

THE GAMBIA

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A platform for West African markets, a popular tourism hot-spot, a place to discover new investment possibilities...take a closer look at The Gambia.



A Springboard for West Africa

There is a huge amount of untapped potential in The Gambia, mainland Africa's smallest country, which offers easy access to a market of millions.

With 15 years of impressive progress made across the board, The Gambia is proving to be an important West African player. Its economy grew by 7% last year, thanks to its thriving tourism, telecommunications, and construction sectors. Despite these gains foreign investment is still needed to assure the country's continued development and growth, and to help it attain its vision of reaching developed country status by 2020.

"We want to transform The Gambia into a trading, export-oriented agricultural and manufacturing nation, thriving on free-market policies and a vibrant private sector, one that is sustained by a well-educated, trained, skilled, healthy, self-reliant, and enterprising population, and in so doing, bring to fruition this fundamental aim and aspiration of Vision 2020," says President Alhaji Yahya Jammeh.



Alhaji Yahya Jammeh, President

With this in mind, the Jammeh government has pushed the doors wide open for foreign investors willing to invest capital or base their business operations in the country, offering a stable climate and tempting concessions through the Customs, Income and Sales Tax Act, and the GIPFZA Act, which includes corporate tax deductions ranging from one to five years. "Given our impressive economic growth, our long-lasting political stability, and our security record, The Gambia could be a springboard for the development of the whole West African region," says the President.

As well as restoring macroeconomic stability, the wide-ranging fiscal, financial and economic reforms have increased the number of banks operating in the country to more than



Gambia Ports Authority.

www.gambiaports.com

10, with many others applying for licenses. "These reforms have enabled the financial, and banking sectors to become competitive, efficient and, at the same time, very attractive for foreign banks," says Mousa Bala-Gaye, Secretary of State for Finance and Economic Affairs. "Our aim is to develop The Gambia as a financial center for the West African coast."

The government has recently announced it will start drilling for oil and gas reserves in the first quarter of 2009, with the help of an Australian partner. "Although this is very good news, everything will depend on the quality and quantity of the oil," Bala-Gaye says. "It will not replace the light fuel that we import because we do not currently have the means to refine it. However, we are looking into establishing a medium-scale refinery, and I am confident that with foreign investment, we will eventually have one."

For now though, The Gambia relies primarily on tourism to boost its coffers. Its proximity to Europe and being in a similar time zone have made it an attractive and affordable winter destination for tourists wishing to explore the beaches, natural beauty, and the numerous cultures of its 1.7 million people. The Gambia also offers opportunities in small-scale manufacturing

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in the processing of peanuts, fish, and hides, with re-export trade constituting a major part of its economic activity.

"Within the context of the medium-term framework, as agreed with the International Monetary Fund, 2008 is projected to be another positive year for our economy, with GDP expected to increase by about 5.5%," Bala-Gaye says. "The Gambia is a safe investment haven in which investors, businessmen, and entrepreneurs can fully exploit the opportunities to our mutual advantage."

The Secretary of State has brought a substantial amount of experience to the post. He was previously Permanent Secretary in the Department of State, and worked in a multilateral development organization—the African Development Bank—as executive director for three years. "This background is extremely relevant for my work," he says. "During my time as Permanent Secretary, for example, I led all the negotiations with the IMF, the World Bank, the African Development Bank, and the Islamic Development Bank—all multilateral development institutions, as well as bilateral development partners."

High inflows of foreign investment have had a significant impact on the exchange rate, resulting in a marked appreciation of the Gambian dalasi, against the dollar, the euro and the pound. While this has had a slightly negative effect on tourism and re-exports, the 5.5% growth predicted for this year is still very high, Bala-Gaye points out, adding that the

dalasi will be strong and stable in both the medium- and long-term.

The Central Bank governor is also upbeat. "We have been somewhat shielded from oil and food price hikes," says Momodou Bamba Saho. "In addition, several structural constraints, like an unreliable poor electricity supply, have been removed. The Gambia is a small country in Africa, but one that actually works. We are one of the few African countries that has decided to liberalize the economy and have a culture of doing things quickly. Most importantly, we have very good macroeconomic policies, and will continue to introduce reforms that are conducive to development; one in which the private sector will be the engine of growth, working in a transparent relationship with the government."

Another likely development that will further strengthen the economy by enhancing trade within the region is the West African Monetary Zone (WAMZ) project. If successful, this will effectively see the formation of an economic, commercial, and trading block for the region, with all countries adopting a common currency, the ECO.

The Gambia is already part of the West Africa Power Pool, an organization that integrates the national power systems into a



Mousa Bala-Gaye
Secretary of State
for Finance and
Economic Affairs

NAWEC—Serving The Gambia's Growth



Kotu Power Station

As The Gambia continues to develop, demand for energy, water and sewage services for new homes and businesses has soared. As the provider of all three services, the National Water and Electricity Company (NAWEC) therefore needs to ensure this demand is met in a timely and efficient way.

NAWEC has a good performance record. In the past two years, the state-owned utility has increased its electricity generating capacity substantially, while a new project in the Brikama area will see water capacity doubled within a year. Many areas already have a stable, 24-hour supply of water and electricity, with expansion and improvement ongoing.

With a solid foundation to build on, NAWEC's managing director Momodou Jallow is now inviting foreign investors to step in and help meet this growing demand with the minimum of delay. "Help on the part of the private sector, in terms of capital, public-private partnerships, and joint ventures, will help us satisfy our customers' needs and build a state-of-the-art infrastructure," he says.

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unified regional electricity market. "It is just a matter of linking our infrastructures and resources, but this will take some time," says Momodou Jallow, managing director of the National Water and Electricity Company Ltd.

A dynamic force

One major player in the Gambian economy, with interests spanning the energy, tourism, and agroprocessing sectors, is Global Trading, a Brussels-based family business with a 40-year history, which began in Sierra Leone and has been present in The Gambia since 2000, after winning a tender to provide a power station for the then energy-stricken nation.

"Within nine months our company, Global Electrical Group (GEG), had proven our capability and reliance to deliver on time with new generators, and people realized that we were the best, price and quality-wise," says the group's managing director, Mohamed Bazzi. Following that, in less than two years, the company constructed the Brikama plant, which brought 24-hour electricity to The Gambia, a significant achievement in the region.



Gampetroleum was established to correct problems of domestic supply and insufficient storage capacity for imported oil. In 2008, it inaugurated the sub-region's largest oil and gas storage container facility, which will also boost supply in neighboring countries and could become a major stopover for

refuelling on international shipping routes. "We are concerned about the rising cost of petroleum, and have been taking steps to avoid future problems, such as our new storage depot which provides enough capacity to maintain a reliable supply in The Gambia and to ensure six months of reserves, which the country has never experienced before," says Bazzi.

"By using the latest technologies, we're building something that will last for at least 40–50 years without problems, and there is already high demand from neighboring countries."

Global Trading also operates Gam Veg, an edible oil refinery, and has embarked on another first for The Gambia, a luxury beach-side real estate development, Royal Residence. The first project in Africa to attract funding from the Islamic Development Bank, it will be a litmus test for the entity. Construction has already begun on the three-year project, which will consist of 70 luxury villas of different styles, from three to five bedrooms, within 10 apartment blocks. Each block will have its own courtyard, with views of the sea, and there will be provision for yachts.

"This is part of a project we are starting that involves the building of high-end villas and apartments based on those you would find in places such as Spain and the South of France," Bazzi says. "We thought it would be a good idea in The Gambia when tourists started asking for quality houses by the beach with private pools."

When completed, Royal Residence will be a secure luxury community, with owners automatically receiving residency upon purchase. "Here you will get the same luxury, or a little bit more, for a much lower cost than elsewhere," Bazzi adds. "We have already had inquiries from Gambians looking for their dream home, and from the expatriate community. We are targeting the U.K., German, and Scandinavian markets, because many people from these areas like to retire abroad."

Building The Gambia of the Future Today

The Social Security and Housing Finance Corporation (SSHFC) is the largest and most profitable government agency in the country and as such, is one of the main drivers of the Gambian economy. A prime mover in the construction sector, SSHFC is now seeking to diversify its investment portfolio, particularly in light manufacturing, tourism, horticulture, and real estate development.

SSHFC's vision is to be The Gambia's leading institution in financial management, organizational efficiency, operational effectiveness, and customer service delivery. In line with its mission to be the best both throughout the sub-region and worldwide, SSHFC is keen to involve private companies in its activities and interested in any viable partnership with them as long as these imply sustainable economic development for The Gambia and its population. "We have acquired land throughout the country and are hoping to encourage other players in the market—real estate developers and others in the private sector—to complement our efforts in housing development," says Tumbul Danso, SSHFC's managing director. "While we concentrate on low- and middle-income houses, they could focus on constructing upper-middle and



Administering The Gambia's housing needs.

high-income houses, which are in high demand. The market is far from saturated, so there are endless opportunities for investors and developers to come up with new ideas."

SSHFC is also involved with commercial real estate and is now looking for partners to either fund or assist with the construction of a first-of-its-kind venture in the city of Banjul. "In The Gambia, we have the freedom to operate according to risk-return and liberal market rules," Danso says. "Those are the elements that will continue to keep us successful."

Social Security and Housing Finance Corporation
www.sshfc.gm





Following The Gambia's Eco Path. www.visitthegambia.gm

Investors concerned about the ICT landscape in The Gambia, meanwhile, can rest assured the country has built a competitive advantage in the region, thanks to a liberalized economic sector that has generated greater efficiency and advanced products and services at lower cost.

The Secretary of State for Communications, Neneh MacDouall-Gaye says: "The ultimate vision of this department is to be the medium that will call for the awakening of all Gambians to fully embrace the new technologies and the new modernized facilities we are introducing. The key is that we will achieve this through solid public-private partnerships."

Talking technologies

One successful example of this is the national telecoms company, which was split into global system for mobile (GSM) subsidiary, Gamcel, and telecommunications parent company, Gamtel. The latter is now 50% government-owned and 50% owned by Spectrum Group, a Lebanese corporation. The companies were formerly references for the region and, until the arrival of Spectrum just a few months ago, faced considerable financial and technical problems.

"We were convinced we could turn the company around by providing good services to the community, thus giving other investors the confidence, comfort, and security to invest here," says chairman Michael Tenn. "We invested fearlessly, modified the vision, developed new strategies, and restructured the company, and it's apparent now that the quality of both our network and overseas calls have drastically improved. We are not short-term thinkers. We are long-term investors."

The companies will now be re-branded and subscribers are continuously increasing, while the community also benefits from assistance and generous competitions. Gamcel is the number one GSM operator and eventually will cover all parts of The Gambia, while Gamtel offers a wide range of Internet services. In the long-term, Spectrum is reaffirming its commitment to The Gambia's development by looking to invest in other sectors.



Business Park (Yundum), The Gambia.

The main entity in charge of promoting inward investment to The Gambia is The Gambia Investment Promotion and Free Zones Agency (GIPFZA). Set up as part of the government's trade enhancement strategy in 2001, the agency has pursued the ambitious Gateway project to position the country as a globally competitive export and processing center. "We have already seen investment in the telecoms sector, which has been a great success, and are now targeting mid- and long-term investment in agriculture, the financial sector, tourism, and energy thus creating permanent employment opportunities," says chief executive Kebba Njie.

The Gateway project includes the Yundum Business Park, an 8-hectare development that is already equipped with essential services and has a back-up electricity supply of 1.3 MW. "We are currently looking for a developer and manager for the business park," Njie says.

GIPFZA sees the country's trading reputation, location, and stability as key selling points: it is a springboard to 250 million consumers, and already acts as a kind of supermarket for the rest of West Africa, with cheaper goods available than in

"We already have a huge market, with an established channel of distribution via Banjul Port, a regional leader." Kebba Njie, GIPFZA

neighboring nations, while The Gambia's membership of the regional 15-nation trading block, ECOWAS, eliminates tariffs on re-exports. "We already have this huge market, with an established channel of distribution via Banjul Port, one of the most efficient in West Africa," says Njie. "Its facilities are to be extended and transshipment takes only eight hours."

There are also plans to link the ports to the free zone, with investors encouraged to produce in The Gambia besides using its re-export possibilities. The 160-hectare free zone

Central Bank of The Gambia

Growth through Stability



With a commitment to achieving low inflation and a stable exchange rate, the Central Bank of The Gambia is playing a major role in The Gambia's sustainable development by increasing investors' confidence in the country, and assuring stability in the short and long term.



www.cbg.gm

is adjacent to Banjul Airport, with one investor already using its facilities for agro-processing.

Strengthening links

Banjul Port, aside from being internationally recognized as one of West Africa's safest and most efficient, is also highly cost-effective, with a state-of-the-art computerized Port Operation System and the ability to handle any kind of cargo. The Port is situated on the estuary of the Gambia River, 26 miles from the Atlantic Ocean, and operated by the Gambia Ports Authority, a public body set up in 1972.

The river can be navigated for 300 miles inland by seagoing vessels and further still by commercial barges, making it a cheaper alternative to road transport for The Gambia, Senegal and Guinea. "It is my objective to make the Port of Banjul a distinctive Port within the region and to maintain a highly

being "The Smiling Coast", The Gambia has the sun, some of the best beaches in the region, and pleasant people," says Alieu Mboge, chairman of the Gambia Tourism Authority, which has overseen the tourism industry since 2001, including The Gambia's considerable eco-tourism areas, such as Makasutu Culture Forest.

The Authority has embarked on a campaign to attract more tourists and upgrade the country's product to luxury standards. To this end, a marketing office has been set up in the U.K., from where 65% of tourists currently hail, and there will be representatives in Germany and Scandinavia.

In terms of investment proposals, The Gambia is very competitive, as Mboge points out. "We have land available which can be given to investors at no cost, in return for an infrastructure consisting of hotels and other amenities," he says. "Investors are given a tax-free

"The tourism product is being continually upgraded and diversified." Mousa Bala-Gaye, Secretary of State

trained and dedicated workforce," says Muhammed Lamin Gibba, managing director of the Ports Authority. "It has a deep, sheltered anchorage with no incidents of piracy, making it one of the safest in the region, and is ideally situated to handle worldwide trade."

The Port also offers prompt, reliable, and efficient services with a competitive and flexible tariff structure, and the Authority is in the process of setting up sister port agreements with harbors in the rest of Africa and in Taiwan.

Moving up a grade

In the meantime, tourism is expected to grow 10% in 2008, as a result of significant investments in hotels and an increase in the number of incoming tourists. The Gambia is already on the radar of several European countries' tourism maps and its infrastructure is among West Africa's most developed. "Apart from having the reputation of

holiday, and any materials brought in for construction will not be taxed. Investors also have the security of being able to transfer their profits out of the country with no restrictions."

Many up-scale hotels are opening or being developed, such as the Coconut Residence, which has hosted royal guests. High-class residential projects are also encouraged, either as developments, like the previously mentioned Global Trading's Royal Residence, or as individual units. Other interesting projects in the pipeline are the establishment of a game park by a local company, and an international golf course. "The tourism product is continually being upgraded and diversified," concludes Mousa Bala-Gaye, Secretary of State for Finance and Economic Affairs. "Our amenities, and the high quality training within the industry, will be sure to satisfy the needs of any high-end tourist coming here." ■

Burkina Faso

With a new aid agreement signed, West Africa's gold and cotton producer has unveiled an investment program that will move it closer to its goal of self-sufficiency.



BURKINA FASO

As the driver for the landlocked, West African country of Burkina Faso, agriculture makes up a third of the gross domestic product and employs 80% of the population, with cotton as the main cash crop. It is governed by President Blaise Compaoré, who came to power in a coup in 1987, and has subsequently won three presidential elections, the latest in November 2005.

"As a rural country, we need to launch new reforms to be able to provide property permits, and have established a land security program as part of our agricultural policy," says the country's Prime Minister Tertius Zongo. "We are also filling in the gaps to allow the private sector a strong base."

To help this along, while also improving infrastructure and education, the government received U.S.\$480 million in a landmark five-year aid agreement with the U.S. in July. Prime Minister Zongo, whose previous posts include Burkina Faso's ambassador to the U.S. and representative to the World Bank and IMF, will also be focusing on the country's under-exploited tourism sector. "The bi-annual Panafrican Film and Television Festival of Ouagadougou (FESPACO) and the International Arts and Crafts Fair (SIAO), also held in the capital, have helped put us on the map, but we have to improve access by air and land. Our new airport is a step in that direction."

Jean Baptiste Compaoré, Minister of Economy and Finance, is eager to see Burkina reach its growth target of 8%. He points to the great strides already made in the ICT, mining, and banking sectors, noting how, in financial services particularly,



Blaise Compaoré
President

the government is withdrawing its shares to give newcomers to the market the flexibility they need to develop a better service.

"Although we are far from the Anglo-Saxon free market model, there are no limits as long as investors are coming in," he says.

Coris Bank International opened its first agency in Burkina Faso this year. Handling individual and corporate financing principally for small and medium

enterprises, the bank is poised to become a vital player in the market through its innovation, quality, and service provision. "Our short-term aim is to become the best performing and most accessible bank in the country," says the bank's president/director general, Idrissa Nassa.

Générale des Assurances, the second-largest insurer in the market, offers a range of services from transport to life and health insurance. The young, dynamic company has big ambitions, raising its capital earlier this year to 1 billion CFA (U.S.\$1,879 million) to help it expand within the region. Although the insurance sector is growing, only 1% of the 13 million population is insured, notes Jean-Paul Ouedraogo, director general. "Getting the message out is key," he says.

Minister of Commerce, Entrepreneurship and Handicrafts, Mamadou Sanou, is looking to capitalize on the improved business market, pointing to the better market structure, incentives, administrative costs, and reduced bureaucracy

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as tempting prospects for investors. Sofitex, the country's main cotton producer, has been affected by the international cotton crisis and unfavorable climate conditions in 2007, but director general Célestin Tiendrebeogo is hopeful that the 2008/9 season will yield positive growth. "We have a definite comparative advantage in terms of low production costs compared to Europe and the U.S.," he says.

Since a new mining code came into effect in 2003, gold has become the top emerging sector of the economy. Today, it is Burkina Faso's third foreign currency earner after agriculture and livestock, and could—due to the increasing amount of reserves, the new financial safeguards, and high international prices—become the main source of foreign revenues within two to three years. Minister of Mines, Roads and Energy, Abdoulaye Abdoukader Cisse, is inviting foreign players to take advantage of the gold, zinc, phosphate, uranium, and possible oil stocks in the country, emphasizing that Burkina Faso is one of the rare countries where research permits can be delivered without seeing the minister. "In less than a year, we have had four mines go into production. That's a real record and achievement," he says.

SEMAFO (Mining Society for West Africa) is a Canadian company that has been in the region since 1995. It started its

"We've used the latest technologies to optimize production."
Elie Justin Ouedraogo, SEMAFO

third project—its first in Burkina Faso—at Mana in June. "The site offers incomparable prospects within a 90-kilometer radius, and has resources estimated at 1,876,100 ounces of gold. We have used the latest technologies to optimize our production," says national director Elie Justin Ouedraogo. We've been having some good surprises in terms of potential and capacity, and are really delighted with this investment knowledge knowing that the price of gold on the market is really high."

Riverstone Resources, also Canadian, aims to extract 1.25 million ounces of gold mostly from its Karma site, and to develop enough gold there to support a central processing



SEMAFO-The reference.

www.semafo.com

plant. Having been granted 17 exploration permits in the country since 2003, the company's directors have clearly realized Burkina Faso's massive potential. Says Ki Cyriaque, director and country manager: "The environment is stable, and the mining code motivating, taking into account the fiscal incentives. Roads and telecoms are in a good state."

The telecoms business is, in fact, booming, with mobile penetration increasing 80% last year. The sector was privatized in 2000. Strategic partners wishing to enter the ICT market will be very welcome, says Minister of Post and ICTs Joachim Tankoano. "We have agreements with Cisco Systems and Microsoft," he says. Sonapost, the nation's sole provider of mail and courier delivery, is also preparing to meet the challenges of a more competitive environment by increasing its productivity. The company is open to partnerships with any player that can offer added value. "We are working with Chronopost and Western Union, but the door is open for more," says Arthur Kafando, director general.

Change is also taking place in the electricity sector, with Sonabel, the sole provider, having been granted a 240 billion CFA investment in order to achieve 60% coverage by 2015. Sonabel relies on thermal (65%) and hydro (20%) energies and imports from Ivory Coast, Ghana, and Togo-Benin. Salif Kabore, director general, notes that Niger, Togo, Ghana, and Burkina Faso will soon be interconnected by a shared grid project. ■

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