted a sales tax waiver for its imports for one year.

The priority sectors for these incentives with great investment opportunities are: agriculture, fishery, manufacturing, tourism, forestry, mineral exploitation, financial services, energy, air and water transportation.

The Gambia as a developing country certainly looks forward to investors from all countries who have the capital and expertise to participate in its economic transformation. Government's policy on investment and private sector development has been consistent over the years; considering private sector investment as the engine of economic growth, and has provided the necessary incentives to that effect. The new trade and investment-related laws and incentives have helped in improving the trade, business and investment environment by improving the general predictability and transparency of the fiscal and trade policy framework of The Gambia.

I would like to conclude by encouraging interested private sector operators to visit and explore the vast trade and investment opportunities in The Gambia, including opportunities under AGOA and EBA, which to a large extent remain untapped. I would further encourage them to forge business links including joint ventures and partnerships with their Gambian counterparts. The Government of The Gambia through my ministry, the Gambia Investment and Export Promotion Agency (GIEPA) and the Gambia Chamber of Commerce and Industry (GCCCI), stand ready to facilitate such deals. 

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