

**THE GAMBIA
NATIONAL EXPORT STRATEGY
(2021-2025)**



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Foreword

As you may know, the Commonwealth Secretariat has a long track record on ocean resources management, working across the Commonwealth to support its members in negotiating and resolving maritime boundaries. The provision of advisory services to Commonwealth governments on maritime boundaries has been and remains a core activity and key competence of the Special Advisory Services Division. We maintain the requisite in-house expertise to provide such support and are assisted by external experts in respect of certain specialised areas.

The Government of The Gambia has articulated a policy to develop the export sector as part of its growth strategy and to ensure that trade plays a prominent role in the economic development of the country. The Gambia continues to experience trade deficits as imports exceed exports.

Therefore, the development of this National Export Strategy (NES) is crucial for the country's exports sector. This is the second National Export Strategy ('the Strategy') prepared with support from the Commonwealth Secretariat and with full co-operation from the private and public sectors.

The Strategy, to be implemented over a five-year period from 2021 to 2025, is geared towards diversifying exports and contributing to achieve the overall objectives of the National Development Plan (NDP) 2018-2021 and the Sustainable Development Goals (SDGs), with prime focus on wealth generation and job creation. As the Strategy is implemented, the economy is expected to see a steady increase in exports, employment creation, as well as poverty reduction, among others. All of these will create a reciprocal effect that will lead to improved standards of living and economic growth.

The NES identifies six priority areas and covers several cross-cutting issues that focus on enhancing the productive sector for increased exports. It addresses approaches that both the government and private sector will use to determine the framework with which export-led growth will flourish and encourage investments in those sectors with export potential. These sectors include tourism, horticulture and agribusiness, fisheries, groundnut, cashew and light manufacturing. Additionally, cross-cutting issues identified include transportation and trade facilitation, information and communication technology (ICT), access to finance, human resource development and research, intelligence and innovation.

The Strategy is expected to improve the country's trade balance and its ranking in exports. Despite the country's small-scale production, it is envisaged that the Strategy will provide support to diversify the economy, which will improve The Gambia's access to the international markets.

In 2019, The Gambia's total export of goods amounted to 1.573 billion dalasi (GMD), while its total import of goods stood at GMD31.076 billion. To address this huge trade deficit, the Strategy identified the aforementioned six potential areas, especially tourism, horticulture and agribusiness, fisheries and light manufacturing. Emphasis is placed on competency building, innovation and quality management, to fully exploit the resources through value addition in traditional sectors such as tourism, agriculture, fisheries and agroprocessing. The Strategy envisages a competitive export sector that is focused on a mix of quality, high-value goods and services for the sustainable development of the country, as enshrined in the NDP.

As we implement the National Export Strategy, I once again remind all Gambians that our success in the implementation of the Strategy rests with us. The critical success factors outlined in the strategy document clearly spell out what we must do as a nation to achieve success. The need for the establishment of an NES Fund, the need for monitoring and evaluation of the Strategy activities, and the need to institute an effective trade facilitation body are all imperatives that must be ensured if we are to become a net-exporting nation. In

our aspiration to become a formidable exporting nation, we should equally pay attention to the requirements of quality and standards of the international market.

The government is therefore committed to ensuring full implementation of this Strategy, with full participation of the private sector and development partners. I therefore look forward to a strong coalition with all involved in the design process to continue working with the same enthusiasm in the implementation of this NES 2021-2025.

In conclusion, I wish to express my gratitude to the Commonwealth Secretariat, the consultants, the Core Design Team, sector working groups and other stakeholders for their contributions and inputs to the Strategy development process.

Hon. Seedy Keita: Minister of Trade, Industry, Regional Integration and Employment (MOTIE)

Statement - CEO GIEPA

The development of the second National Export Strategy (NES) 2021-2025 for The Gambia is an important milestone for the Gambia Investment and Export Promotion Agency (GIEPA). As an agency with an export development, investment promotion and enterprise development mandate, the development of the National Export Strategy is a necessity to guide the agency in its drive to realise the export development aspirations of The Gambia, as enshrined in the National Development Plan 2018-2021.

The development of the second NES 2021-2025 was underpinned by robust engagements with all stakeholders in the public sector, private sector, non-governmental organisations (NGOs) and development partners across the country, taking into consideration the challenges/constraints of the first NES 2013-2017. The rationale for this consultative approach was to ensure that the strategies to be implemented reflected the realities on the ground and were relevant to confronting and addressing the challenges of export development in The Gambia.

The development of the second NES was driven by the Directorate of Business and Export Development at GIEPA, with guidance from the Ministry of Trade, Industry, Regional Integration and Employment (MOTIE) and stakeholders drawn from all relevant sectors, including civil society and academia.

Total active stakeholder participation is critical for the successful implementation of the NES. I urge all stakeholders to support the implementation of the NES activities for us to realise sustainable economic growth, wealth creation and prosperity for the people of The Gambia, as highlighted in the NES Vision.

My sincere appreciation goes to all stakeholders for their contribution to the development of this Strategy, particularly the Core Design Team for their technical expertise, commitment, sense of ownership and the team spirit demonstrated throughout the process. I thank the Commonwealth Secretariat for providing the funds for the development of the second NES. Special thanks to Mrs Yinka Bandele and the rest of the consulting team for the technical guidance provided.

I acknowledge the support of the Ministry of Trade, Industry, Regional Integration and Employment in the development of the second National Export Strategy 2021-2025. My appreciation also goes to the GIEPA Board of Directors for their support and guidance.

Special thanks to the staff of GIEPA, particularly the Business and Export Development Department for their efforts in this project.

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We highly acknowledge and appreciate the contributions of the sector working groups for their immense effort in the development of this Strategy. We also extend our appreciation to other government ministries, departments and agencies, as well as private sector organisations, for their contributions towards the finalisation of this document.

Furthermore, we acknowledge the support of the Mrs Olayinka Bandele and the rest of her team for their technical support and guidance in finalising this Strategy.

Finally, special thanks to the Commonwealth Secretariat for providing the funds for the development of this Strategy.

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Acronyms and Abbreviations

ACFTA	African Continental Free Trade Area
ACP	Africa, Caribbean and Pacific
AGM	Association of Gambian Manufacturers
AGOA	Africa Growth and Opportunity Act
ASSERT	Association of Small-Scale Enterprise in Responsible Tourism
CAGR	Compound Annual Growth Rate
CET	common external tariff
DOA	Department of Agriculture
DOF	Department of Fisheries
ECOWAS	Economic Community of West African States
EEZ	exclusive economic zones
EPA	economic partnership agreement
ETLS	ECOWAS Trade Liberalization Scheme
EU	European Union
EU-EBA	European Union Everything But Arms
FAO	Food and Agricultural Organization
FDI	foreign direct investment
FSQA	Food Safety and Quality Authority
GDP	gross domestic product
GHA	Gambia Hotel Association
GHTI	Gambia Hospitality and Tourism Institute
GIEPA	Gambia Investment and Export Promotion Agency
GOTG	Government of The Gambia
GM	genetic modification
GMD	dalasi
GRA	Gambia Revenue Authority
GSB	Gambia Standards Bureau
GSP	Generalized System of Preferences
GTB	Gambia Tourism Board
GTHI	Gambia Tourism and Hospitality Institute
ICT	Information and communication technologies

ISO International Organization for Standardization
ISRT Inter-State Road Transit Scheme (ECOWAS)
ITC International Trade Centre
ITTOG The Institute of Travel and Tourism of The Gambia
LDC least developed country
M&E monitoring and evaluation
MICE meetings, incentives, conferences and events
MOA Ministry of Agriculture
MOFEA Ministry of Finance and Economic Affairs
MoHERST Ministry of Higher Education Research Science and Technology
MOTC Ministry of Tourism and Culture
MOTIE Ministry of Trade, Industry, Regional Integration and Employment
MSMEs Micro, small and medium-sized enterprises
NARI National Agricultural Research Institute
NCAC The National Centre for Arts and Culture
NES National Export Strategy
NGO non-governmental organisation
OECD Organisation for Economic Co-operation and Development
OVIs objectively verifiable indicators
R&D research and development
RCN raw cashew nuts
SDGs Sustainable Development Goals
SIC Special Investment Certificate
SPS sanitary and phytosanitary (requirements)
UNCTAD United Nations Conference on Trade and Development
WTO World Trade Organization
YEP Youth Empowerment Project

Summary

This National Export Strategy (NES) 2021-2025 is a critical roadmap to guide The Gambia towards export growth and diversification, recalibrating the economy away from its dependence on low value-added commodity trade; helping Gambian businesses to enter global value chains; and facilitating its post-COVID recovery, growth and resilience.

The Gambia is a small economy that has been operating with a trade deficit for many years, with heavy dependence on imports (which account for 80% of trade). In addition, The Gambia is heavily dependent on the export of goods, particularly, rain-dependent agricultural products. The government, through the technical support of the Commonwealth Secretariat, is advancing the second National Export Strategy (NES II), which attempts to diversify exports, strengthen expanding sectors and contribute to the achievement of the overarching objectives of the National Development Plan (NDP) and the Sustainable Development Goals (SDGs).

NES II is comprehensive and targeted, with a focus on ownership, implementation, sustainability and resilience (especially within the context of COVID-19).

Six priority sectors have been selected for consideration under NES II. These STR:

1. Tourism
2. Horticulture and agribusiness
3. Fisheries
4. Groundnuts
5. Cashew
6. Light manufacturing

The six priority sectors are further strengthened with cross-cutting strategies in the areas of:

1. Transportation and trade facilitation
2. Information and communications technology (ICT)
3. Access to finance
4. Human resource development
5. Research, intelligence and innovation

Key success factors for effective, efficient and impactful implementation include:

1. Resilience
2. Removing supply constraints
3. Moving up the value chain
4. A market-driven approach
5. Strengthening the country brand
6. A sustainability-driven NES
7. An integrated approach to implementation
8. Strong stakeholder involvement
9. Excellent institutional support
10. A distribution-oriented focus
11. Women and youth impact and involvement

12. Measurable results

In addition to these key success factors, the NES II also has a strong focus on micro, small and medium-sized enterprise (MSME) development and entrepreneurship. The Strategy recognises that MSMEs form the backbone of the Gambian economy, employing nearly two-thirds of the labour force. Many strategic initiatives have been developed specifically to engage and energise MSMEs.

The National Export Strategy takes account of external shocks, challenges and opportunities. There is a paradigm shift taking place worldwide that is driven by customers and facilitated by technology. All economies, sectors and industries are affected, and The Gambia will not escape its impacts and consequences. The rules of business are changing for everyone and everywhere. It is critical today for suppliers to understand their customers and markets, and to respond with surgical precision to their needs.

In addition to consumer shifts, the rapid transformation in technology has revolutionised the way we conduct business. The internet in particular (with over 2 billion internet users worldwide), has impacted significantly on the way we do business today. For this reason, the NES is technology driven. The Gambia needs to advance its technological thrust to become competitive in the global markets. For instance, distribution through e-commerce is now 'a must' for many businesses.

The Strategy also considers the environmental concerns that are evident in the increasingly environmentally conscious marketplace - global warming, health consciousness, organic produce, fair trade, naturally grown produce, etc. are all taken on board as factors that could increase value added in the product and service offerings of Gambian exporters.

This export strategy was developed in the heart of the COVID-19 pandemic crisis. As such, a resiliency approach was adopted early on, including use of technology, support to MSMEs, improvements to transportation, enhanced financial services, and training for entrepreneurs to become more competitive, with or without COVID-19. The Strategy recognises that COVID-19 is not the first nor will it be the last challenge that The Gambia and the world will have to face. Thus, whether it is COVID-19, volatile world prices, natural disasters or changes in consumer tastes, the key is to be flexible, nimble, responsive and, most critically, prepared. Development of the River Gambia is one of the key pillars for the resilience of The Gambia and its industries.

Given the challenges in the global marketplace and at home, an appropriate vision was developed in close collaboration with stakeholders and businesses. The vision for the National Export Strategy is to create: **'An efficient and globally-competitive export sector that is innovative, inclusive, resilient and responsible'**.

The vision is supported by a mission 'To fully utilise The Gambia's human and natural resources to drive export growth'.

One of the key natural resources identified as a core strategic element of export development is the River Gambia. The River Gambia is one of The Gambia's greatest assets. The export strategy recognises that the River Gambia has a vast value chain and can play a critical role in economic growth and resilience. However, the river has been underutilised to date. The river could be used for transportation, trade, tourism, agriculture and fisheries, and has a key role to play in the resilience of the country.

The NES analyses each of the priority sectors; identifies their challenges, opportunities, strengths and weaknesses; crafts their value chains; and identifies objectives, strategies and actions, together with timeframes, responsibilities and budgets. A total of 76 strategies and 233 actions were identified for the six priority sectors and five cross-cutting areas at a cost of US\$140 million between 2021 and 2025. These strategic initiatives are to be implemented and supported by 44 agencies/organisations.

SECTION ONE - THE EXPORT ENVIRONMENT NOW

Chapter 1 Introduction and Background

The Commonwealth Secretariat is providing support to the Government of The Gambia to design the country's second National Export Strategy (NES) 2020-2025. The support is being channelled through the country's export agency, the Gambia Investment and Export Promotion Agency (GIEPA), with oversight by the Ministry of Trade, Industry, Regional Integration and Employment (MOTIE). The NES is envisaged as a critical roadmap to guide The Gambia towards export growth and diversification, recalibrating the economy away from its dependence on low value-added commodity trade and helping Gambian businesses to enter global value chains.

The Gambia was plagued by political instability for several years, returning to democracy in 2016. The instability in the socio-political landscape has left The Gambia behind many of its competitors and close neighbours, and has created a path of sub-par economic performance. To bring the country back to a road of recovery, the National Development Plan (NDP) was created. The NDP places great emphasis on poverty alleviation and recognises that for real change to take place, new models will need to be adopted - since past efforts to fight poverty have proved ineffective. The NDP underscores that poverty levels have remained virtually unchanged in the past decade (the percentage of households living below the poverty line of US\$1.90/day was 48.4 per cent in 2010, 48.65 per cent in 2015, and 48.4 per cent in 2020).

The government recognises the critical role that exports play in driving economic growth. The country has been operating with a trade deficit for many years. Its heavy dependence on imports (which accounts for 80% of trade) does not bode well for the country. As such, the government, through the technical support of the Commonwealth Secretariat, is advancing the NES II.

For several reasons, the first NES (2012-2017) did not achieve its desired results. Given the lack of implementation of NES I and the fact that many of the issues that limited trade remain unresolved, it is envisaged that a number of the findings and recommendations put forward in NES I may still be relevant. Therefore, under the design of NES II, technical assistance included reviewing the degree to which interventions defined for implementation under NES I may be updated and carried forward into the second strategic design process. It is also recognised that the NES II should incorporate strong accountability processes and a more appropriate framework to guide implementation.

This second NES (2020-2025) focuses on supporting The Gambia's export-ready firms to enter regional and global value chains, particularly in value-addition horticulture and agro-processing, groundnuts, cashew, fisheries, light manufacturing and services, and more especially tourism, to bring further benefits to the country. The Government of The Gambia (GOTG) wants to bring about economic stability, grow employment and drive entrepreneurship.

In designing NES II, critical consideration was given to ensuring that the Strategy was comprehensive and targeted, paying particular attention to ownership and implementation. Most importantly, it was key that the revised NES was **relevant** to the needs, objectives and priorities of the government and people of The Gambia; had clearly defined and actionable strategies and actions that could be **effectively** implemented; that the design reflected the government's ongoing and planned policies and initiatives, **efficiently** complementing and reinforcing them; that the NES generated the greatest **impacts** for beneficiaries; and that both activities and results of the NES were **sustainable, measurable and actionable**.

In this regard, the priority sectors and cross-cutting areas for this NES have been reviewed, refined and strengthened. Table 1.1 shows the sectors and cross-cutting issues that are covered under this NES.

Table 1.1 List of priority NES areas

Priority sectors	Core cross-cutting areas
1. Tourism	1. Transportation and trade facilitation
2. Horticulture and agribusiness	2. Information and communications technology (ICT)
3. Fisheries	3. Access to finance
4. Groundnuts	4. Human resource development
5. Cashew	5. Research, intelligence and innovation
6. Light manufacturing	

The key issues repeatedly identified by stakeholders in the consultations and interviews were the need to capitalise on the River Gambia, to move up the value chain and to create lasting economic linkages.

This NES has identified and analysed the value chains for the target sectors, as well as the sector's performance and competitive environment, and has developed targeted and achievable strategies and actions that will grow the value, volume and sustainability of exports.

It was clear from the consultations with stakeholders that many policies, strategies and projects were being implemented, particularly under the new democratic regime. These include the National Development Plan (2018-2021), the Gambia National Transport Policy (2018-2027), the Gambia Investment Policy (2018), the Fisheries Policy, and the Tourism Master Plan, to name few. The NES has been designed to align with the government's other policies, plans and projects and to complement rather than compete with other ongoing initiatives.

In addition, several aid and donor agencies are on the ground contributing to the development of the country. Of particular note is the Youth Empowerment Project (YEP) funded by the International Trade Centre. YEP is implementing a number of initiatives in tourism, nuts and agro-processing, information and communications technology, and entrepreneurship.

Despite these policies, plans and projects, there are still great strides to be made, while a number of opportunity gaps and trade bottlenecks remain unaddressed, including the missed opportunity to fully utilise the strategic potential of the River Gambia and its far-reaching value chain implications. Additionally, the inability to fully benefit from trade agreements, such as the Economic Community of West African States (ECOWAS), and a number of bottlenecks and issues at the border and beyond the border continue to restrict trade.

Considering these constraints and missed opportunities the second export strategy has identified strategic interventions that could have widespread impacts and elevate the export potential of the country. Of critical importance is the strategic role of the River Gambia as the country's unique selling proposition and the key to unlock wealth-creating opportunities and the lever to boost the economy. Key areas of focus for the strategy include, investment, innovation, IT, intelligence, inclusiveness and implementation. The Strategy also takes a targeted approach to generating sustainable economic linkages, with tourism playing a pivotal role in dynamising the other sectors.

1.1 Methodology and Approach

For the NES to be successful, a robust methodological approach was required. In this regard, several methodologies and tools were employed to achieve the objectives of the NES development process. A cornerstone methodology was extensive stakeholder consultation and feedback. A number of stakeholders were consulted from the inception of the project. Field visits took place in February 2020, which constituted one-on-one interviews with key stakeholders in both the public and private sectors. There was also a two-day strategic planning workshop that took place on 25 and 26 February 2020.

The stakeholder consultations provided the unique advantage of involving all participating stakeholders in the process and created high levels of 'buy-in'.

The workshop was targeted at stakeholders from the core sectors and cross-cutting sectors, drawing participants from both the public and private sectors. There were over 100 participants at the workshop.

Workshop participants



The objective of the consultations was to convey to participants the importance of having a market-driven/consumer-driven mind set and to agree on what the key issues, constraints and opportunities were, and to develop strategic actions for the priority sectors to improve global competitiveness. To achieve this, the facilitators presented the key trends affecting the global economy, which had significant implications for The Gambia.

The workshop was instrumental in refining the strengths, weaknesses, opportunities and threats and in developing strategies and action plans for each of the priority sectors. Participants at the consultative workshop were broken into groups according to priority sectors or cross-cutting issues. Group members were asked to discuss and develop suitable strategies and actions for the respective areas. These strategies and actions were subsequently analysed and tested by the NES design team and appropriate budgets, timeframes, responsibilities and objectively verifiable indicators (OVIs) were assigned.

In addition to consultations, several research sources and key documents were reviewed and analysed. This review and analysis were necessary to ensure that the National Export Strategy considered other national initiatives already in progress and to maintain alignment with wider national policies, strategies and plans.

Several other methodologies and tools were utilised, including:

- the use of sector baseline data, where available;
- analysis of global market and consumer trends relevant to the priority sectors;
- market assessment;
- competitor analysis;
- SWOT analysis;
- vision development;
- value chain analysis; and
- the development of a monitoring and evaluation framework.

Chapter 2 The Economy at a Glance

With a total area of 11,420 sq km and a population base of approximately 2 million people, the Republic of The Gambia is one of the smallest countries in Africa. It is in West Africa, bordered on the West by the Atlantic Ocean and on the other three sides by Senegal. The country extends inland for about 480 kilometres along the banks of the river Gambia. The Atlantic coastline is only 80km in length. A semi-enclave within Senegal, The Gambia shares common socio-cultural features with its surrounding neighbour, including: similar ethnic groups (the Mandinka, Wolof and Serere, among others); shared languages (Senegambian languages); and a similar religious makeup (Muslims represent over 90 per cent of the population in The Gambia).

The country is divided into five regions (the West Coast Region, Lower River Region, Central River Region, Upper River Region and North Bank Region) and two municipalities (the City of Banjul and Kanifing Municipality - part of the Greater Banjul Area). The capital city is Banjul.

The Gambia is one of the 49 countries that are officially recognised by the United Nations as least developed countries (LDCs), based on economic vulnerability and human asset indicators. Nearly half of the country's population lives below the poverty line (US\$1.25/daily). Despite its LDC status, the country shows economic promise.

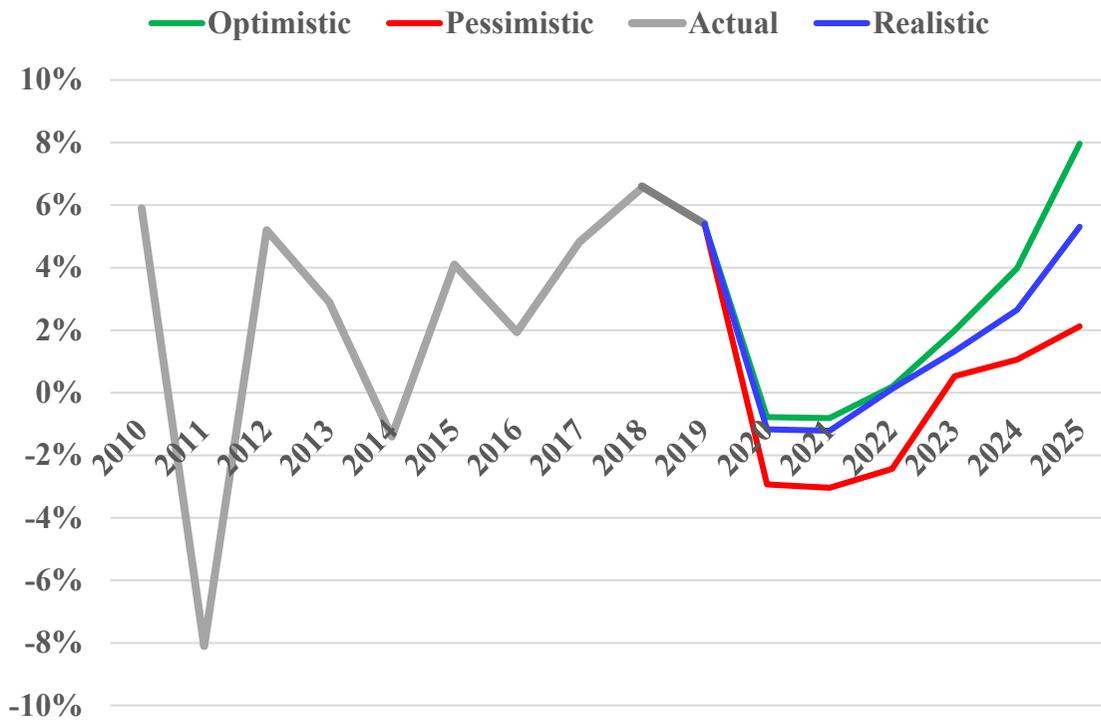
2.1 Economic Performance

The economy has been characterised by low and volatile gross domestic product (GDP) growth. However, since the political transition that took place in 2016, growth has shown positive acceleration, reaching 6.6 per cent in 2018 and 5.4 per cent in 2019. Prior to COVID-19, it was forecast that the economy would realistically grow at a stable annual rate and would remain around the 5.5 to 6.5 per cent range. However, these predictions were derailed by the global pandemic. With the closure of many borders and travel restrictions, the restricted movement of people and social distancing in place, the economy is expected to contract in the short term. Experts hoped that a vaccine would be produced and distributed by mid-2021, according to the World Health Organization. The economy could contract by as much as 3 per cent or even worse if the pandemic continues unabated.

The economy relies primarily on tourism (the lead services sector) and rain-dependent agriculture (of which horticulture, fisheries, groundnuts and cashew play major or increasing roles). The agriculture sector witnessed a slight revival in 2018 and grew by 0.9 per cent compared to the sharp contraction of -4.4 per cent in 2017. The number of tourists reached a record high of approximately 235,000 international arrivals in 2019 (not including the growing regional cross-border movements from Senegal).

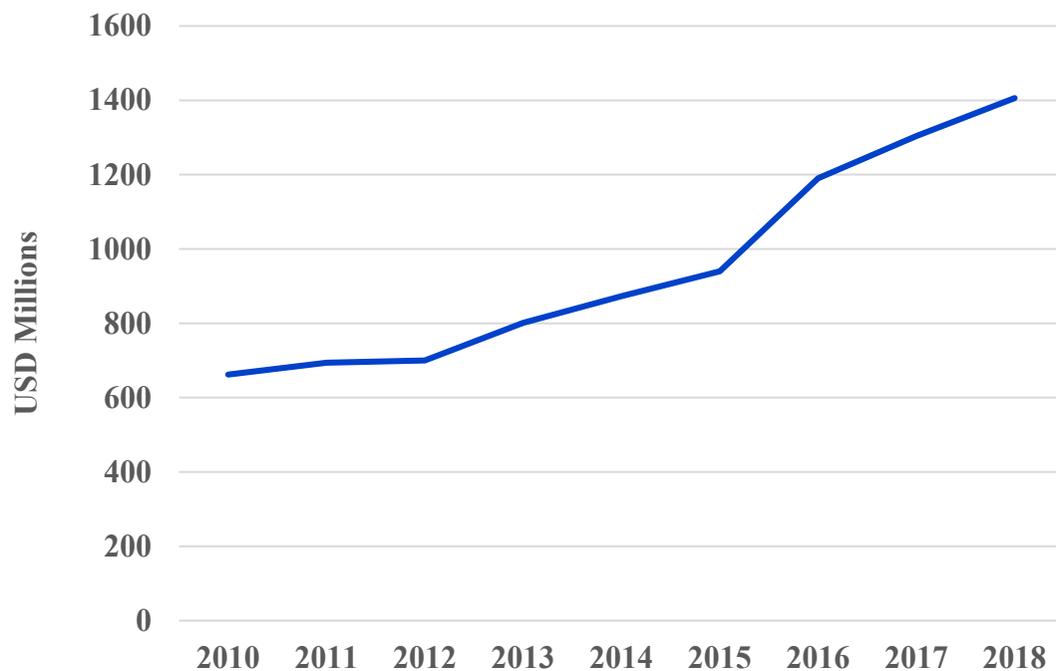
The country's macroeconomic environment is characterised by very high public debt levels. In 2018, The Gambia's public debt reached an all-time high of US\$1.4 billion, or 86.6 per cent of GDP. This translates to a debt level per capita of US\$617, according to the International Monetary Fund.

Figure 2.1 Annual GDP growth rate (actual and forecast)¹



Source: Gambia Bureau of Statistics and Tourism Intelligence International 2020

Figure 2.2 Annual public debt levels (US millions)



Source: International Monetary Fund 2020

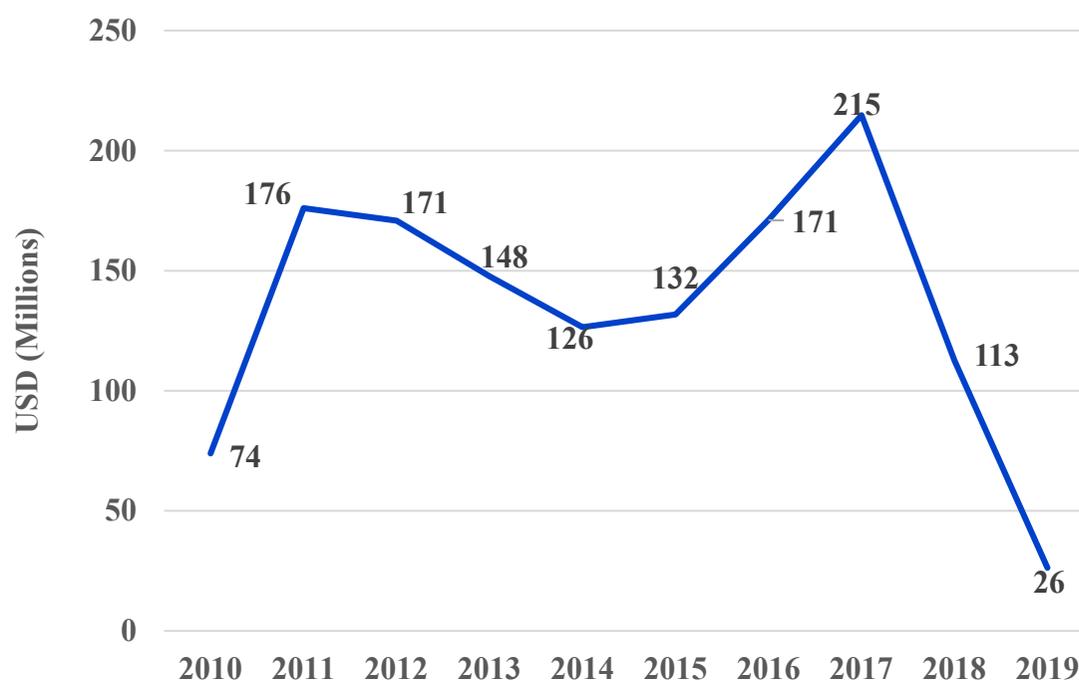
The commercial banks' lending rates averaged about 28 per cent,² crowding out the private sector. Commercial credit to the private sector contracted significantly, 6.6 per cent in 2019 compared to an average of approximately 25 per cent³ in the late 1980s. The Gambia's

monetary policy remained tight in 2019, with a focus on controlling inflation and supporting a stronger dalasi (D). Inflation had reached 7.1 per cent⁴ by end-December 2019 and 7.8 per cent at the end of the first quarter of 2020, mainly driven by food price inflation. The Central Bank's policy rate (the rediscount rate) stood at 12 per cent as of 27 February 2020, almost half the rate two years prior (23% as of March 2017).

2.2 Export Performance

In 2019, the country's main exports were groundnuts (32.7%), followed by cashew nuts (20.6%), wood and articles of wood (mainly logs, 20.1%) and fish and fisheries products (13.6%). These four products accounted for 87 per cent of domestic exports, valued at D3.8 billion.

Figure 2.3 Commodity exports from The Gambia

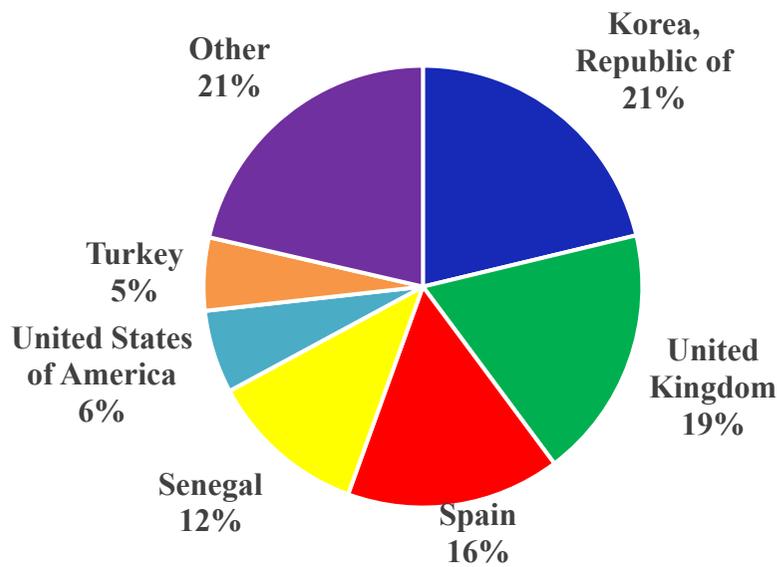


Source: World Bank 2017

2.3 Main Trading Partners

The main trading partners of The Gambia for exports are South Korea, which accounts for more than one-fifth of exports, followed by the United Kingdom (19%) and Spain (16%).

Figure 2.4 Main export partners

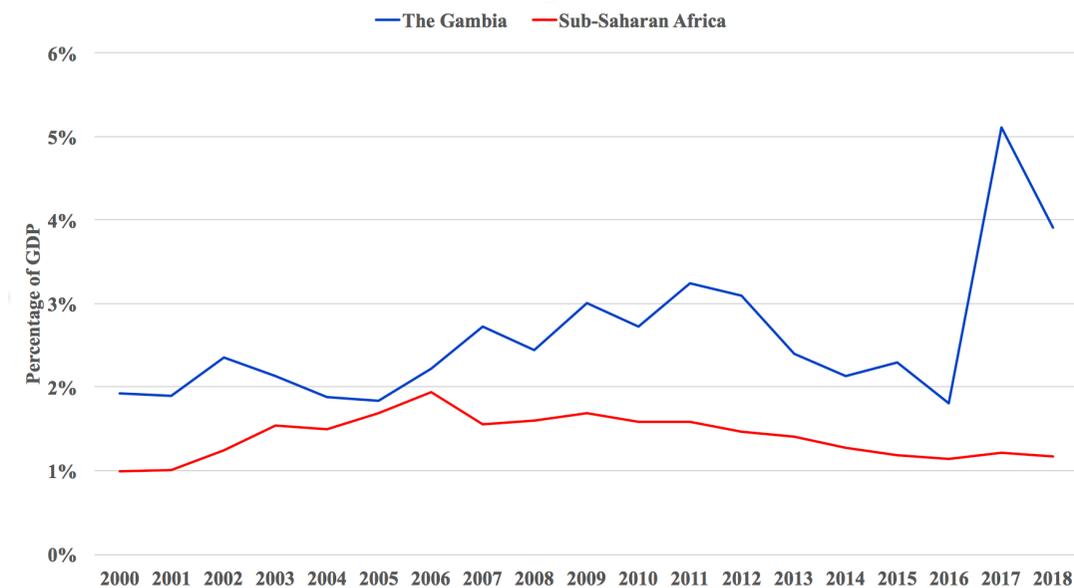


Source: UN COMTRADE Mirror Statistics 2020

2.4 Dependence on aid

The Gambia is more aid-dependent than its sub-Saharan counterparts. Historically, The Gambia has received more aid as a percentage of the country's GDP compared to the sub-Saharan region. Under the previous administration, when the value of aid received had dropped significantly (60% less than what it is today),⁵ it was still above the sub-Saharan GDP-percentage average (see Figure 2.5). Aid spiked in 2017 following elections in December 2016, to reach an all-time high of US\$278.5 million, or 5.1 per cent of GDP. In 2018, The Gambia received an estimated US\$232 million in aid, which represented 4 per cent of GDP. Comparatively, sub-Saharan Africa's collective aid received was 1.2 per cent of the region's collective GDP.⁶ The Gambia is ranked as the 41st most aid-dependent country in the world, with US\$102 in foreign aid per capita.⁷

Figure 2.5 Aid received as a percentage of GDP



Source: Data.WorldBank.org 2020

2.5 Socio-Economic Impact of COVID-19

The global COVID-19 pandemic had its origins in China in December 2019. By the close of the first quarter in 2020, many countries, including The Gambia, had implemented draconian measures to mitigate the risks of the disease wreaking havoc. Following World Health Organization guidelines and taking its own initiative, the government declared a state of health emergency and adopted measures to contain the spread of the virus. These included travel restrictions, a ban on public events and agricultural markets (weekly *lomos*), the closure of schools and non-essential businesses, and limits on opening of market hours.⁸ These measures have had socio-economic effects on a number of areas of the economy, including:

- **Trade and transportation:** ‘The country is heavily dependent on imports from abroad to sustain the economy. The closure of land and air spaces will have a significant negative impact on trade. Any decline or shortage in imports such as fuel for instance will also have ripple effects throughout the Gambian economy from agriculture to manufacturing, electricity generation and tourism’.⁹
- **Tourism:** Global tourism arrivals could fall 60-80 per cent, according to the United Nations World Tourism Organization. This could have dire consequences for The Gambia, since its main international tourism source markets (Europe, UK, USA) have been significantly affected by the pandemic and borders may remain closed until the pandemic is under control. This was estimated to involve a dip in arrivals by 140,000 to 190,000 between April 2020 and March 2021. The Gambia Tourism Board estimated that 42,000 people had lost their jobs in the tourism industry. This does not bode well for tourism or the wider economy, considering that many sectors are linked to tourism in one form or another, for example, agriculture, the creative industries, professional services, IT, manufacturing, etc.
- **Employment:** Some 42,000 people have lost their jobs in the tourism industry and another 50,000+ have lost their livelihoods in the informal sector.¹⁰ Consider that 71 per cent of MSMEs are in the informal sector and they employ 95 per cent of the informal sector workforce. This could have far-reaching consequences, especially for the most economically vulnerable of the country.
- **Agriculture:** The agricultural sector (including the priority agricultural subsectors of the NES such as horticulture, groundnuts, cashew and fisheries) has a significant impact on the economy. Agriculture is the largest employer. COVID-19 restrictions have adversely affected the livelihoods of thousands of households and the overall food security of the country.
- **Poverty alleviation:** The fight against COVID-19 will significantly impact the country’s fight against poverty.
- **Volatile prices:** ‘The COVID-19 outbreak also places uncertainty on global food prices which is the main determinant of inflation in The Gambia. Rising global food prices due to production declines as expected will severely impact The Gambia’s steady inflation situation, its exchange rate stability and its import cover in terms of gross external reserves’.¹¹

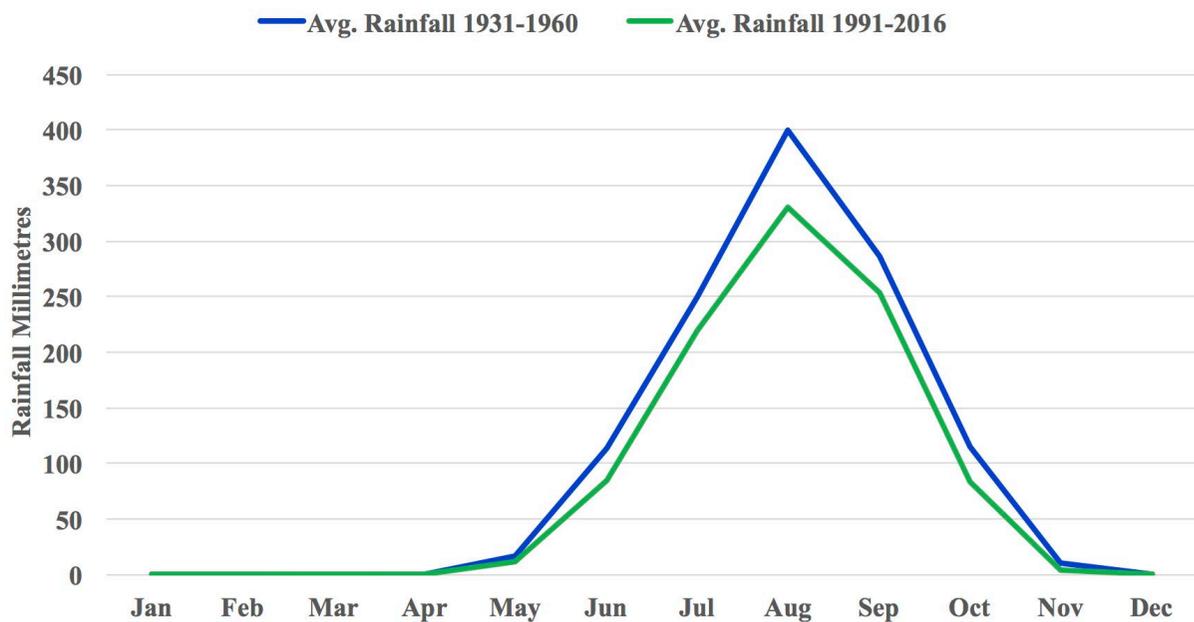
2.6 A Rain-Dependent Economy

The economy of The Gambia is mainly dependent on rain-fed agriculture, which accounts for nearly one-quarter of GDP. Many stakeholders have indicated that they have noticed a significant reduction in the amount of rainfall. In fact, climate-related drought in 2012 and 2018 have taken a toll on the economy.

The country has a Sahelian climate, characterised by a long dry season (November of one year to May of the following year) and a short rainy season (June to October). This means that for seven months of the year, the agriculture sector is generally under-productive.

In addition, rainfall is historically declining because of climate change. As shown in Figure 2.6, rainfall dropped by 17.1 per cent in the 1991-2016 period compared to the earlier period of 1931-1960.

Figure 2.6 Average monthly rainfall for selected periods



Source: World Bank (2020), Climate Change Portal, available at: <https://climateknowledgeportal.worldbank.org/country/gambia/climate-data-historical>

In The Gambia, most of the population relies on rain-fed agriculture, with over 60 per cent of the population dependent on agriculture for their livelihoods and 78 per cent of the active working population employed in the sector.¹² As such, the livelihoods of thousands of Gambians are vulnerable to natural hazards, including droughts. In The Gambia, droughts are the key hazard affecting most vulnerable households.

Therefore, climate resilient strategies need to be developed to address The Gambia’s dependence on rainfall and to deal with both the declining and seasonal rainfall patterns.

Endnotes

¹ Forecast based on consultant’s projections.

² Trading Economics (2019), ‘Gambia lending interest rate percent’, available at: <https://tradingeconomics.com/gambia/lending-interest-rate-percent-wb-data.html>

³ The Global Economy (2019), ‘Gambia: Bank credit to the private sector’, available at: https://www.theglobaleconomy.com/Gambia/Bank_credit_to_the_private_sector/

⁴ World Data (2020), ‘Development of inflation rates in the Gambia’, available at: <https://www.worlddata.info/africa/gambia/inflation-rates.php>

⁵ Pre-democracy compared to post-democracy / 2016 vs. 2017.

⁶ Based on GDP Purchasing Power of Parity.

⁷ World Bank (2019), World Development Indicators: Aid Dependency, available at:
<http://wdi.worldbank.org/table/6.11>

⁸ Rapid Assessment Report on the effects of the COVID-19 Outbreak on Agriculture, Livelihoods and Food Security in The Gambia.

⁹ Draft Consolidated RRF for the Socio-Economic Pillar.

¹⁰ Ibid.

¹¹ Ibid.

¹² Department of Water Resources (2002), 'Drought conditions and management strategies in The Gambia', available at:
https://www.ais.unwater.org/ais/pluginfile.php/629/mod_page/content/6/The%20%20Gambia_EN.pdf

Chapter 3 Foreign Trade Policy and Market Access

In March 2018, African countries signed a landmark trade agreement, the African Continental Free Trade Area Agreement (ACFTA), which commits countries to remove tariffs on 90 per cent of goods, progressively liberalise trade in services and address a host of other non-tariff barriers. If successfully implemented, the agreement will create a single African market of over a billion consumers, with a total GDP of over US\$3 trillion. This will make Africa the largest free trade area in the world. The Gambia is party to that agreement.

Trade policy will need to be reviewed considering the economic challenges posed by the COVID-19 pandemic. Activities will be geared towards ensuring that trade policies are responsive to the challenges created by COVID-19 but remain aligned to the National Development Plan. Tariffs will also need to be reviewed and the trade regulation implemented.

3.1 Economic Community of West African States

The Economic Community of West African States (ECOWAS) is the major political and economic bloc for Western Africa. ECOWAS is a regional group of 15 countries, founded in 1975. The countries are: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Republic of Liberia, Republic of Mali, Republic of Niger, Federal Republic of Nigeria, Senegal, Sierra Leone and Togo. ECOWAS is considered one of the pillar regional blocs of the continent African Economic Community (AEC). The Gambia is one of the founding members of ECOWAS.

The main goal of ECOWAS is to achieve collective self-sufficiency for its members. As a member of ECOWAS, The Gambia benefits from the numerous international economic partnership agreements (EPAs), particularly, the ECOWAS-EU EPA, which led to the gradual removal of trade restrictions between the partners.

The ECOWAS Trade Liberalization Scheme (ETLS) is the main ECOWAS operational tool for promoting the West Africa region as a free trade area. This lies in tandem with one of the objectives of the community, which is the establishment of a common market through 'the liberalisation of trade by the abolition, among Member States, of customs duties levied on imports and exports, and the abolition among Member States, of non-tariff barriers'. ECOWAS Treaty, May 1975

The rules of origin that guide trade in the bloc are defined in the ECOWAS protocol A/P1/1/03 of 31 January 2003 as follows:

- Wholly produced goods; goods whose raw materials completely originate from the region.
- Goods which are not wholly produced but their production requires the exclusive use of materials which are to be classified under a different tariff subheading from that of the product.
- Goods which are not wholly produced but their production requires the use of materials which have received a value added of at least 30 per cent of the ex-factory price of the finished goods.

In general, issues around customs in The Gambia are governed by the ECOWAS regimes, where applicable; for example, in the areas of import duties (ECOWAS CET), rules of origin (ETLS) and transit (ISRT). These are briefly explained below.

The ECOWAS legislation implemented by The Gambia includes the following:¹

- a. **Common external tariff (CET):** The Gambia applies a CET to all its trading partners, including other ECOWAS member states.

- b. **ECOWAS Community Levy:** To finance the activities of ECOWAS, a community levy applies in member states. The Gambia has applied the levy since the beginning, according to the authorities. The government raised the levy on 1 January 2013 from 0.5 per cent to 1 per cent of the CIF (cost, insurance, freight) value of imports, as a temporary measure to pay its contribution arrears.
- c. **ECOWAS Trade Liberalization Scheme (ETLS):** The purpose of the scheme is to improve intra-ECOWAS trade by removing import duties and taxes on qualifying products, including agricultural and industrial products (Section 3.1.2).
- d. **ECOWAS Inter-State Road Transit Scheme (ISRT):** Implementation of the ISRT began in July 2013 and is monitored by the national Committee on Market Access. Since July 2015, it is mandatory for transit goods to be entered under the ISRT.

Under the ISRT, transportation of goods is allowed by road from one customs office in one ECOWAS member state to another, through one or more member states free of import duties, taxes and restrictions while in transit. Additional measures put in place to ensure the operation of the ISRT include the setting of annual quotas between countries in respect of vehicles licensed to undertake interstate transport of goods; the development of regulations to govern the sharing of freight between the country of transit and the land-locked country for both transit goods and local goods from the country of transit; and the drawing up of itineraries for interstate traffic. Transit goods are no longer subject to customs escort as long as their seal is checked at designated checkpoints.

However, while these laws are agreed on by member states, there are often challenges in their implementation. Many exporters transporting goods within the ECOWAS bloc, particularly with Senegal, often experience challenges in crossing the border. Stakeholders claim that there appears to be either lack of knowledge of the protocols or some other hidden non-tariff barrier at play. Negotiation, training and continued strengthening of partnerships with ECOWAS member states, particularly Senegal is recommended, as it is an important export market for The Gambia, additionally many goods routing to other markets are exported through Dakar.

3.2 African Continental Free Trade Area

The African Continental Free Trade Area (ACFTA) is a free trade area which, as of 2018, included 28 countries. The free trade area is the largest in the world in terms of the number of participating countries since the formation of the World Trade Organization and has an estimated market size valued at US\$3 trillion.

The agreement was brokered by the African Union (AU) and was signed by 44 of its 55 member states on 21 March 2018. The Gambia is one of the ratifying member states (as of April 2019).

The agreement initially requires members to remove tariffs from 90 per cent of goods, allowing free access to commodities, goods and services across the continent.

The United Nations Economic Commission for Africa estimates that the agreement will boost intra-African trade by 52 per cent by 2022, which bodes well for The Gambia.

From a trade perspective, the main objectives of ACFTA are as follows:

- create a single market, deepening the economic integration of the continent;
- establish a liberalised market through multiple rounds of negotiations;
- aid the movement of capital and people, facilitating investment;
- move towards the establishment of a future continental customs union;
- achieve sustainable and inclusive socio-economic development, gender equality and structural transformations within member states;
- enhance competitiveness of member states within Africa and in the global market; and

- encourage industrial development through diversification and regional value chain development, agricultural development and food security.

The minimum expected opportunities for The Gambia from ACFTA include access to new markets, which could help grow exports and increase their contribution to GDP. In addition, ACFTA opens up the doors to foreign direct investment (FDI). The lifting of investment restrictions, coupled with the favourable political climate in The Gambia, could bode well for FDI in the coming years. The Gambia needs to put measures in place to ensure that investors are welcome, and that doing business is made as seamless as possible. In addition, GIEPA needs to take a more bullish and proactive approach to investment promotion under this new dispensation.

The chief challenge with ACFTA is the huge income disparities among member states. For example, according to the International Monetary Fund (IMF), Nigeria, South Africa and Egypt account for more than 50 per cent of ACFTA's GDP, while Africa's smallest economies (The Gambia, Seychelles, Sao Tome and Principe, Guinea-Bissau, Cape Verde, Comoros, and Liberia) account for approximately 1 per cent of ACFTA's GDP.

Another key challenge for The Gambia, is that ACFTA increases competition for investment and trade. Small farmers and emerging exporters such as Tropingo, will be challenged by competition from larger, well-established counterparts in countries such as Nigeria and South Africa. One of the main issues with competition is that larger competitors can benefit from economies of scale that smaller players in countries such as The Gambia cannot compete with.

Without proper implementation and effective and comprehensive policy-making and preferential treatment for Africa's smaller economies, such as The Gambia, costs of the ACFTA could outweigh its benefits and lead to further economic disparities. It is therefore important that The Gambia partner effectively with other participating member states to build an efficient and participatory institutional architecture to avoid leaving any economies behind.

3.3 The European Union EPA

The European Union's (EU's) trade relations with Africa, Caribbean and Pacific (ACP) countries were historically framed by a series of conventions, which granted unilateral preferences to the ACP countries to the EU market. By the end of the 1990s, it was found that these conventions did not promote trade competitiveness, diversification and growth, as intended. They were also found to be in breach of the World Trade Organization's (WTO) principles, as they established unfair discrimination between developing countries. A change was therefore required. EPAs were the response defined jointly by the ACP countries and the EU in the Cotonou Agreement signed in 2000. EPAs build a new reciprocal partnership for trade and development, asymmetrically in favour of ACP countries.

In 2002, the European Union launched negotiations to conclude free trade agreements with different configurations of ACP countries, called economic partnership agreements (EPAs). One of the groups to be covered by such an agreement is made up of 16 countries in West Africa - the 15 members of the Economic Community of West African States (ECOWAS) plus Mauritania. ECOWAS is itself a party to the agreement, as is UEMOA (the West African Economic and Monetary Union), a further level of regional integration comprising eight ECOWAS countries. The negotiations with West Africa started in 2003 and lasted until 2014, when the text of the agreement was finally initialled by the chief negotiators. The Gambia, on 10 August 2018, became the 14th West African country to sign the region-to-region EPA with the EU.

The EPA is a tailor-made agreement designed to promote trade between the EU and African states and contribute to sustainable development and poverty reduction. The EU is the world's most open market for African exports. The overarching objective was to conclude an agreement that would promote the smooth and gradual integration of West African partners into the world economy, spur sustainable development and reduce poverty. A more concrete

objective was to assure further free access for West African countries to EU markets in line with WTO rules.

The agreement provides for asymmetric liberalisation of trade in goods. While the EU will fully open its market, the Western African partners can maintain tariffs on 25 per cent of tariff lines to protect sensitive sectors. The agreement sets the objective of pursuing sustainable development at all levels of the economic partnership.

In order to protect the parties from the potentially harmful effects of trade liberalisation, the agreements provide for a series of safeguards, including the temporary imposition of customs tariffs and quantitative restrictions in case of a sudden surge in imports threatening local producers. Certain export taxes are temporarily allowed to protect infant industries in West Africa. The agreement contains a rendezvous clause, providing that the parties will start negotiations on a comprehensive agreement covering services, capital transfers, competition, investment, copyright and sustainable development.

3.4 African Growth and Opportunity Act (AGOA) - USA

The African Growth and Opportunity Act (AGOA), enacted in 2000 and implemented in 2001, offers the most liberal access to the US market available to any country or region with which the US does not have a free trade agreement. AGOA provides trade preferences for quota- and duty-free entry into the United States for certain goods, expanding the benefits under the Generalized System of Preferences (GSP) programme. As a result, some 6,000+ products are covered under this agreement. Notably, AGOA expanded market access for textile and apparel goods into the US for eligible countries, though many other goods are also included.

AGOA also reinforces African reform efforts, provides improved access to US credit and technical expertise, and establishes a high-level dialogue on bilateral trade and investment policy issues through the US-Sub-Saharan Trade and Economic Forum.

Figure 3.1 Bilateral goods trade US-The Gambia



Source: AGOA.info 2020

The AGOA trade programme provides sub-Saharan countries with duty-free access to the United States on condition they meet certain statutory eligibility requirements, including eliminating

barriers to US trade and investment and making progress toward political pluralism. The Gambia lost its eligibility on 23 December 2014² due to human rights abuses and the deterioration of the rule of law.

Following the return to a democratic and stable political climate, The Gambia was reinstated as a party to the AGOA once more at the end of December 2017.

Endnotes

¹ Gambia Trade Policy Review, World Trade Organization, Nov. 2017.

² AGOA.info (2020), 'Presidential Proclamation to take certain actions under the AGOA and for other purposes, available at: <https://agoa.info/news/article/15318-presidential-proclamation-to-take-certain-actions-under-the-agoa-and-for-other-purposes.html>

Chapter 4 Key Success Factors of the National Export Strategy

4.1 Resilience

The Gambia is a small country and a fledgling economy, depending mostly on rain-fed agriculture and seasonal tourism. The economy is extremely susceptible to various shocks, including natural disasters (drought and floods), climate change, diseases (COVID-19, SARS), external market forces, volatile commodity prices, urban migration and strong competition, to name a few. The Gambia needs to adopt resilience as a key strategy and policy focus for its future sustainability: to grow the economy; to improve the standard of living, particularly for the bottom half of the population living in poverty; to smoothen out the effects of adverse weather and seasonality; and to make the economy less sensitive to economic and environmental shocks. The National Export Strategy has been designed with resilience in mind and makes recommendations to assist the export sector to withstand and recover from external shocks.

Figure 4.1 Sustainable Development Goals



Source: United Nations

Resilience is built on the United Nations Sustainable Development Goals (SDGs) of poverty and hunger elimination, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure provision, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, sustaining life below the water and life on land, and peace, justice and strong institutions (Figure 4.1). The government reaffirms its commitment to achieving these Sustainable Development Goals (SDGs).

Key strategies and actions to grow the resilience of The Gambia economy and society are:

1. develop the River Gambia Value Chain and Master Plan, to increase overall resilience (tourism, agriculture, trade, transport);
2. use the water resources of River Gambia to support and sustain the agriculture sector;

3. ensure the sustainable and responsible use of the River Gambia; and
4. promote responsible and resilient tourism, trade, agriculture and overall production.

4.2 Removing Supply Constraints

It is critical that bottlenecks to supply are removed in The Gambia. Supply constraints include quality, quantity, availability, cost, scale of production, certification, packaging, transport, logistics, investment, access to finance, machinery supplies and equipment. This revised NES will focus on actions and strategies that will seek to address these and other supply constraints facing The Gambia in the priority sectors.

4.3 Moving up the Value Chain

A major concern of stakeholders is the fact that too many of The Gambia's products are sold in their raw state, with little value added in further stages of production, processing, drying, packaging etc.

Therefore, one of the new cross-cutting areas identified in the revised NES is packaging. Packaging and vacuum packing, for example, add not only value, but also add to the shelf life of a product. It is key for suppliers to be able to process and package their goods and add value in this way, even in the areas of canning and preserving.

It is also important to consider that in today's world, with more demanding and health-conscious customers, 'less is more': less fertilisers, less preservatives, less canning, less artificial ingredients. In fact, products that are fresh, organic and grown by a nearby farmer, fetch premium prices. For example, 'flug mangoes' (mangoes that are allowed to ripen on the tree and are flown in) attract premium prices (as much as 8 euros for one).

This is why, for example, many of the new brands within the last decade are related to values such as raw, pure, fresh, organic, fair, real, conscious, righteous, natural.



Righteously
Raw®

A glass of orange juice from a box served in a restaurant can fetch US\$1.00; a glass of freshly squeezed orange juice can fetch US\$3.00; a glass of fresh organic orange juice can fetch

US\$4.00 a glass, while a glass of fresh organic orange juice grown by a nearby farmer and served in a hotel can fetch US\$5.00 or more.

It is therefore critical that The Gambia identifies markets for its products where they can be sold in their original, organic, tree-ripened form (for example, transported by air). It is also critically important to grow the linkages between the agricultural sector and the tourism sector, not only in The Gambia, but throughout the Southern and other African regions. Visitors coming to the region to experience The Gambia and other Southern African states are very important markets for The Gambia's fresh, organic and raw products.

4.4 A Market-Driven Approach

A market-driven approach needs to be a key element in the formulation of the second National Export Strategy (NES). As discussed in the workshop, the key indication of a business enterprise is that it has 'paying customers'. Customers and markets are key. It is critical that the NES reflect an understanding of the needs of export markets (its paying customers), and not just focus on addressing supply-side issues, such as the high cost of electricity. It is critically important to understand the needs of the target markets and customers. It makes no sense, for example, to focus on the production of marble ashtrays, when the no-smoking trend is here to stay; or perfecting the production of donkey carts, when most of the world prefers automobiles. Similarly, suppliers cannot miss the growing trend toward 'fair trade'¹ products, organic and fresh produce, corporate social responsibility, and triple bottom line reporting² - key elements now demanded by the more mature and demanding customers.

The NES should, therefore, not only be based on what the country wants to supply, nor on improving its productivity, processes and market access, but should also critically reflect what the markets are demanding. The NES will provide key information, by priority sector, which will assist stakeholders in making considered choices. How can The Gambia's exporters modify and market their products in a manner that resonates with their customers?

The National Export Strategy has attempted to be more market driven and to consider the main market trends and developments that increasingly influence the success, competitiveness and profitability of businesses globally. This is not to suggest that supply-side capacity constraints are not important; they are and must be addressed within the NES. However, it is important to recognise the pre-eminent importance of understanding consumer drivers in key traditional and emerging markets.

In addition, a market-driven approach to addressing supply constraints is key because this has implications for production, packaging, quality control, product certification, transport and logistics, particularly in an environment of more demanding and health-conscious customers. Here, products that use less fertiliser can sell for more; raw and unprocessed are better and healthier; and no artificial ingredients fetch more on the market (for example, tree-ripened, air-transported fruits and vegetables). The final consumers of The Gambia's goods and services are more mature, more demanding, more experienced, more value conscious and health conscious and have more choices than ever before. The NES therefore will take account of key market changes and development that will impact on the marketing, distribution and sales in export markets. Export businesses will be increasingly challenged in harnessing the new customer power. They must now know and understand the wide and varied customer base, listen to those customers, and provide them with exactly what they want.

4.5 Strengthening the Country Brand

The country brand of The Gambia is not well recognised in international markets, although the country may be known. While, no doubt, The Gambia's primary products are ingredients in other country's production, on its own, The Gambia brand remains weak. This is partially because of the lack of promotion, but also, a lack of trade and exposure of the brand and the products.

It is suggested that, as part of this revised NES, The Gambia brand be strengthened. At present, there is a 'Made in Gambia' logo. It is important that the logo is properly used and monitored to ensure that only quality products can bear the name and, also, that quality products made in The Gambia carry the brand - for example, fisheries products (caught and processed in Gambian waters, but carrying other brand names).



The Gambian brand can also be strengthened by taking advantage of the trend towards responsible production: 'Made in The Gambia - Responsibly'. The Gambia can define its responsible production brand - a mark that guarantees to customers who purchase the brand, that the environment is not damaged in the process of production; that child labour is not used in production; that no harmful chemicals or pesticides are used; that labour laws are adhered to; and that farmers are paid a fair price for their produce. While The Gambia may not be able to compete with the more developed nations such as South Africa and China, The Gambia can be a leader in responsible production.

The strengthening of The Gambia brand and positioning in the market is an integral part of the revised NES.

4.6 A Sustainability-Driven NES

The NES I did not adequately deal with issues of sustainability and protection of the environment. In this regard, a triple bottom line approach is needed for the NES. The triple bottom line refers to the economic, environmental and social outcomes and impacts that the NES will generate.

4.7 An Integrated Approach to Implementation

It is understood that the NES is not a stand-alone initiative. Not only is it a continuation from the first National Export Strategy, but it is also integrated into current and planned initiatives in related sectors and institutions. In this regard, the NES is viewed as complementary to other strategies and needs to play a major role, incorporating and integrating other complementary strategies and actions, but also adding value to the competitiveness and sustainability of The Gambia's exporters.

Of critical importance is the National Development Plan, which has been used as a key resource for the development of the NES.

4.8 Strong Stakeholder Involvement

It is noted that all of the stakeholders are committed and passionate about the implementation of the NES, and it will therefore be key to ensure that they are thoroughly consulted at all levels and stages of the development and implementation of the Strategy. Stakeholders must be involved and take ownership - not just of the results, but of the processes, including implementation. The critical involvement of the **private sector**, and not merely NES partners and support organisations, is strongly recommended. This perspective formed the basis for the NES Validation Workshop.

4.9 Excellent Institutional Support

There are several support institutions that will play an important role in driving the operationalisation of the NES and the overall export development process in The Gambia. Their partnership also plays a major role in terms of mustering NES support and buy-in from the businesses that they serve. One such key institution is the Gambia Investment and Export Promotion Agency (GIEPA).

Functioning under the Ministry of Industry and Trade, GIEPA's main mandate is to stimulate, facilitate and promote the development of trade and industry, and export and investment activities, in all sectors of the economy. Regarding trade and export, GIEPA offers a range of export-related services and export development tools that positively impact the export performance and competitiveness of existing and potential exporters.

4.10 A Distribution-Oriented Focus

The notion of 'build it and they will come' cannot be the approach taken if The Gambia is to forge ahead to export success. It has been observed that distribution channels need to be strengthened. Therefore, a fundamental consideration of the NES is to ensure that the main distribution channels are considered. This distribution-oriented approach will be an important success factor in increasing the quality and quantity of exports. The distribution channels have a crucial role to play in driving demand to any destination. A major finding is that the internet, along with various e-marketing and e-distribution channels, need to be given greater focus in export development. One must think 'outside the box' when considering distribution channels. The impact and influence of the internet and e-commerce cannot be ignored as a fundamental distribution mechanism.

The internet can play an important role in delivering The Gambia's products to the rest of the world. The internet, if properly adopted, has the ability to increase market penetration in a targeted approach (to consumers in North America and Europe, for example) and in a cost-effective manner. This will lead to long-term success.

This is why it is also critical to develop and institute trade brokers to act as marketing and promotions representatives in the targeted markets, to facilitate trade, identify opportunities, facilitate distributor partnerships, promote The Gambia's products and create awareness of The Gambia brand. Marketing and promotion could also be done through commercial diplomacy, whereby public and private actors with diplomatic status can support business promotion between The Gambia and the host country.

In addition, a key component to be considered under a distribution-oriented focus is the importance of IT and specifically, e-commerce. The Gambia needs to strengthen its commitment towards building a technology resilient country, laying a solid foundation for IT infrastructure, and providing capacity building to entrepreneurs to take advantage of the vast opportunities that technology facilitates, particularly as it relates to trade and market access.

4.11 Women and Youth Impact and Inclusiveness

For the National Export Strategy to be truly integrated and aligned with the overall vision and objectives of the Government of The Gambia, it must include the various dimensions of society

that are in most need of attention. Women and youth are particularly vulnerable. No development plan can be complete without addressing the needs of these two segments of society.

At present, women account for roughly 53.1 per cent of the Gambian labour force (down from 54.5% in 2004) and the rate of unemployment among women is exceptionally high (25%). This figure is relatively high when compared to the 2014 global average unemployment rate for women (6.37%). In terms of the gender gap, The Gambia is ranked 136th in the world according to the World Economic Forum Global Gender Gap Index 2020. When one looks closer, women do not attain equal education and are not given sufficient economic participation and opportunities; The Gambia ranks 133rd and 122nd in each respective area.

In addition to women, young people are critical for development. Youth are the future of the country and long-term development must begin with them. One of the key socio-economic objectives of the Government of The Gambia is to empower youth and increase opportunities for them to meaningfully contribute to the building and strengthening of the communities to which they belong. However, young people face challenges. For example, unemployment among youth (ages 15-24) is currently nearly double the national rate. The large proportion of youth in The Gambia's working age population presents an opportunity for development. It is, therefore, essential that the capacity of this group be sufficiently built.

The ultimate goal of the NES to increase economic activity and create jobs will no doubt contribute to development for these two sectors of society (women and youth). However, key strategic initiatives must be developed to ensure that this becomes a reality.

4.12 Measurable Results

The aim of the NES is to define practical objectives, clever and competitive strategies, targeted actions to well-defined issues, and implementation guidelines to ensure success.

In addition, the establishment of a robust monitoring and evaluation (M&E) structure, incorporating key implementing and monitoring agencies, is needed to ensure a high success rate for the NES.

Endnotes

¹ Trade between companies in developed countries and producers in developing countries, in which fair prices are paid to the producers.

² That is, reporting on financial, social and environmental issues.

Chapter 5 Entrepreneurship and MSME Development

Micro, small and medium-sized enterprises (MSMEs) play an important role in The Gambia's economy. In 2018, MSMEs contributed more than 26 per cent to real GDP, employed 62.9 per cent of the labour force and accounted for 70 per cent of private sector operators.¹ Moreover, 98 per cent of MSMEs are micro-enterprises and 77 per cent of MSMEs are not registered.

The Gambian government has recognised the important role MSMEs play in providing a livelihood and employment opportunities to most of The Gambia's population. As a result, the Gambian government regularly updates MSME policy and strategy documents and works with donors to provide technical support to MSMEs. These efforts have resulted in the following:

- provision to GIEPA of the mandate of export promotion and support for MSMEs;²
- the institution of several acts and regulations to improve the business environment, including the Companies Act 2013, Single Window Business Registration Act 2013 and the Single Window Business Registration Regulations of 2014;
- the official launching of the Single Window Business Registry (SWBR);
- operationalisation of the Empretec Programme, which has the objective of unleashing the MSME sector through the provision of training and business support services; and
- institution of the MSME Policy and Strategy 2019-24, the policy mission of which is 'to inculcate a deep-seated culture of entrepreneurship in MSMEs, reduce bureaucracy to improve the ease of doing business, build capacity, and provide timely and relevant support by forging strategic partnerships and linkages with key sectors within the economy'.³

Despite prospects for increasing the sector's contribution to GDP, MSMEs in The Gambia face a myriad of challenges and constraints. The MSME Policy and Strategy 2019-24, for example, identified the following challenges: access to finance, capital and credit; an onerous and contentious tax system; lack of country-wide availability of Single Window Business Registry (SWBR); poor quality infrastructure; cost and access to electricity; the absence of a land policy; and access to markets.⁴ Moreover, MSMEs are least prepared for building digital capabilities. Towards addressing these MSME constraints, the following are recommended:

- continue the process of improving the business environment for MSMEs, per the MSME Policy and Strategy 2019-24 and the UN Conference on Trade and Development (UNCTAD) Entrepreneurship Policy Framework (EPF);
- increase co-ordination and the sharing of best practice among the various skills development programmes (including Empretec) across the country;
- build on existing capabilities in digitalisation to expand reach of government support, as well as to support technology absorption and productivity gains at the firm level; and
- support GIEPA to build capacity to fulfil its mandate in support of MSMEs.

Endnotes

¹ Ministry of Trade, Industry, Regional Integration and Employment (2019), MSME Policy and Action Plan (2019-2024), page 3.

³ See page 2 (Ministry of Trade, Industry, Regional Integration and Employment 2019).

⁴ See pages 3-5 (Ibid).

Chapter 6 Global Trends

A paradigm shift is taking place that is affecting all economies, sectors and industries. The paradigm shift creates more opportunities, but considerably more uncertainties. The rules of the business are changing; and they are changing for everyone, everywhere. The Gambia has not remained unscathed. To stay ahead of the game, The Gambia's entrepreneurs need to understand the key global trends and the new rules of competitive success. The new paradigm strongly demonstrates that customers are in control and, therefore, to win, suppliers need to understand these customers and respond with surgical precision to their needs. Therefore, The Gambia's suppliers need to be more demand or market focused and less supply driven.

Consumers are no longer 'takers' but are increasingly driving economies. They are more knowledgeable, demanding, educated and sophisticated. With rising income levels and a growing middle class in many emerging economies, consumers' preferences are becoming more discerning. In addition, consumer markets are becoming more and more heterogeneous, giving rise to the need to be more segmented and niche oriented, which presents both challenges and opportunities for The Gambia.

In addition to consumer shifts, the rapid transformation in technology has revolutionised the way we conduct business, interact with each other, search, share information, spend, shop, buy and sell. Consider that it is not just a single technology being used in a single sector or industry, but a whole system of technologies being rapidly diffused (computer, Skype, internet, electronic brochures, back-office systems, computerised systems, social media, etc.) across all sectors and industries. It is also not a single sector being affected or a single type of business that is using the technology, but ALL sectors, industries and suppliers - including the six priority sectors of the NES. And most critically, the consumers are also users. The internet in particular (with more than 2 billion internet users worldwide), has impacted significantly on the way we do business today. For instance, distribution through e-commerce is now 'a must' for many businesses.

The global market and consumer trends have been taken into consideration in crafting the National Export Strategy. The strategic initiatives cannot only be 'inward looking' but must reflect what is happening in the external markets as well. The sections that follow will briefly explain some of the key global trends in this new paradigm, which exporters and businesses alike must appreciate in order to be able to craft suitable strategies to increase the competitiveness of their products and services, not only for consumption at home but internationally as well. An understanding of the global trends will also assist in developing new products and product variations, to move higher and higher up the value chain.

6.1 Consumers are Changing

Over the past two-to-three decades, consumers have been rising to greater heights of power and control. They are no longer 'takers' but are increasingly driving economies. Consumers are becoming more knowledgeable, demanding, educated and sophisticated. With rising income levels and a growing middle class in many emerging economies, consumers' preferences are becoming more discerning, and markets are more heterogeneous. There are fundamental shifts in consumer patterns and behaviour that need to be understood and taken on board. There are three fundamental shifts taking place¹:

- **Demographic shifts:** the aging of the population and the rise of Generations X, Y and Z.² It is widely accepted that populations in many of the mature economies and the world in general, are aging rapidly. People are living longer because of healthier lifestyles and better healthcare systems. The decreasing family size is another factor driving the aging of populations. China's One Child Policy, for instance, is a classic example. Consider that the world's over-50s market had grown to an estimated 1.88 billion persons in 2020 - a

market size that exceeds the population of China (1.39 billion), according to United Nations (UN) estimates.

Generations X, Y and Z are very different from their parents and grandparents. They are more educated and are very technology savvy. They spend long hours on social networks and on other online sites. Gen Y and Z are considered digital natives. These generations are online 24/7 via computers, mobile devices, tablets, iPods, etc. Therefore, to stay ahead of the game in these markets, businesses need to focus their marketing efforts on the places and spaces these younger generations spend their time.

- **Psychographic shifts:** the emergence of the creative classes, the LOHAS market ('lifestyle of health and sustainability') and transformative consumers have significant implications for the priority export sectors in The Gambia. These consumers are knowledgeable, sophisticated and demanding. They are stable income earners and are not afraid of spending to support their demanding lifestyles. They are health conscious and caring about the environment. Well-educated and savvy to begin with, they feel driven to expand their cultural horizons through authentic experiences and lifestyles. They consume and are dependent on the newest technology. They prefer an atmosphere of tolerance and creativity.
- **Geographic shifts:** the rise of the emerging markets of Brazil, Russia, India, China, South Africa, etc. These markets are also fundamentally different from the traditional markets of North America and Europe. Even within and among these emerging markets, there are fundamental differences along the lines of culture, demographics, ethnicity, income levels, education levels and general consumer tastes and preferences.

Customisation, flexibility and individuality will be a premium because of these radical differences among consumers. Quality, content, originality and variety are therefore critical for success.

Exporters in The Gambia will need to be knowledgeable of these changing consumer trends in order to be better able to respond to these changes. As such, readily available market intelligence and consumer insights will be required. In addition, these trends challenge businesses to produce what consumers want rather than what is available at present. Re-engineering and rethinking may be required to remain robust in the ever-changing global marketplace.

6.2 Shift in Demand from West to East

There is also an increasing shift in demand from western economies such as North America and Europe to emerging economies, primarily in the East, such as India and China. Consumption by developing economies is expected to increase to US\$30 trillion in 2025.³ As developing economies amass more wealth, nearly 2 billion individuals are expected to enter the global consuming class, while 60 per cent of households worldwide with incomes of at least US\$20,000 per annum are predicted to be in developing economies. By 2025, it is estimated that developing economies could account for nearly 70 per cent of global demand for goods.

Agro-processing and agribusiness capacity grows where demand grows. For instance, food-processing output in Brazil, China and India has increased by 8 to 18 per cent annually in nominal terms since 1995, reflecting growth in local consumption. At the same time, annual growth in agro-processing in advanced economies has averaged 2 to 3 per cent, according to the McKinsey Global Institute.

Demand shifts to emerging markets are being driven not just by large economies such as China, Brazil and India, but also by economic growth in Indonesia, Kenya, Vietnam and other smaller emerging markets. This is a significant implication for the agriculture and agribusiness sector in The Gambia. Rather than focusing attention on the 'big' markets such as the USA, UK and

Europe, and the larger emerging markets such as China and India, smaller markets could be identified for long-term viability.

This trend challenges The Gambia to expand its focus beyond traditional markets, such as Europe, towards emerging markets.

6.3 Impact of Technology

Technology and globalisation have revolutionised the way that we grow food, conduct business, reach markets, process transactions, transport goods, etc.

Genetic modification (GM) technology creates opportunities for pest and disease resistance among crops and better yield in some cases. The use of chemical pesticides is reduced and creates a better environmental impact. However, GM technology results in higher priced seeds, but savings are experienced because of the lower rates of crop loss and reduced spending on pesticides. As a relatively misunderstood application, GM technology is often shunned by rural farmers, who prefer the status quo. There is also a movement of consumers that are anti-GM and in favour of pure organic and natural farming. The increased investment in biofuels, growing populations around the world, and concern about greenhouse gas emissions suggest that an increase in agricultural productivity is essential. The GM application is one technology that can contribute to productivity gains. Despite this, the Gambian scenario suggests that organic farming for the most part is the most practical option and can be a lucrative niche for local farmers.

6.4 The E-Commerce Trend

With the advancement of technology, particularly, the internet, the scope for digital trade is expanding much faster than anyone could have imagined. Trade in services and goods is now possible online, for example, trade in music, e-books, films, software and video games. This is the advent of e-commerce and electronic transfers (ET). Companies such as Amazon, eBay, Etsy and Shopify are benefitting from and facilitating e-commerce.

E-commerce is shaping the future of trade, buttressed by the global pandemic. International online retail sales were expected to surpass US\$4.2 trillion in 2020, especially given the lockdown in many countries forcing people to shop online. Globally, e-commerce sales are expected to cross US\$6.5 trillion by 2023. More than 2.1 billion shoppers are expected to purchase goods and services online by 2021, according to Shopify.com.⁴

Platforms such as Amazon, eBay, Shopify, Airbnb and Etsy provide a golden opportunity for small and established businesses alike to access global markets. The online platform economy is growing by an average of 50 per cent per year, according to JP Morgan.⁵

The growing e-commerce and online retail trend points to the critical need for The Gambia to be IT-savvy and e-ready. Developing IT infrastructure and IT skills will take on greater importance moving forward.

Since 1998, WTO members have applied a moratorium against tariffs on international electronic transmissions, commonly referred to as the 'WTO E-commerce Moratorium'. For those countries that are upholding the moratorium, currently including The Gambia's largest markets (EU, UK, etc.), this makes digitally traded goods and services more price competitive, which in turn can increase demand. However, as more trade becomes digitally deliverable, some WTO members are voicing concerns about possible foregone government revenue, due to the moratorium on imposing customs duties on electronic transmissions. This could potentially make e-commerce export less competitive in the future. Key markets for The Gambia, India and South Africa, are opposed to the moratorium, which could make e-commerce trade to these countries less price competitive.

In addition, The Gambia needs to address important data protection issues where electronic trade is concerned. Exporters, for example, must be GDPR⁶ compliant if trading digitally with the European Union. Data protection laws, regulations and enforcement must be put in place.

6.5 Health Consciousness

Growing health concerns are significantly impacting all sectors of the food industry, as obesity levels have risen to alarming proportions in many global markets such as the US, Mexico, Asia and elsewhere.

The health and wellness market is growing at a steady rate of approximately 4 per cent per annum⁷ and is expected to continue along this trajectory during the 2020-2025 period. The global pandemic has added health consciousness, particularly as it relates to hygiene.

In some of the traditional markets such as the USA, healthcare costs are soaring, forcing consumers to look elsewhere for solutions. For example, in Organisation for Economic Co-operation and Development (OECD) countries, healthcare costs are a prime concern: 8.4 per cent of healthcare costs of OECD countries were linked to obesity in 2019, according to the World Economic Forum.⁸

Food processors globally are dramatically altering their strategies to serve consumers who are concerned about better nutrition and fewer sugars and fats in their foods. Many chain restaurants are likewise seeing excellent sales from lower-calorie foods. McDonald's' soaring success with salads is an excellent example. Snack food makers are likewise offering more and more reduced-fat items.

In North America, Asia, Europe and elsewhere, producers and retailers of foods (including restaurants) are now faced with the challenge of positioning their brands to represent consistent quality and healthier options. Companies that rise to this challenge will have significant competitive advantage.

This health positioning will go hand-in-hand with growing demand to satisfy additional consumer concerns about environmentally sound production methods, fair trade, organic practices, fair use of labour and humane treatment of agricultural animals. The Gambia is well-positioned to take advantage of this trend, with the right investment in people, training and certification.

6.6 Global Warming and Climate Change

Not to be overlooked when considering food industry trends, is the potential effect of global warming on agriculture. While the United Nations predicts that food production needs to increase by as much as 70 per cent from 2010 to 2050 due to larger world population and growing demand for food in nations with increasing household incomes, scientists are predicting much lower crop yields in some areas due to higher average temperatures as global warming worsens. On the other hand, some observers think that rising temperatures could increase the growing season and agricultural output in regions that currently have cold climates. One potential problem is that higher temperatures may lead to increased drought in many agricultural areas.

There is general scientific consensus that global warming will negatively impact food production:

For major crops (wheat, rice, and maize) in tropical and temperate regions, climate change without adaptation is projected to negatively impact production for local temperature increases of 2°C or more above late-20th-century levels, although individual locations may benefit (medium confidence). All aspects of food security are potentially affected by climate change, including food access, utilisation, and price stability (high confidence).

Source: IPCC WG2 AR5 Summary for Policymakers - Climate Change 2014: Impacts, Adaptation and Vulnerability.

As a rain-dependent nation that relies on agriculture and tourism, climate change takes on great significance for The Gambia. Climate-resilient policies and strategies will need to be adopted to mitigate against this risk, as well as take advantage of the potential opportunities available in the global marketplace.

6.7 Growing Environmental Consciousness

Concerns related to the environment are evident in the increasingly environmentally conscious marketplace. Many keywords are being utilised in marketing to attract the new conscious consumer: *green, sustainable, fair trade, locally grown, socially responsible, organic* - are just a few of these terms. But it is the consumers who are driving this trend. Over the years, most consumers have realised that their purchasing behaviour has had a direct impact on many ecological problems. Customers have adapted to this new threatening situation by considering environmental issues when shopping (for example, checking if the product is wrapped in recycled material) and by purchasing only ecologically compatible products (for example, biodegradable paint, CFC-free hairspray or unbleached coffee filters). Perhaps the most convincing evidence supporting the growth of ecologically favourable consumer behaviour is the increasing number of individuals who are willing to pay more for environmentally friendly products.

New findings from a *Nielsen* survey⁹ of more than 28,000 online respondents from 56 countries around the world provide fresh insights into the growing environmental consciousness trend. Two thirds (66%) of consumers around the world say they prefer to buy products and services from companies that have implemented programmes that are green or social in nature. That preference extends to other matters too; they prefer to work for these companies (62%) and invest in these companies (59%). A smaller share, but still nearly half (46%), say they are willing to pay extra for products and services from these companies.

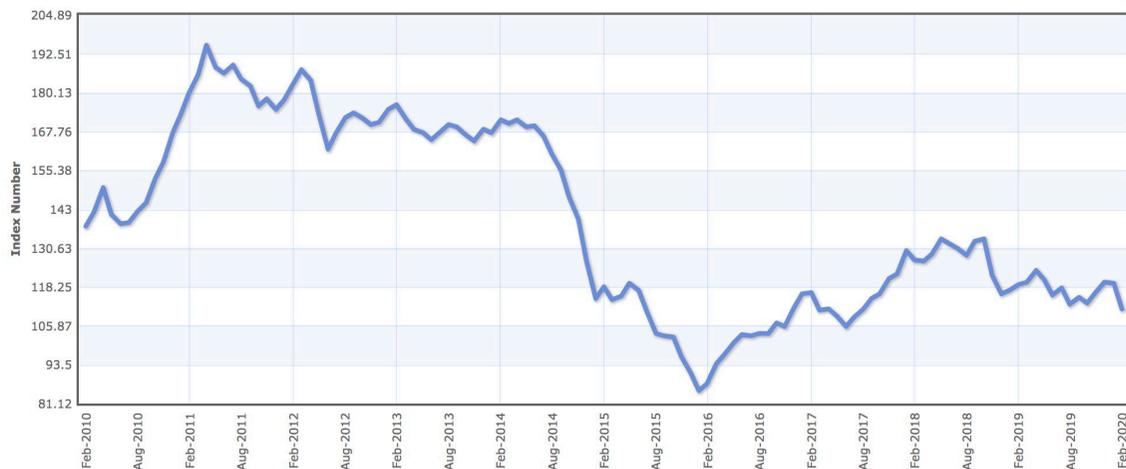
Going green / organic / sustainable / socially responsible is one way of adding value. The Gambia has the right ingredients and potential to take advantage of this trend. Capacity building will be required, as well as the provision of technical support and incentives to make this a reality. Very often the costs to become organic or fair trade certified, for example, are onerous. A co-operative / industry-wide approach may be needed, rather than individual businesses trying to bear the full burden alone.

Another issue is traceability. In order to be able to benefit from this growing trend, tractability and knowledge of inputs and suppliers is key. However, many companies (for example, in fashion) cannot trace where their inputs came from and their environmental impact.

6.8 Volatile Commodity Prices

Over the past decade and a half, commodity prices have been growing at unprecedented levels, not seen since the early 1900s (in real terms), as shown in Figure 6.1. Moreover, during the commodities super cycle that began in the early 2000s, many resource-rich countries benefitted from surging exploration, investment and production activities, which transformed growth prospects. In 2016, with energy and metals prices 50-70 per cent below their early-2011 peaks, these patterns have been reversed, adversely affecting many commodity-exporting countries, such as The Gambia. It would take ambitious governance improvements in emerging markets and developing economies (EMDEs) - for example, to the levels prevailing in advanced markets - to mitigate the delays in ongoing development of large mines resulting from falling metals prices (up to four years for some of the largest mines in EMDEs). Governments seeking to develop natural resources may consider delaying new initiatives until the price outlook turns more favourable.

Figure 6.1 Commodity Price Index (Jan. 2010 to Feb. 2020); index base year = 2016



Source: International Monetary Fund; IndexMundi.com 2020

6.9 Outbreak of Communicable Diseases

The outbreak of communicable diseases, such as the global COVID-19 pandemic, the 2014 Ebola outbreak in West Africa, SARS, MERS, H1N1 and many others, is a global trend that is constant and must be considered in the context of the export strategy.

Human interactions, largely stimulated by trade, travel and tourism, inevitably lead to outbreaks of communicable diseases. While these communicable diseases pose a burden on public health systems, there are also other socio-economic considerations - restrictions in travel, a slowdown of tourism and the curtailment of trade. These diseases also pose a burden on the government's coffers, to mitigate against and tackle outbreaks. Interestingly, the three countries (Sierra Leone, Guinea, Liberia) hard hit by Ebola lost a combined US\$2.2 billion in 2014, according to the World Bank.¹⁰

6.10 A Growing Middle Class

The confluence of two megatrends, middle-class income growth and urbanisation, is driving increased sales of processed food. According to the OECD, the size of the global middle class is projected to increase from 1.8 billion people (2010 estimate) to 4.9 billion by 2030.¹¹ By 2030, almost 80 per cent of the global middle class - about 3.9 billion people - will live outside Europe and North America.¹² This development will lead to strong demand for advanced consumer products.

Furthermore, by 2015, 130 million households representing 460 million residents in Brazil, China, India, Indonesia, Mexico, the Russian Federation, South Africa and Turkey were projected to have 'graduated' from poverty to the middle class, according to the Boston Consulting Group¹³ The expected shift in demand may well disrupt existing supply chains.

6.11 Rising Wages

A by-product of rising wealth and productivity in developing economies is pushing up wages. From 2006 to 2013, real wages in the group of advanced economies grew at about 0.3 to 0.9 per cent per year, according to the International Labour Organisation Global Wage Database (2015). For the same period, real wages in emerging economies grew by 5.9 to 9.2 per cent annually. In Latin America, real wage growth ranged between at 0.2 to 4 per cent annually from 2006 to 2013. Rising wages remain a mark of success for developing nations, in many cases because of economic development and rising prosperity.

Today, this presents opportunities for ‘next frontier’ developing economies to capture any labour-intensive work that leaves countries with rapidly rising wages, such as China. Many emerging economies, as locations of low-cost labour, such as China, have developed significant manufacturing and innovation capabilities. Countries such as Bangladesh, Cambodia, Indonesia, Vietnam and other developing economies are already experiencing growth in labour-intensive industries because of their cost advantages.

With the right long-term vision, combined with identification of strategic labour-intensive industries and foreign direct investment in these industries, The Gambia can take advantage of this too, by strategically positioning itself for these prioritised industries.

6.12 Urbanisation

The confluence of two megatrends, middle-class income growth and urbanisation, is driving increased sales of processed food. According to the OECD, the size of the global middle class was projected to increase from 1.8 billion people (2010 estimate) to 3.2 billion by 2020. Of this projected growth, 85 per cent is expected to come from Asia. Based on analysis of IHS Global Insight data, middle-class households in developing countries (households with real incomes greater than US\$20,000 per year) were projected to increase 54 per cent by 2020 compared to 8 per cent in developed countries.

Many of these new consumers will be living in emerging megacities where convenience, higher protein content and functional ingredients take centre-stage in dietary preferences. Future demand for high-value processed food items will continue to be propelled by the increasingly urbanised middle class, a phenomenon that The Gambia’s exporters stand to benefit from.

The sustained flow of people from rural areas and smaller towns to major cities, combined with the deceleration of rural population growth, will result in an increase in the share of the population living in urban areas, according to *Cities on the Rise*¹⁴. Today, more than half of the world’s population already lives in cities and, according to the United Nations, this figure will increase to 72 per cent by 2050. The fastest growth will be witnessed in large cities in Africa and Asia. It is estimated that the urban population in Asia will increase from 1.36 billion to 2.64 billion by 2030, while in Africa it will rise from 294 million to 742 million, and from 394 million to over 600 million in Latin America and the Caribbean¹⁵

Endnotes

¹ Tourism Intelligence International (2012) *The Paradigm Shift*.

² Generation X born circa 1956–1982; Generation Y or ‘Millennials’ born circa 1983–2000; Generation Z born circa 2001 to present.

³ McKinsey Global Institute (2016), *Urban World: Cities and the rise of the consuming class*.

⁴ Shopify.com (Jan. 2020), ‘The future of e-commerce’, available at: <https://www.shopify.com/enterprise/the-future-of-e-commerce>

⁵ JP Morgan (2016), ‘The Online Platform Economy’, available at: <https://institute.jpmorganchase.com/institute/research/labor-markets/insight-online-platform-econ-growth-trajectory.htm>

⁶ General Data Protection Regulation (EU GDPR).

⁷ Global Newswire (April 2020), ‘Global Health and Wellness Market (2020 to 2025)’, available at: <https://www.globenewswire.com/news-release/2020/04/03/2011361/0/en/Global-Health-and-Wellness-Market-2020-to-2025-Industry-Trends-Share-Size-Growth-Opportunity-and-Forecast.html>

⁸ World Economic Forum (October 2019), ‘This is where obesity places the biggest burden on healthcare’, available at: <https://www.weforum.org/agenda/2019/10/obesity-healthcare-expenditure-burden/>

⁹ Global Sustainability Report - The Sustainability Imperative, Neilson, 2015, pg. 10

¹⁰ The World Bank (2014), GDP growth (annual %), available at:
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¹¹ The OECD Observer, OECD Yearbook (2011), Issue 5, available at: https://www.oecd-ilibrary.org/economics/oecd-observer/volume-2011/issue-5_observer-v2011-5-en

¹² Roland Berger Strategy Consultants (2012), The Think:Act Study, available at:
<https://silo.tips/download/95-global-topics-8-billion-study-in-depth-knowledge-for-decision-makers-roland-b>

¹³ BCG. (2010). Winning in Emerging Market Cities: A Guide to the World's Largest Growth Opportunity.

¹⁴ Cities on the Rise - Competitive Strategies for City Tourism, Tourism Intelligence International, 2013, pg.22

¹⁵ The Innovation Imperative Contributing to Productivity, Growth and Well-Being - OECD, 2015, pg. 42

SECTION TWO - WHERE DO WE WANT TO GO?

Chapter 7 Vision

The vision of the NES was stated as follows:

‘An efficient and globally-competitive export sector that is innovative, inclusive, resilient and responsible.’

7.1 Mission

The mission to support the vision is as follows:

‘To fully utilize Gambia’s human and natural resources to drive export growth.’

7.2 The Goals of the National Export Strategy

The National Export Strategy (NES) was designed as a practical roadmap for The Gambia to achieve increased levels of economic development, by focusing its limited but valuable resources on developing export capacity in those priority sectors for which The Gambia has the greatest potential for export development.

The specific goals and expected targets from effective delivery of the National Export Strategy 2020-2025 are as follows:

- To build a stronger, more responsible, robust and resilient economy
- To diversify export markets
- To move the economy up the value chain through higher value-generating export activities
- To improve the brand image of The Gambia in the international markets and to showcase The Gambia as a quality exporter of strategic products
- To use exports as a tool to alleviate poverty through high-value job creation
- To attract more foreign direct investment in the priority sectors, particularly for high-value generating activities
- To create a more inclusive economy that invests in and values human capital
- To drive resilience through sound export strategies
- To encourage and facilitate innovation

Figure 7.1 Word map - Results of the Stakeholder Workshop visioning exercise



Source: Commonwealth Secretariat/GEIPA NES Workshop, February 2020

SECTION THREE - HOW WILL WE GET THERE?

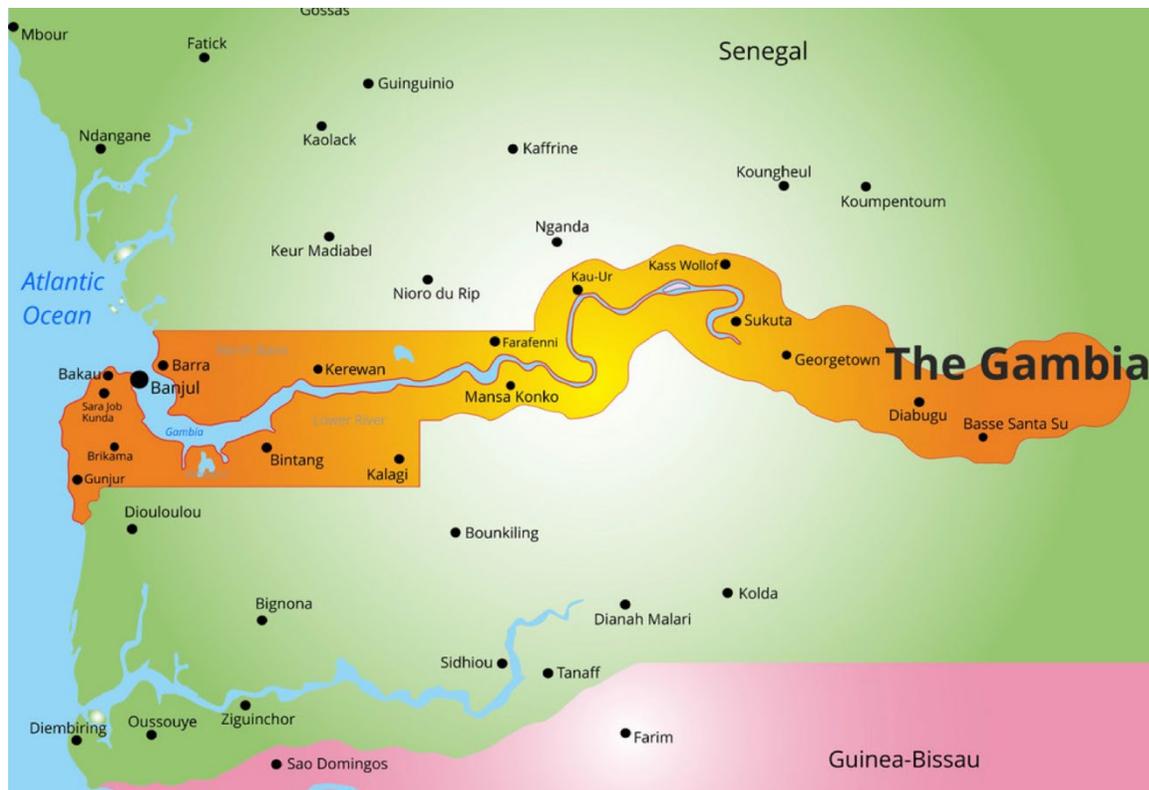
Chapter 8 The River Gambia - A Core Strategic Intervention

8.1 Unlocking the Potential of the River Gambia

The River Gambia is one of The Gambia's greatest assets. In fact, the river literally runs through the middle of the country forming an 'artery' that connects East and West and divides North from South. The country exists as a small strip of land area to either side of the river. The River Gambia is also one of the most important waterways in West Africa.

The political separation between The Gambia and Senegal has long hindered the development of the resources of the river and its basin, though in 1978 the two countries established The Gambia River Development Organization (joined in 1980 by Guinea).

Figure 8.1 Map of The Gambia, showing the River Gambia



Source: VetorStock.com 2020

The river has a vast value chain and can play a critical role in the economy. The river can be used for transportation, trade, tourism, agriculture and fisheries, and has a key role to play in the resilience of the country (see Figure 8.2).

Figure 8.2 The River Gambia value chain



Source: Tourism Intelligence International 2020

The River Gambia has been valued historically for its importance in transportation and trade. The river is one of the most navigable of the African rivers; its chief value, therefore, has been its transportation function. As the main artery of The Gambia, it is the principal means of transporting passengers, freight, goods and mail. River transport is still a key mode of transporting groundnuts. North-south river crossings are provided by ferries, such as those plying between Barra and Banjul, Banni and Kerewan, Farafenni and Yelitenda, and Kau-ur and Jessadi. The recent construction of the Senegambia Bridge (opened in January 2019), which connects north Senegal to its southern territory, is a further addition to the transportation importance of the river. The river is also an alternative to road transport.

The river can be further used for irrigation purposes, since it flows with sufficient water capacity throughout the year (even in the dry season) and can help reduce the effects of rain (or the lack of rain) on the agriculture sector during the dry season. The river is already used for the growing of rice and other crops, particularly in rural communities. Further assessment and development are required.

Fisheries is another important element along the river value chain. The river fisheries include freshwater areas in the Central River and Upper River Divisions and the brackish waters of the upper estuary areas. Some of the most abundant species are tilapia, African bonytongue, various varieties of catfish, *Labeo senegalensis* and aluminium fish.¹ The shrimp and tonguesole caught along the river are purchased by industrial fishing companies for processing and export, primarily to Europe.

Tourism is another area where the River Gambia can add tremendous value. The river presents great opportunities for the lodging sector. In fact, there are already several successful lodges in operation along the river. Furthermore, the river can be used for recreational and leisure purposes, for example, kayaking, canoeing, swimming, rafting, river cruises and the like. The limit is the imagination.

The river is not being sufficiently used as a key tourism asset and unique selling proposition for Gambian tourism. The current sun, sand and sea positioning could be complemented with water, wood, wildlife and wetlands. The River Gambia can also play a key role in boosting community tourism. Consider, for example, the initiative of the Ninki-Nanka trail and the role the river can play in bolstering domestic tourism.

In addition, the River Gambia has significant environmental and ecological importance. Ecological studies conducted in the 1980s identified five ecological zones along the River Gambia, namely lower estuary, upper estuary, lower freshwater river, upper freshwater and headwaters (Moll and Dorr 1985)² However, only three, the lower estuary, upper estuary and the lower freshwater river, lie within Gambia's borders.

In conclusion, the value chain of the River Gambia is vast and far-reaching. However, the country has only narrowly seen the potential of the river and has not sufficiently taken advantage of its true economic and wealth-generating prospects.

8.2 The River Gambia Strategy and Key Strategic Actions

There is currently no comprehensive River Development Plan. The National Development Plan currently 'pigeonholes' the river for its role in transportation and does not consider its full value chain possibilities. In addition, there are only limited and outdated environmental and ecological studies of the river.

It is important to recognise the River Gambia as a key source of growth for The Gambia and key to its resilience.

As such, the following strategic initiatives are proposed:

1. Survey the river (aquatic life, depth, transport, strategic areas, development opportunities, etc.)
2. Develop and map with stakeholders the River Gambia value chain
3. Identify existing activities along the river
4. Undertake a needs assessment (investment, development opportunities, HR, transport, bridges, infrastructure, etc.)
5. Carry out feasibility studies of priority activities and opportunities
6. Carry out development activities at strategic locations along the river, for example, build bridges, erect buildings, support, optimise irrigation systems, etc.
7. Investigate the role of the River Gambia in strengthening the resilience of The Gambia economy
8. Develop a Master Plan for the River Gambia
9. Approve, fund and implement the River Gambia Master Plan
10. Assess existing river infrastructure such as inland wharfs and carry out initiatives for their appropriate resurrection / rehabilitation / implementation, where needed.

Endnotes

¹ Columbia.edu (2004) [Water Resources](#), retrieved 2019

² [Water Resources](#), retrieved 2019

Chapter 9 Tourism - A Vital Export Sector

9.1 The Importance of the Services Sector

International trade in goods and commodities continues to dominate global trade. However, trade in services is making significant inroads and is growing rapidly. In 2000, the value of exports of commercial services was US\$1.49 trillion,¹ representing 18 per cent of global commercial trade. By 2019, trade in commercial services grew to an estimated US\$6 trillion,² representing a compounded average annual growth rate of 7.6 per cent between 2000 and 2019. In the period 2000-2019, merchandise exports averaged growth of 6.5 per cent per annum. Services today represent approximately two-thirds of the GDP of developed countries and almost half the GDP of the developing world. The sector accounts for 70 per cent of jobs in developed countries, but only a third of jobs in emerging economies. The services sector also employs a large percentage of women, positively contributing to the empowerment of women and poverty alleviation. The services sector in Africa is made up of 46 per cent women. This compares to 56 per cent in Asia (excluding China) and 80 per cent in Latin America³, according to the United Nations Department of Economic and Social Affairs.

A notable global trend is that the world economy is increasingly knowledge based. In terms of economic activity, the world's major economies have already moved from being dominated by the primary and secondary sectors to tertiary services, with these now accounting for between 60 and 70 per cent of the GDP of developed nations. Africa is on a similar trajectory. The dawn of the Twenty-first Century has coincided with a move from process-oriented services such as transportation or wholesale and retail trade to more knowledge-based, technology-infused and experiential services, such as those provided in the tourism sector.

9.2 The Importance of the Tourism Services Sector

Tourism has a critical role to play in the services sector and in boosting the economies of least developed countries (LDCs). Consider that tourism, unlike any other sector, creates deep and widespread linkages to other sectors of the economy: agriculture (food for hotels and restaurants), information technology (searching, booking, paying), banking (transfer of money, paying via credit cards, currency exchanges), insurance (travel insurance, medical insurance), entertainment (music, clubs, shows, theatre, concerts, festivals, etc.), police, transportation, medical services, health and wellness services, and so much more.

Tourism services go beyond hotels and include everything that a traveller does on a trip - eat, sleep, drink, party, attend a music festival or conference, rent a car or take a taxi, swim, dive, watch birds, do business, shop, pay with credit cards, change foreign currency, buy real estate, pay VAT and departure taxes, etc. This means that all of the economic activities and jobs that make these services possible (for example, farmers, fishermen, cooks, shopkeepers, bar tenders, tour guides, bakers, butchers, banks, insurance companies, guest houses, hotels, fashion designers, artisans, entertainers, lawyers, accountants, engineers, etc.) are all part of the tourism value chain. For specialist events, such as sports and weddings, the value chain is even greater. It is clear then, that the tourism industry is far-reaching. Tourism is indeed everybody's business and a business for everybody, pointing to the real opportunities for micro, small and medium-sized enterprises (MSMEs). Anyone from a masseur to a hair braider, a taxi driver or a fisher, can become an entrepreneur and gain access to the tourism value chain. So, whether it is fisheries, groundnuts, cashew, horticulture or light manufacturing, all economic sectors can have some form of linkage with the tourism industry. For this reason, measuring the economic impact of tourism goes beyond revenues earned by hotels or restaurants, and can include virtually everything a tourist does while at the destination.

The tourism sector, more than any other sector, will provide the basis for and sustain the growth agenda outlined in the National Development Plan for The Gambia. With the 235,000

arrivals in 2019, tourism brings a ready export market to the country. Tourists have the opportunity to experience a number of products and services besides those that are tourist-related alone. This in turn can influence visitor tastes and create new export opportunities.

9.3 Responsible Tourism and Poverty Reduction in LDCs

‘Responsible tourism’ is a concept invented by Dr Auliana Poon in 1996, in the context of the Tourism White Paper in South Africa. Responsible tourism goes beyond sustainable tourism, in which conservation of the environment and economic growth were the main goals to be attained. Responsible tourism is people-oriented and community-driven. It is a form of tourism where all stakeholders are fully aware of and take responsibility for the consequences of their actions on the environment, the economy and society. Responsible tourism is ownership-based and action-oriented, where stakeholders see themselves as agents of change and are willing to act.

With responsible tourism, every Gambian takes responsibility for the success, sustainability and resilience of the tourism sector. The focus needs not only to be on public-private partnerships, but importantly, public-private-community partnerships. This is why Tourism Intelligence International initiated the collaboration between the Coco Ocean Resort and Spa and the Association of Small-Scale Enterprise in Responsible Tourism (ASSERT) to facilitate market access to craft vendors, where they can display and market their goods directly to tourists that stay at the hotel. Such initiatives reflect the responsibility of the private sector to engage local communities; of non-governmental organisations (NGOs) such as She Trade, the Youth Empowerment Project (YEP) and ASSERT, to prepare and train local communities for engagement and the facilitation and growth of small businesses.

The tourism services sector is undoubtedly a major driver of economic development in many LDCs. In some cases, tourism is the only industry that has consistently demonstrated growth in recent years: consider the declining commodity prices, including the fall in oil prices. However, the growth of tourism in LDCs is not necessarily synonymous with poverty reduction. In some instances, development of whole communities can be seen because of the presence of major hotels and other tourism establishments in that area. However, there are many cases in which tourism development entrenches existing inequalities - the rich get richer and when the cost of land, labour and commodities go up because of tourism, the poor get poorer.

For tourism to meaningfully contribute to poverty reduction in The Gambia, a broad approach that values sustainability (both in terms of people and planet) and economic growth will be needed: the development of responsible tourism.

In addition, for sustainable, equity-enhancing tourism to emerge, several success factors have to be in place. For instance, the government recognises that it will need to develop an effective policy environment and play a stronger role; a strong political will needs to be in place; powerful public sector and private sector partnerships have to be forged; alliances with international donor agencies must be strengthened; and the citizenry of The Gambia (from primary school pupils to politicians) need to become educated, made aware of and gain real access to the economic benefits of tourism. The coconut vendors, craftsmen and women, the so-called ‘bumsters’ or informal hustlers and other perceived ‘undesirables’ in the sector should not have to ‘hustle’ or harass visitors to earn a living from tourism. Rather, they should be included, have their capacity raised and be engaged as true partners.

9.4 Tourism Performance

9.4.1 Tourism is significant for the economy

Tourism is a key sector for economic development in The Gambia. The Tourism Master Plan (TMP) recognises the critical importance of the tourism sector to the local economy, stating that tourism ‘has the potential to deliver higher levels of income and substantially increased wage earning employment, as well as higher levels of Government revenue’. The TMP further

states that tourism ‘is a major source of foreign exchange, comprises a significant proportion of GDP and is an important source of wage earning employment’.

The data clearly show the importance of the sector. Consider that the global travel and tourism industry is growing faster than the global economy. While the global economy grew by 2.9 per cent in 2019, global travel and tourism grew by 3.9 per cent.⁴ The global sector accounted for 10.4 per cent of global GDP (US\$8.8 trillion) and 319 million jobs, or 10 per cent of total employment. The division of overall spend is firmly weighted towards the leisure market, which represented 78.5 per cent of the total compared with 21.5 per cent for business spend. The sector also accounted for 6.5 per cent of total global exports and 27.2 per cent of total global service exports.

Regionally (the African continent), tourism accounted for 8.5 per cent of GDP or US\$194 billion and contributed to 6.7 per cent of total employment or 24 million jobs, according to the World Travel and Tourism Council, Economic Impact Report (2019).

In contrast, The Gambia is significantly more dependent on tourism than the global or regional averages. Tourism in The Gambia contributed an estimated 20.4 per cent of GDP (US\$234 million or GMD 11 billion), according to the World Travel and Tourism Council (2019). This represents tourism’s broad (direct and indirect) contribution to the economy (beyond hotel and restaurant contributions). More than 100,000 Gambians, in one way or another, are employed because of tourism. This represents 17.3 per cent of jobs in the country. The Tourism Master Plan (Technical Report No. 1) estimates that ‘the ratio of direct to total direct and indirect employment generated by tourism in The Gambia is approximately 1:3, i.e., each direct job created ultimately generates around two other jobs (or full-time job equivalents) in other sectors of the Gambian economy’. These indicators show the significant impact that tourism can have on The Gambian economy.

Table 9.1 Economic impact of travel and tourism

Tourism indicator	The Gambia	Africa	World
Total contribution to GDP	20.4%	8.5%	10.4%
Total contribution to employment	17.3%	6.7%	10%

Source: World Travel and Tourism Council 2019

The Gambian tourism industry is ranked 168th in the world in terms of absolute size according to the World Travel and Tourism Council, 122nd in terms of long-term growth measured over ten years, and 38th in its relative contribution to other nation’s economies.

9.4.2 A growing sector

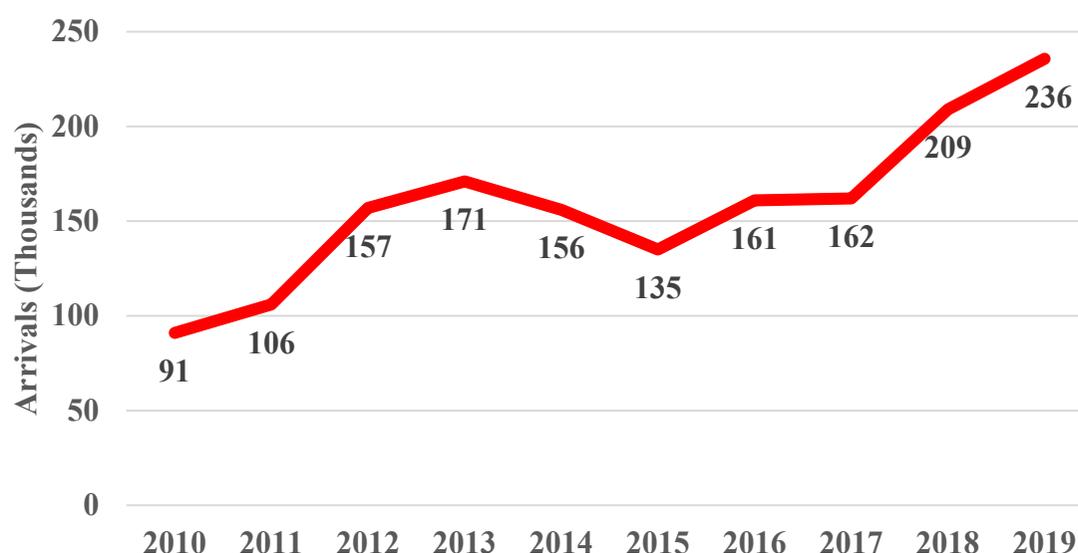
The Gambia’s tourism industry receives over 200,000 visitors a year; the sector is the second highest earner of foreign revenue.

Gambia’s tourism industry has been growing steadily. In 2019, The Gambia received 235,710 international arrivals, up 12.7 per cent over the previous year and representing a compounded annual growth rate (CAGR) of 11.2 per cent between 2010 and 2019. The Gambia’s tourism growth more than tripled the growth of the global sector (3.9%).

The country experienced a severe decline between 2013 and 2015, largely because of the knock-on effect on the region from the outbreak of the Ebola virus. While Ebola did not hit The Gambia, the outbreak affected international travel confidence in not only affected countries, but in Africa as a whole and particularly, West Africa. However, the destination recovered quickly and surpassed growth expectations.

While to date, historical growth patterns have been positive, there are fears that the demise of Thomas Cook (which accounted for nearly two-fifths of The Gambia’s tourist arrivals) will have significant repercussions on the sector in the next year or two. The destination is heavily dependent on tour operators for business, and particularly on the UK market (which accounts for more than half of arrivals). This points to the need for market diversification and implementation of strategies to wean the country off its dependence on tour business.

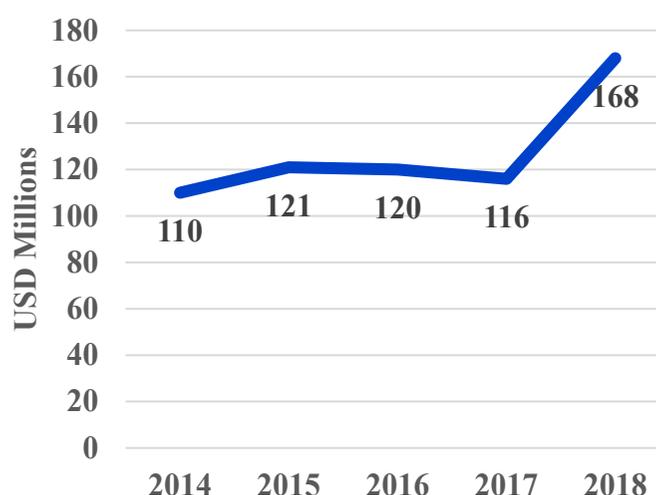
Figure 9.1 International tourism arrivals by air to The Gambia (000s)



Source: The Gambia Tourism Board 2020

While arrivals declined during the Ebola outbreak, visitor expenditure remained buoyant, growing by 10 per cent between 2014 and 2015. Growth in visitor expenditure grew even more between 2018 and 2017 (44.8%). Visitor expenditure appears to be growing faster than visitor arrivals, pointing to more spending per visitor. Expenditure per visitor grew by 12.3 per cent in 2018 compared to 2017.

Figure 9.2 Tourism expenditure (USD millions)



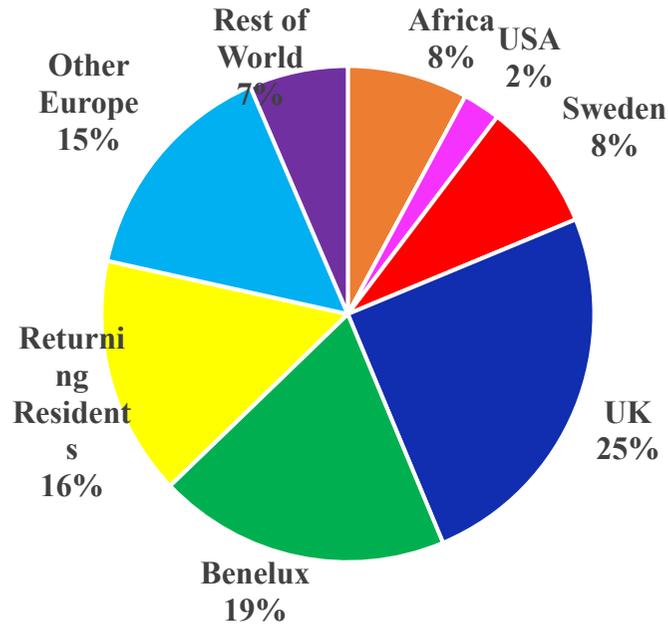
Source: The Gambia Tourism Board 2020

9.4.3 Market analysis

Tourists mainly come from Europe, which accounts for more than two-thirds (68%) of arrivals, with package tour operators from the UK making up over 50 per cent of European visitors.

Overall, the UK is the largest international market, accounting for one-quarter of total international arrivals. 'Benelux' (Belgium, Netherlands and Luxemburg) accounts for nearly one-fifth of international arrivals. Sweden is the third-largest source market, with 8 per cent of arrivals. Africa represents 8 per cent of arrivals, dominated by Nigeria, which makes up two-thirds of African air arrivals.

Figure 9.3 Breakdown of international air arrivals by source market (2018)

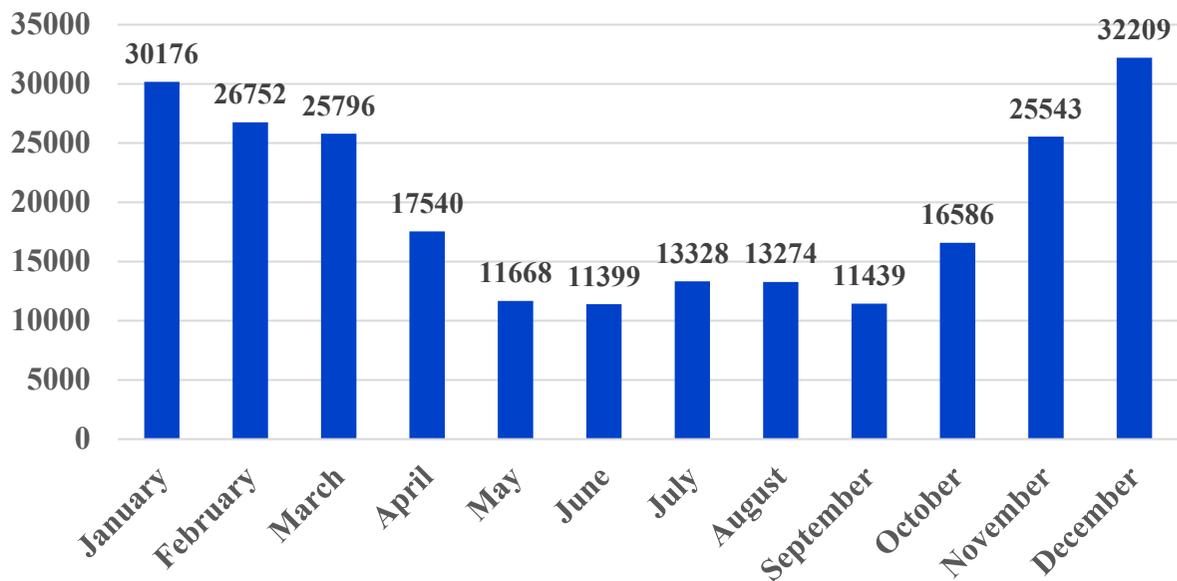


Source: United Nations World Tourism Organisation 2020

9.4.4 Seasonality

The monthly/seasonal tourism arrival statistics clearly show that The Gambia is predominantly a warm weather destination. Two-thirds (67%) of international visitors to The Gambia come during the six months of cold/semi-cold weather in Europe (November to April). It is estimated that around 44 per cent of high season (winter) tourists are repeat visitors.

Figure 9.4 International air arrivals to The Gambia by month (2019)



Source: The Gambia Tourism Board 2020

The nature of tourism arrivals to The Gambia means that strategies are required to smoothen out seasonality. These might include focus on bolstering regional and domestic tourism, as well as developing year-round products to attract visitors in the off-peak season, for example, festivals, as well as meetings, incentives, conferences and events (MICE).

Table 9.2 SWOT analysis of the tourism sector

Strengths	Weaknesses
<ul style="list-style-type: none"> • Location - close proximity to Europe, just 6 hours away • New political stability • Existence of hotel accreditation and standards • Natural and pristine ecosystem • English-speaking nation • Dedicated tourism development areas (TDAs) • International reputation as a relatively safe and friendly destination - 'Smiling Coast of Africa' • Home to cultural heritage sites • Agrarian based society - high-quality food based on local organic produce • Relaxed visa system, particularly for countries in Africa, Europe and the Commonwealth 	<ul style="list-style-type: none"> • Seasonality of the industry • Limited diversification in products • Limited inter-linkages between the tourism industry and other sectors of the economy • Lack of sufficient air access / flights to the destination • High refuelling costs (aviation fuel) • Inadequate duty-free facilities at the airport • Existence of illegal accommodation operators - motels and guest houses - in the informal hotel sector denying the government of tourism income • Low service standards • Limited diversification of tourism products • Limited value added in tourism products • High cost and unreliability of energy • Inadequate facilities and facilitation at the airport

<ul style="list-style-type: none"> • The natural beauty of the destination (River Gambia and the wetlands) 	<ul style="list-style-type: none"> • Limited access to skilled labour / human resources in the sector • Inadequate e-payment systems, for example, credit card facilitation at sites and attractions, and even at restaurants and other services • Poor infrastructure for tourism, especially in rural areas (for example, roads, jetties, moorings, internet access, etc.) • Limited access to finance for tourism operators
Opportunities	Threat
<ul style="list-style-type: none"> • Underutilised coastal space for recreation - development of cultural and ecotourism • The River Gambia - utilising this resource as a unique selling proposition. for the destination and exploiting the river value chain • Regain lost markets - German, Scandinavian • Explore new markets given recession in Europe • Forward and backward linkages between agriculture and tourism • Opportunity to grow rural and domestic tourism • Opportunity to exploit community-based tourism • Cultural tourism is growing in importance in many markets • Ecotourism is a growing trend and opportunity for The Gambia • The MICE market • New markets are opening, for example, China 	<ul style="list-style-type: none"> • Competition from other tourism destinations - notably Cape Verde, the Mediterranean, the Caribbean and East Africa • ‘Bumster’ menace - harassment of tourists • Paedophilia • Sex tourism • Too dependent on the UK market / insufficiently diversified markets • Expansion of low-cost airlines to closer destinations to Europe - Mediterranean • Overdependence of the industry on tour operators • Environmental and land degradation • Climate change • Outbreak of communicable diseases, for example, Ebola, COVID-19

9.5 Key Issues and Constraints

9.5.1 Responsible tourism is the key

The Gambia has the opportunity to ‘get it right’. It has not been plagued by mass tourism (high-rise hotels, congested beaches, over tourism, unrestrained environmental destruction because of tourism activities and many of the other spill-over effects of mass tourism). Instead, The Gambia has the opportunity, as an emerging tourism destination, to develop a kind of tourism that is more conscious, conscientious, caring, community oriented and customer focused.

Responsible tourism ensures that natural, built, human and economic resources (planet, product, people and profits) are optimally, intelligently and sustainably used for, and benefit

from, tourism development. It means that the costs associated with tourism development should never outweigh its benefits. It also means that all aspects of The Gambia and all levels of society are enhanced because of tourism.

People are at the heart of responsible tourism. Gambians are the first tourists and the principal beneficiaries of tourism development. As such, they must be included and partnered with in tourism development, to ensure that the kind of tourism they want is sustainably and responsibly developed. Responsible tourism will ensure: that development of the sector is done in a manner that ensures decent work and fair wages for all in the sector, as articulated in the National Development Plan and further supported in the Tourism Master Plan; that no Gambian is left behind as the sector and the country progresses; that communities are meaningfully included and involved at all stages of tourism development; that other sectors of the economy benefit from tourism development; that the culture and unique way of life is preserved; that there is fair trade; and that Gambians can freely and fairly enjoy and take pride in the country's rich and unique environment.

Responsible tourism has an obligation to protect the planet. The Gambia's natural environment (water, wind, wood, wildlife and whales) forms the basis of the tourism experience. As such, Dominica's natural environment is indispensable to tourism development. It is therefore critical that all measures are put in place to ensure the conservation of the natural environment.

The responsible tourism thrust will ensure that the environment is a key component of tourism.

9.5.2 Need for a better understanding and appreciation of the tourism sector

One of the main challenges that limits the sector from playing a greater role in the local economy is the fact that the definition and understanding of tourism remains limited. It is a definition of tourism that is confined to tourists and hotels ('bums in seats and heads in beds') and to careers that are focused only on housekeeping, waiters and front-of-house staff. We need to understand tourism beyond mode 1 of trade.⁵

The broader 'axial' possibilities that the presence of a tourism industry brings, are not fully grasped. The broader definition and understanding of the sector highlight the potential for cross-sectoral linkages at all levels of the value chain. The axial nature of tourism results in tourism's impact on all aspects of everyday living and daily business - banking, health, legal services, construction, music, art, entertainment, transportation, sleeping, eating, shopping, etc. However, tourism's broad reach and potential to positively impact other sectors of the economy is not widely known or understood, both by tourism practitioners as well as those outside the sector.

Moreover, not only is tourism an export in itself, but it also creates a ready and accessible export market within the confines of our national borders (mode 2 of trade). Everything that a tourist does, buys or consumes while on holiday in The Gambia is activating mode 2 of trade - restaurants, banking services, insurance, transportation, use of mobile and internet services, transactions at the ATM, foreign exchange services, etc.

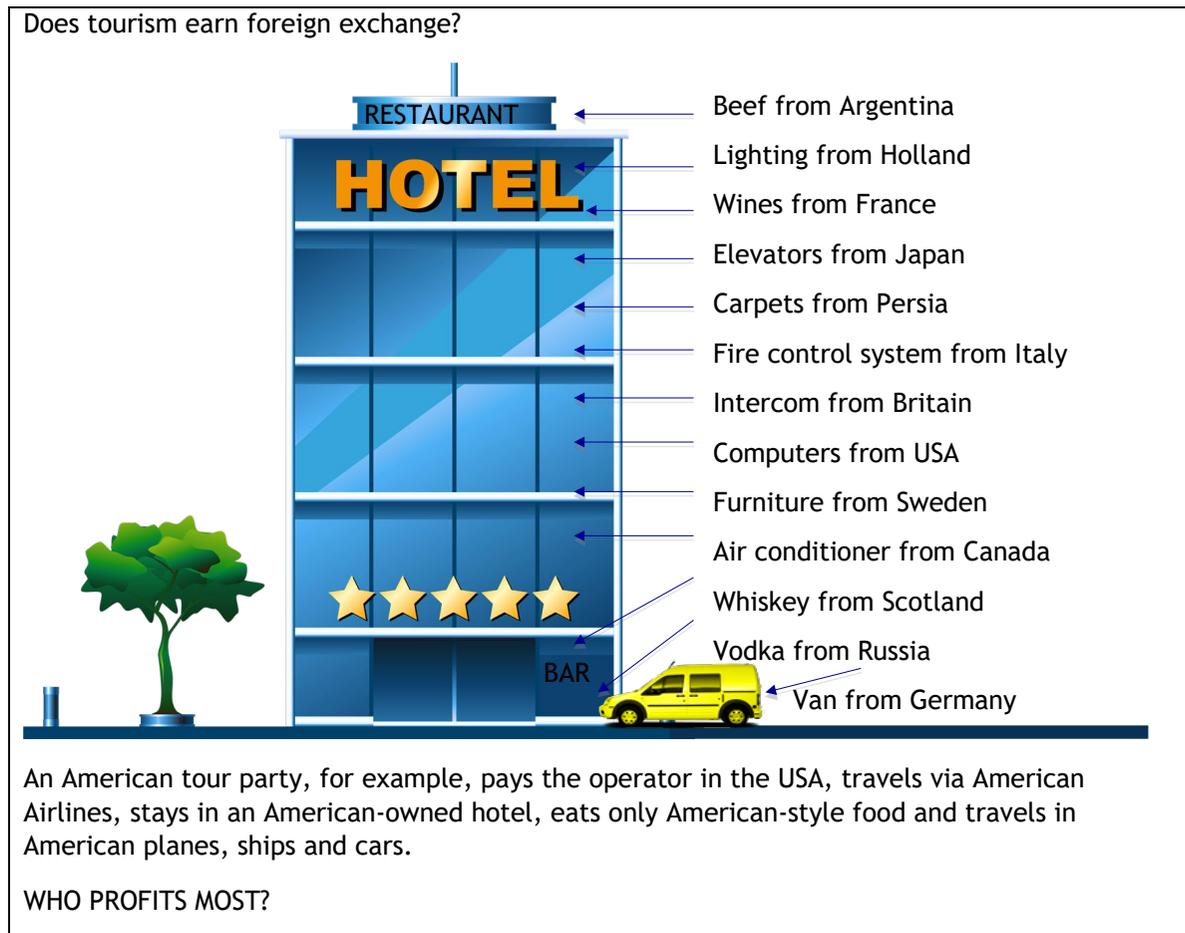
9.5.3 High leakages need to be plugged

One of the major economic 'curses' associated with the spread of tourism in the developing world is the high leakage of tourist expenditure. In other words, although tourists spend locally, a large proportion of this expenditure is 'leaked' back into the economies of the tourist-generating countries, in order to import items to service the tourism trade and to pay for advertising and marketing.

Many of the inputs of the tourism sector are not produced within the region and must be imported. As a consequence, there are heavy leakages (outflows of capital from the region). The opportunities and mechanisms in place to purchase goods and services abroad are endless and widely available. To plug the leakages, counteractive mechanisms need to be put in place to create opportunities to foster linkages, particularly vertical linkages. Figure 9.5 shows the

various possible items that are imported by a typical hotel. These imports create leakages from the economy.

Figure 9.5 Tourism leakages



Source: Poon (1993), *Tourism, Technology and Competitive Strategies*, pg. 255, Fig. 10.5

9.5.4 Linkages need to be strengthened

Tourism, unlike any other sector, has the potential to dynamise other sectors of the economy, such as agriculture, fisheries, groundnuts, cashew, light manufacturing, banking, ICT, the creative industries, etc. However, not enough has been done to strengthen these linkages. Some strides have been made in the agriculture sector, and programmes and initiatives by the International Trade Centre (ITC) and MOTIE as part of YEP and SheTrades Gambia, for instance, are helping in this regard. The ITC's YEP has also developed the Youth and Trade Roadmap for The Gambia for the Creative Industries, which focuses on entrepreneurship, skills development and creating linkages. Also, some attempts have been made by organisations such as ASSERT and The Gambia Hotel Association to create linkages with the creative sector; for example, artisans display their wares at hotels and The Gambia's Goods Market, a monthly pop-up market showcasing quality product by youth entrepreneurs during the high season. Many of the products and experiences in the creative industry overlap with the tourism sector, such as, museums and heritage sites, cultural attractions, craft markets, etc. However, more needs to be done to strengthen the linkages between the two sectors and to increase the wealth-generating potential that tourism can provide for the cultural industries.

Hotels prefer to use local supplies, as this is cheaper and easier to source generally. However, one of the main challenges is that many local producers cannot meet the quality requirements of the hotels. And when quality can be met, there is the challenge of inconsistency in supply.

These issues point to the need for greater awareness, capacity building and putting a mechanism in place to encourage and facilitate linkages.

9.5.5 Not enough value added

The real potential of the tourism industry lies in supplying high value ‘invisible’ services and exploiting the ready market which tourism brings, i.e., to use the presence of a tourism industry to develop niches in manufacturing (for example, a fashion industry featuring casual wear for the sun), in developing dynamic agriculture (speciality fruits and vegetables, organic agriculture), and fuelling the services sector (the creative industries, entertainment, ICT services, etc.). These are high-value opportunities that are not fully exploited at present.

9.5.6 The River Gambia is grossly under-utilised

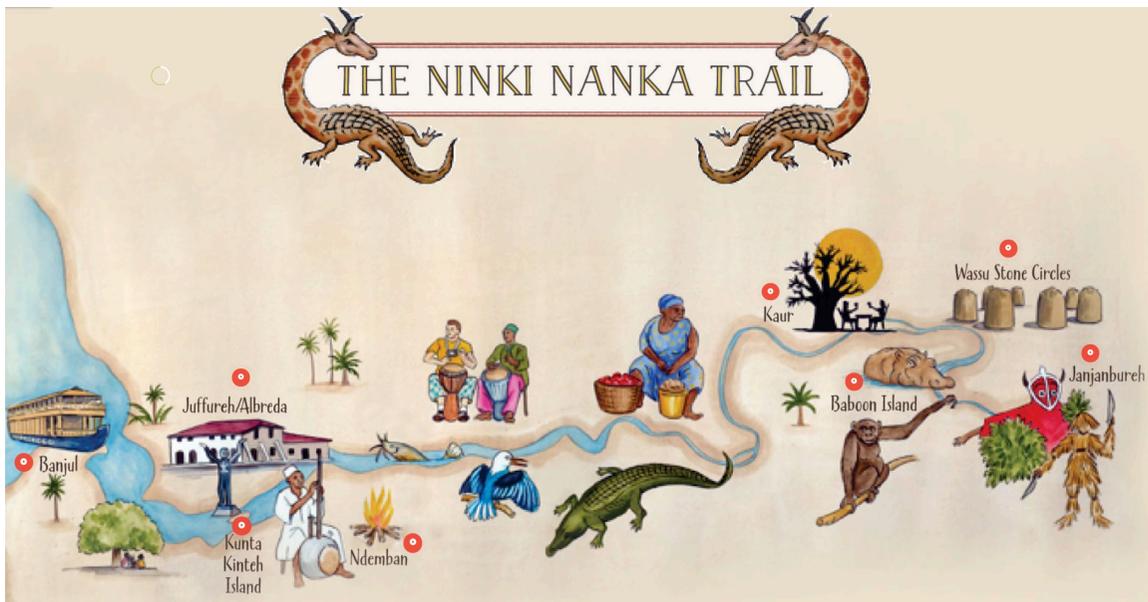
The River Gambia holds a strategic position in The Gambia’s history and economy. The river runs virtually through the middle of the country, from east to west. However, the river has not been seen or used as a strategic tourism product. In fact, the River Gambia can become the destination’s unique selling proposition. It is one of the country’s greatest natural assets. The River Gambia could potentially be to The Gambia what the River Nile is to Egypt or the River Ganges to India.

River tourism value chain:

- Yachting / mega-yachting
- River cruises
- Wildlife (bird watching, crocodile watching, etc.)
- Ecotourism / hiking / trails
- Community-based tourism
- Rural tourism
- Lodges/villas
- Scenic tours
- Hunting (legal and controlled)
- Water sports (water skiing, swimming, diving, snorkelling, kayaking, canoeing, etc.)
- Ferry transport for domestic and regional tourism

The development of the Ninki Nanka trail is a prime example of capitalising on the River Gambia value chain for tourism development.

Figure 9.6 The Ninki Nanka Trail



Source: Gambia Tourist Board (<http://test.yusgeek.com/> development site)

9.5.7 Air access continues to be a challenge

The Tourism Master Plan underscores that ‘air access is relatively tenuous’. And points to the need for ‘more passengers to strengthen the air flight access between The Gambia and different markets in Europe and to provide more passenger and aircraft throughput to pay for the running of an international airport in Banjul’.

Air access is dependent on the continuation of a pattern of tourism that revolves around charter flights and on negotiated rates with foreign tour operators. For example, it is virtually impossible for independent travellers in the UK (The Gambia’s largest international market), to fly direct (non-stop) to The Gambia. Most flights require one or two stops and turns an otherwise five- or six-hour journey into a nine-to-ten-hour trip at best (for example, Brussels Airlines and Royal Air Maroc). This makes The Gambia uncompetitive compared to more established destinations, such as, South Africa and Egypt, which have direct flights.

The Gambia is dependent on nearby hubs such as Casablanca and Dakar for a large portion of its direct/independent travellers. The example of Thomas Cook points to the need to gradually move away from the package/tour operator model to a more flexible, customised and independent model of tourism. This notion is further supported by the Tourism Master Plan’s recommendation to focus on ‘independent travel and those with specialist interests in “niche” tourism’.

9.5.8 Product development is required

There are not enough diversified, varied and high-quality tourism products in The Gambia. Many assets are natural but not much is being done with these. There appears to be a gap between the natural attributes and its potential through human innovation. For instance, the River Gambia is a five-star asset, but little is being done with it to develop this important water resource effectively and extract value in an ecologically sustainable manner.

9.5.9 Quality focus is lacking

The overall quality of the visitor experience is influenced by the diversity and quality of the tourism products, services and experiences offered. There is a need for an injection of innovative products and quality standards, and certification to generate the level of competitiveness required and to excite and exceed the needs and wants of today’s traveller.

The tourist does not buy or use a single product or service when visiting a destination but, rather, uses a series of products and services that together comprise the experience. In other words, everything a traveller does when on holiday - travel, eat, drink, sleep, tour, play, etc. - forms part of the tourism product. And there are many suppliers of these various and diverse components. No single supplier controls the entire guest experience.

Winning will entail competing on quality and value for money (for example, offering five-star service at three-star prices). This is one of the success factors of the cruise industry. It offers value for money and quality, especially quality experiences. Based on stakeholder consultations and observation of how some operators conduct business, the opposite seems to be true. For example, one hotel claimed to be five star, although there was no official grading system or standard in place to determine such a rating. Based on expert observations and estimates, this hotel was, at best, offering a two-star service.

The key to quality and, in particular, quality experiences, in the travel and tourism industry is the country's human resources - empowering, redirecting and rewarding the industry's most valuable asset - its people. Thus, the key to quality is quality labour.

However, how is quality measured, monitored and corrected? The key to measuring and monitoring is through quality standards and certification. Given that tourism demand is for a combination of products, then the various tourist products and services are interdependent and complementary. The supply - and reputation - of one is inevitably influenced by that of another link in the chain. Setting regulatory standards and providing training and incentives to encourage the upgrading of the quality of provision of the weaker elements of a destination's tourism product range is critical for the success of that destination.

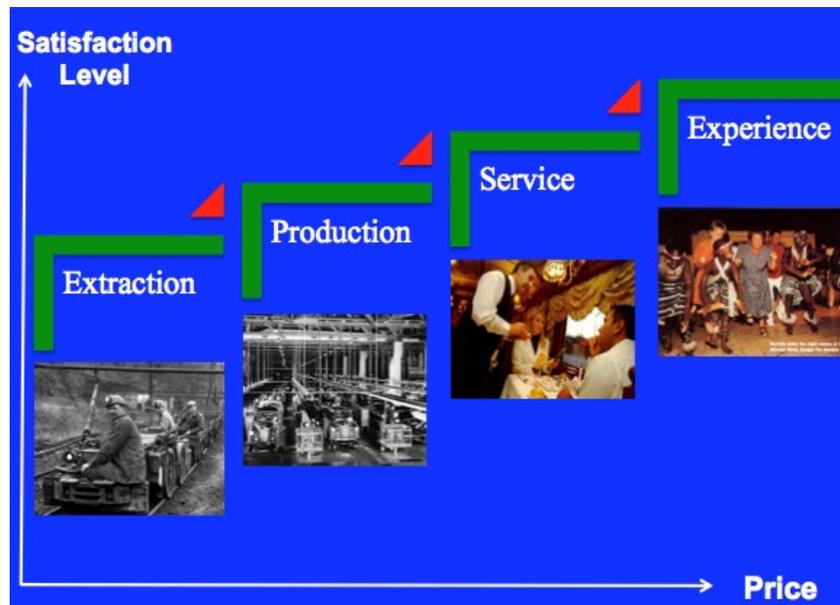
The Gambia Standards Bureau (GSB) has a key role to play in quality control. The Gambia Tourism Board (GTB) administers and monitors standards in the tourism industry and GIEPA is responsible for setting clear guidelines for investments coming on stream in the industry.

9.5.10 Beyond sun, sand and sea to exceptional experiences

To create more value and to grow competitiveness, The Gambia needs to move away from purely a sun, sand and sea model and merely supplying goods and services to tourists, and towards inventing, orchestrating and delivering memorable and exceptional experiences.

The tourism 'products' that destinations have to offer are not just physical products such as hotels, restaurants and attractions, but importantly, the experiences and the innovative services that are key to delivering memorable experiences for visitors. This is critical because wealth (value chain upgrading) is increasingly being created as experiences are orchestrated. This is very different from creating wealth by extracting commodities (wheat, crude oil), making goods (ovens, cars) or even delivering services (car rental, restaurants). See Figure 9.7.

Figure 9.7 The progression of the experience economy



Source: Tourism Intelligence International 2012

For experiences to be effectively delivered to cater to and even exceed the expectations of visitors, highly skilled, trained and motivated human resources are key. Much more investments in training will be needed.

9.5.11 Insufficient tourism human resources

Travel and tourism is a large and dynamic sector that is very labour intensive. Both the private and public sectors generally have not prioritised the development of the human side of the tourism product (talent and training) in the same manner, for example, as investment in physical plant (infrastructure, plant and equipment at hotels and resorts). It is only now being realised that it is people, human capital and talent that hold the true keys to success.

It is also agreed that the increasing recognition of the economic importance of tourism itself has lent further prominence to the necessity for an expansion of tourism education and training. The Gambia Tourism and Hospitality Institute (GTHI) is playing a pivotal role in filling some of the training gaps in the sector. However, with limited scope and resources at its disposal, the GTHI cannot address all of the industry's needs at once.

As such, many tourism operators provide basic in-house training. The Gambia Hotel Association also arranges training and workshops for the industry. However, these are not done on a consistent and frequent enough basis to completely address the needs of the industry.

9.5.12 Proactive investments are needed

GIEPA is entrusted with investment promotion in tourism. However, limited financial and human resources constrain the agency in executing its mandate. Not enough out-going and proactive investment promotions appear to have been carried out, particularly in recent years. For example, GIEPA has not participated in any in-market trade missions in nearly four years.

A more proactive approach is needed to determine investment opportunities, identify the kind of investors that The Gambia wants, to facilitate the smooth ease of doing business in The Gambia, and to determine how these investors will be wooed.

In addition to the tourism development areas (TDAs) as identified in the Tourism Master Plan, specific zones/proposed land should be earmarked for tourism development, with opportunities identified and research carried out to give investors a clear understanding of what is available.

9.5.13 ICT needs to be leveraged

Technology is a major facilitator of the paradigm shift and is empowering destinations and suppliers to reach and target markets easier and faster, and with more precision than ever before. To become more competitive and achieve the vision for the country as stipulated in the National Development Plan, as well as in this National Export Strategy, more investment in ICT needs to take place. At the very least, the government should not hinder expansion of IT infrastructure in the country. The government should not be seen as competing with IT investors, but facilitating and enabling the growth of the sector.

Whether it is for marketing, product development, infrastructure development, value chain exploitation, human resource development, ICT needs to be sufficiently leveraged for competitiveness.

Endnotes

¹ TradeMap.org 2020.

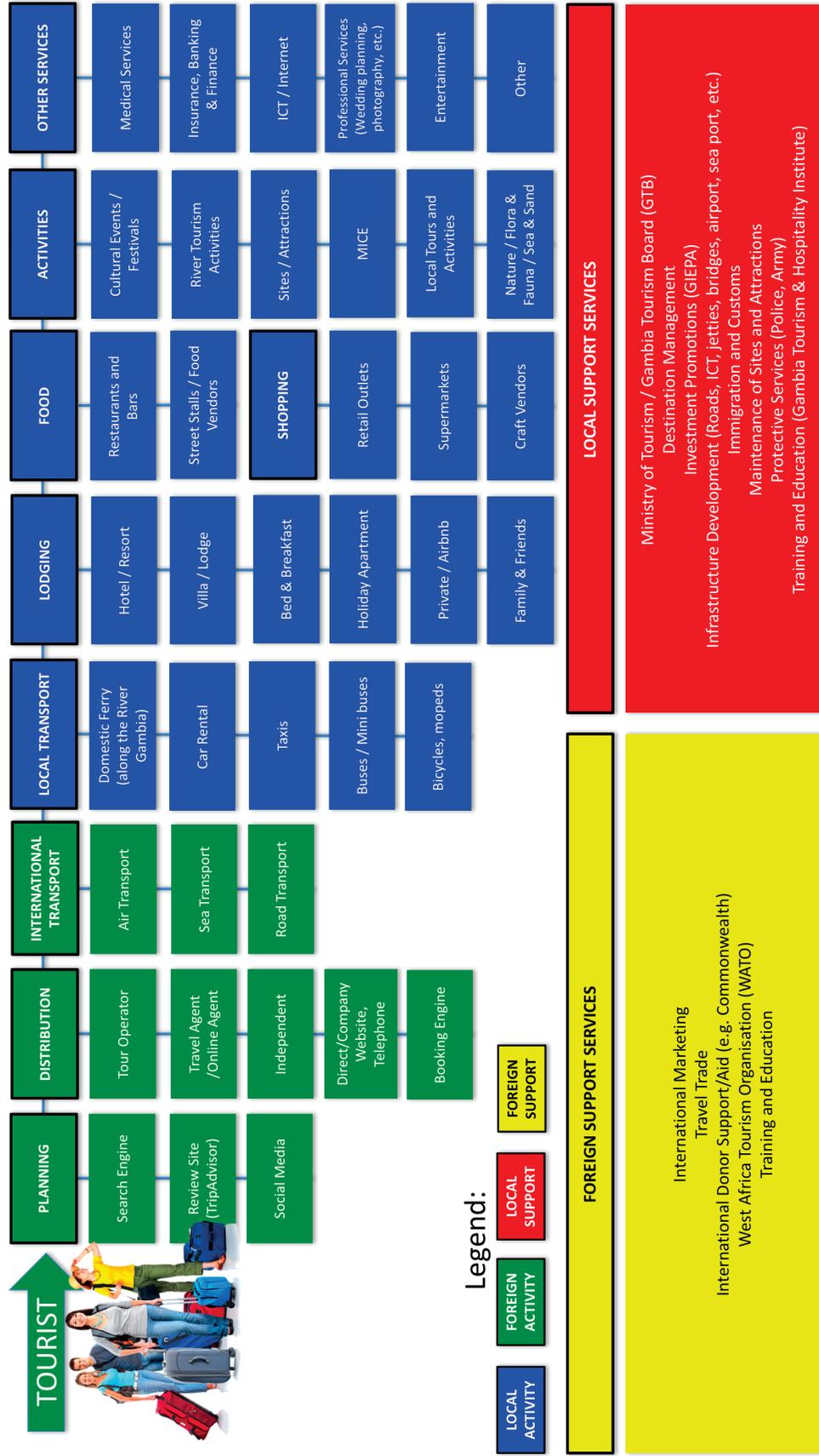
² Ibid.

³ The Sustainable Development Goals Report 2019, United Nations, pg. 32-33

⁴ World Travel and Tourism Council (2019), *Global Report*.

⁵ Mode 1 of trade takes place when a service is produced in one country but consumed in another.

Figure 9.8 Tourism value chain

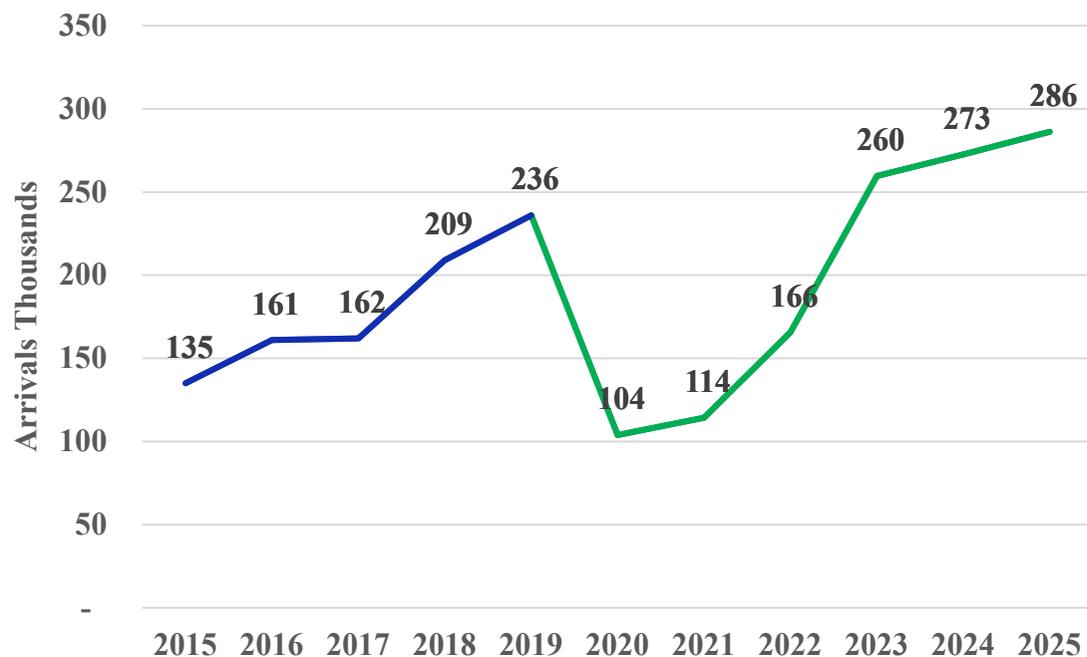


9.7 Objectives and Targets

Using a moderate approach, a forecast for tourism arrivals was developed. The forecast was based on a few assumptions, such as stability of the dalasi, stability of the euro and pound sterling, continued political stability in The Gambia, and no natural disasters during the forecast period (with COVID-19 being an exception). The forecast accounts for the possible fallout effects of the COVID-19 virus, which has halted flights from key source markets in the UK and Europe, in particular. Regional travel is not expected to be as affected as international travel.

The forecast predicts that tourist arrivals will reach 286,000 by the year 2025, growing at a CAGR of 3.3 per cent per annum between 2020 and 2025. The impact of COVID-19 is expected to contract arrivals by as much as 80 per cent, according to the UN World Tourism Organization (UNWTO). Recovery from COVID-19 is expected to follow similar trajectories of past outbreaks of communicable diseases, such as Ebola in 2014. The forecast projects that business will return to normal in early 2022 (which assumed a vaccine for COVID-19 would be found by mid-2021 and based on expert analysis as at July 2020).

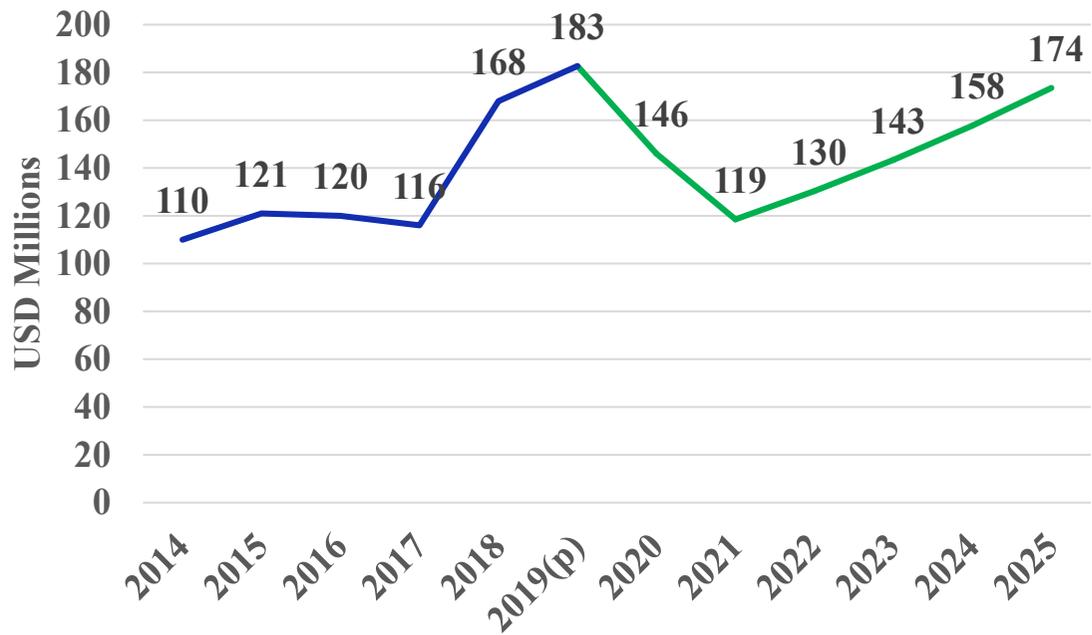
Figure 9.9 Forecast of tourist arrivals 2020-2025



Source: United Nations World Tourism Organisation, Gambia Tourist Board and forecast by Tourism Intelligence International 2020

The forecast projects total visitor expenditure to reach US\$174 million by 2025. The significant decline is on account of the impact of COVID-19. There will be fewer trips. Also, the economic fallout after COVID-19 could have significant effects on travel and tourism spending. While people might travel, they may spend less, stay for shorter periods and/or travel closer to home, all of which have implications on money spent.

Figure 9.10 Forecast of visitor expenditure (USD millions)



Source: United Nations World Tourism Organisation, Gambia Tourist Board and forecast by Tourism Intelligence International 2020

Note: 2019 is an estimated/projected amount, as actual data were not available at the time of developing the forecast.

Based on the forecast, several targets are set for the tourism sector, as follows:

1. Total arrivals to reach 286,000 by 2025
2. Arrivals to grow at an average annual rate of 3.3 per cent
3. Revenue/visitor expenditure to reach US\$174 million
4. Revenue to grow at an average annual rate of 3.5 per cent

Table 9.3 Strategies and actions

Key objectives and strategies	Activities	Lead responsibility/support	Timeframe	Budget (USD)	OVI / target
Develop a responsible and resilient tourism industry	Carry out carrying capacity analysis to ensure that environmental assets are protected.	Department of Forestry Ministry of Tourism	Jun 2021-Dec 2021	50,000	Top five sites targeted
	Develop community outreach programmes with focus on culture, heritage and the natural environment, to enrich visitor experience and give effect to interpretation. This should come with capacity building, particularly for tour guides (who can be selected from 'bumsters'), with responsibility to clearly interpret and communicate community culture and heritage.	Ministry of Tourism ASSERT, YEP, GTHI, Gambia Tourism Board (GTB), The Institute of Travel and Tourism of the Gambia (ITTOG)	Jan 2021 and ongoing	100,000 (over 5 years)	Twenty (20) communities targeted in five years
	Develop incentives to encourage the use of local cultural content.	Lead Institutions: GTB Support Institution: Gambia Revenue Authority / Ministry of Finance, The National Centre for Arts and Culture (NCAC)	Sep 2021-Dec 2021	0	Incentives developed
	Develop an arts and cultural skills development centre/ learning facility.	Ministry of Tourism and Culture Ministry of Education, NCAC	Jan 2021-Dec 2023	2,500,000	Facility developed
	Review and update the National Tourism Policy, ensuring that resilience and responsibility are core pillars.	Ministry of Tourism and Culture	Immediately		
	Develop a responsible and resilient tourism recovery plan	Ministry of Tourism and Culture	Immediately		

Key objectives and strategies	Activities	Lead responsibility/support	Timeframe	Budget (USD)	OVI / target
	Provide ongoing technical support and capacity building to tourism operators to make them more responsible and resilient, especially in light of COVID-19.	Ministry of Tourism and Culture (MOTC)	Jan 2021-Dec 2025	500,000	- Five workshops executed - Technical support provided
To be able to prepare for and mitigate against external shocks i.e. natural disasters, diseases, pandemics, etc.	Set up a Tourism Resilience Fund (TRF) - a small tax on visitors (not more than US\$10 per person) or hotel revenues could contribute to the fund.	MOTC Gambia Tourism Board	Jan 2021-Dec 2025	Self-sustaining	- Tourism Resilience Fund established - US\$2 million raised each year - (200,000 visitors x US\$10 each)
	Support and promote domestic tourism to curb the effects of global adverse impacts on tourism performance. Implement domestic campaigns and local pricing systems.	MOTC Gambia Tourism Board	Jan 2021-Dec 2025		- Can be supported from the Tourism Resilience Fund above
Make the tourism industry attractive for investment	Simplify and modernise the administrative processes to make investment in tourism easier and more effective.	Lead institutions: GIEPA Support institutions: GTB and Gambia Revenue Authority (GRA)	Jan 2021-Jun 2021	25,000	Improved systems in place
	Develop a one-stop-shop / portal for all investment, applications and registration.	Lead institutions: GIEPA Support institutions: GTB and Gambia Revenue Authority (GRA)	Jun 2021-Dec 2021	70,000	Portal developed
	Review the incentive regime for investment.	Lead Institutions; GIEPA Support Institutions: GTB and Gambia Revenue Authority (GRA)	Jan 2021-Jun 2021	0	Incentives revised
	Identify specific parcels of land within the tourism development areas for tourism investment opportunities.	Lead Institutions; GIEPA Support Institutions: GTB / MOTC	Jun 2021-Dec 2021	15,000	Ten opportunities identified

Key objectives and strategies	Activities	Lead responsibility/support	Timeframe	Budget (USD)	OVI / target
	Actively seek out and target investors. Participate at trade missions and investment forums for tourism (for example, the International Hotel Investment Forum).	Lead Institutions; GIEPA Support Institutions: GTB	Jan 2021 and ongoing	150,000 (over five years)	Five trade missions carried out over five years
	Develop an investment marketplace to bring potential investors and business ventures/opportunities together - could be physical or virtual.	GIEPA	May 2022 and every year after	200,000	Four marketplace events take place
	Review and improve the entry-visa regulation.	Ministry of the Interior (MOTI) Ministry of Tourism and Culture (MOTC)	Jan 2021-Jun 21	0	Review carried out
To create awareness on the impact and importance of tourism and hospitality	Create awareness campaigns targeting communities and schools and the wider public.	MOTC and GTB	Jan 2022-Dec 2024 (3 years campaign)	1,500,000 (over three years)	Three-year campaign implemented
To create attractive, competitive and diversified tourism products, services, and experiences	Take an inventory of all physical and natural tourism and cultural assets in the country.	Lead Institution: GTB Support: ASSERT and the private sector, like hoteliers, ITC/YEP	Sep 2020 to Dec 2020	10,000	Inventory carried out
	Prioritise all physical and natural tourism and cultural assets in the country, ensuring that they are market oriented.	GTB and MOTC Private sector	Jan 2021-Mar 2021	0	Assets prioritised
	Upgrade priority assets.	MOTC/GTB	Jun 2021-Dec 2023	3,000,000	Ten sites targeted for upgrade

Key objectives and strategies	Activities	Lead responsibility/support	Timeframe	Budget (USD)	OVI / target
	Develop river jetties for river tourism.	Lead: MOTC/GTB Support: Private sector	Jan 2022–Dec 2022	5,000,000	To be determined
To ensure a quality tourism product	Review and revise quality standards.	Lead institutions: Standards Bureau and GTB Support institutions: GHA	Mar 2021-May 2021	15,000	Standards revised
	Strengthen the institutional capacity of enforcers (provide annual training).	Lead Institutions: Standards Bureau and GTB Support Institutions: GHA	Jan 2022-Dec 2025	40,000	Four training sessions carried out
	Provide technical support and capacity building to tourism operators, to improve their standards.	MOTC/GTB	Jan 2022-Dec 2025	200,000	Capacity building carried out
To make The Gambia tourism industry modern and technology savvy	Implement free Wi-Fi at targeted public sites and attractions across the country. Collaborate with the financial service sector to develop and implement flexible payment systems, mobile money, credit cards, etc. Conduct a stakeholder meeting with the relevant parties to discuss the matter. Carry out negotiations with financial institutions. Develop an action plan coming out of the meetings and negotiations.	GTB and internet service providers Lead institutions: GTB, GIEPA Support: financial and internet service providers, and GHA and private sector	Jan 2022-Dec 2022 Jan 2021-Mar 2021	72,000 10,000	Ten sites activated over four years Stakeholder meeting carried out Action plan developed
	Implement improved financial services technology - for example, credit card facilitation.	Central bank / financial services sector GHA	Mid-to-end 2021	Financed by financial services sector and private businesses	50% of tourism businesses have electronic payment options

Key objectives and strategies	Activities	Lead responsibility/support	Timeframe	Budget (USD)	OVI / target
	Provide support and encouragement to tourism business to be e-ready (websites, e-commerce, social media) through training and capacity building initiatives: <ul style="list-style-type: none"> - annual workshop - get NGO or other resource persons to provide one-on-one support 	GIEPA GHA, ASSERT, Gambia Hospitality and Tourism Institute (GTHI)	Jun 2021 and ongoing	50,000 100,000	One workshop per year One resource person / institution identified and commissioned
To ensure that tourism programmes meet the needs of the sector	Carry out a Tourism Human Resource Needs Assessment	Lead institutions: GTHI Support institution: GTB, GHA	Jan 2022-Mar 2022	30,000	Assessment carried out
	Identify and develop annual training programmes to fill the gaps	GHTI GHA, GTB	Jun 2022-Dec 2025	84,000	Three training sessions per year carried out (12 in total)
To reduce seasonality in the tourism industry	Encourage domestic tourism through an annual 'Stay to Get Away' Campaign during the June to August months	GTB GHA	Jan 2021 and ongoing	500,000	One annual campaign launched over five years
	Identify and develop new products, services, niches and markets, such as sports tourism, health and wellness, and events (MICE).	GTB GHA	Jan 2022 and ongoing	600,000	Three new niches identified, developed and marketed
	Encourage and attract investments in priority tourism niches.	GIEPA GTB, GHA	Jan 2022 and ongoing	100,000	

Total tourism budget: US\$14,921,000

Chapter 10 Fisheries

The government recognises the importance of the fisheries sector and as such, it has been identified as a priority sector within the context of the National Export Strategy. The development of the strategies and actions for this priority sector was not carried out in isolation. Important consideration was given to existing strategies and plans, notably the Fisheries Policy and the National Development Plan. The general focus of the government on the importance of fisheries is reflected herein.

The fisheries sector is a key stimulus for poverty alleviation in The Gambia. Fisheries provides a source of revenue and foreign exchange earnings for the country. It is also a major source of food and contributor to employment and livelihoods in the local economy. The sector is the third largest food provider - after agriculture and livestock - and plays a significant role from a nutritional standpoint. Fish is the main source of animal protein in the diets of most Gambians. Fisheries and related activities (processing and marketing) also provide incomes to the poor, particularly women.

The local fisheries sector is relatively small and artisanal in nature. It has significant potential for employment generation and poverty alleviation, particularly for women. The fisheries sector in The Gambia is generally 'female-intensive'. There is a preference for women in light processing/assembly types of work. Growth of the sector is likely to stimulate an increase in female wage employment, with important corollary poverty alleviation effects (women pay school fees for their children and buy clothes and food for the family from their wages).

With a continental shelf area of about 4,000 km² and approximately 10,500 km² of exclusive economic zone (EEZ), The Gambia is believed to be particularly rich in terms of fish species abundance and diversity. Over 1,000 marine fish species have been recorded in Gambian waters;¹ they are usually classified as demersal fish (bottom dwelling) and pelagic fish (surface dwelling). The demersal fish include shrimps, groupers, sea breams, grunts, croakers, snappers, etc. The small pelagic group consists of the two sardinellas, the bonga/shad, horse mackerels and mackerel. The high-value demersal species (shrimps, sea breams, lobsters and cephalopods, among others) are mostly supplied to fish processing factories for export, mainly to the EU, North America and Asia.

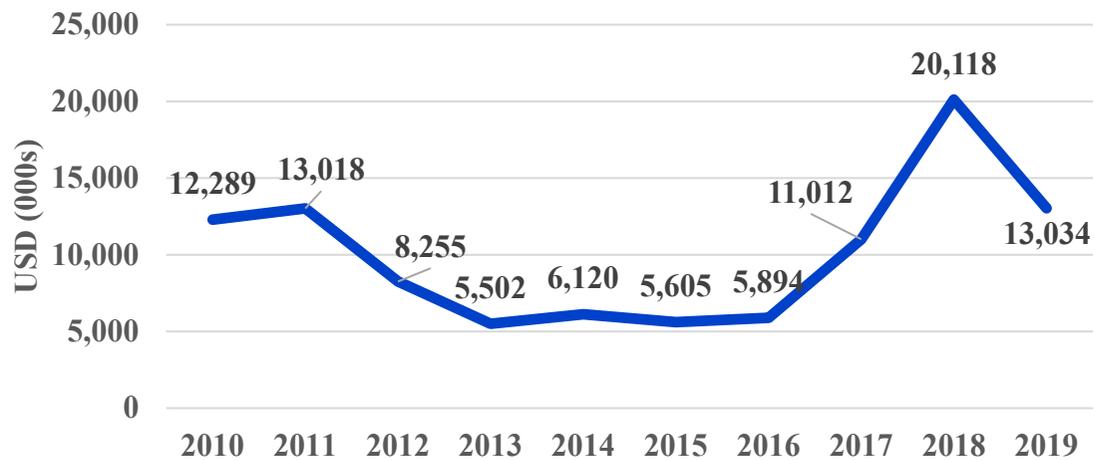
In the inland sector, fish resources are found within the River Gambia system. They comprise mainly freshwater species, such as the freshwater catfish, tilapia, the bony tongue, *Gymnarchus*, etc. It is important to note that the river and its ecology also serve as a transitional phase for many marine fish species: they spend part of their lifecycle there to reproduce, feed or as nurse. The Gambian shrimp stock has its spawning grounds in the estuary/river.

10.1 Sector Performance

After experiencing consistent growth since 2015, the fisheries sector suffered a significant decline. Compounded growth between 2015 and 2018 was 53 per cent per annum. The sector reached an all-time high of US\$20 million in 2018.² This growth was spurred on by the entrance of new players in the industry, notably large Chinese fishers. However, the growth appears to have been short-lived. The sector sustained a significant dip of 35 per cent between 2018 and 2019. There were also declines leading up to 2013.

The National Development Plan identifies reasons for the decline in the industry as stemming from 'increased illegal fishing, poor surveillance of the fisheries resources in the high seas, unsustainable number of commercial fishing licenses, declining landed catches, high cost of energy needed for processing, and The Gambia's inability to comply with stringent sanitary and phyto-sanitary requirements in the E.U. market'.

Figure 10.1 Export of fish from The Gambia (USD 000s)

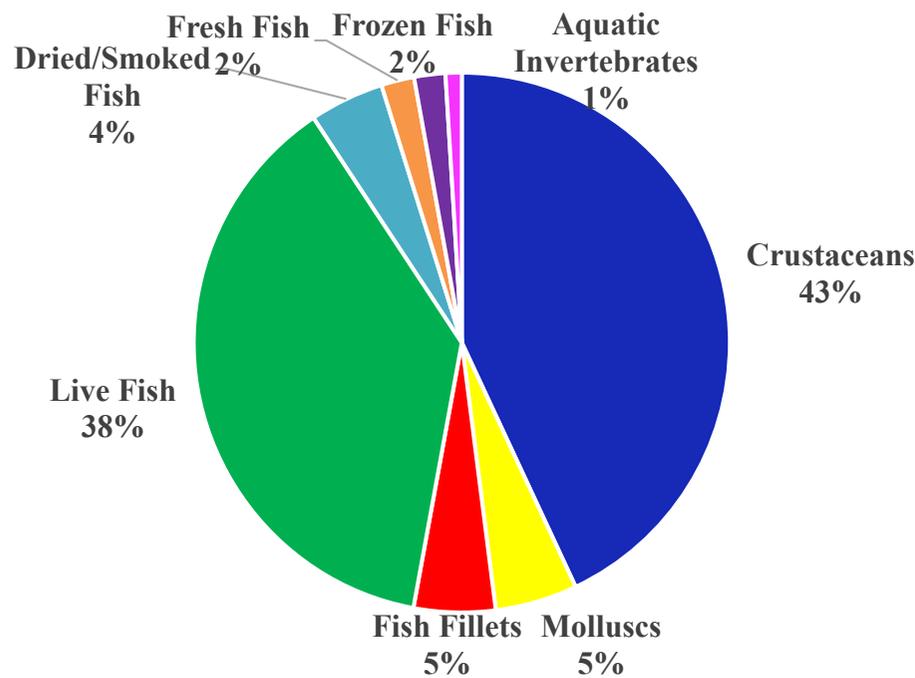


Source: Mirror Statistics from UN COMTRADE database 2020

10.2 Product Categories

The main product categories for the export of fish include crustaceans (HS 0306), which accounted for 43 per cent of fish export values (USD) in 2018, followed by live fish (HS 0301) which made up 38 per cent of fish exports. Molluscs (HS 0307) and fillets (HS 0304) accounted for 5 per cent each, followed by dried/smoked fish (HS 0305) accounting for 4 per cent of fish exports in 2018.

Figure 10.2 Breakdown of fish exports by product category, 2018



Source: TradeMap.org 2020

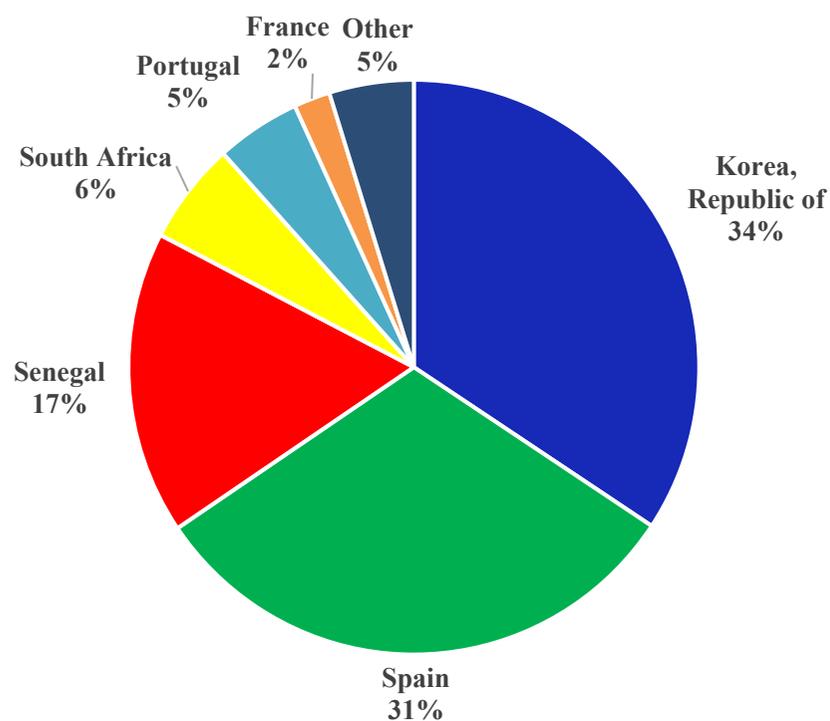
10.3 Market Analysis

The single most important trading region with The Gambia in terms of fish is the EU, which accounts for nearly two-fifths of fish imports from The Gambia. The main player within the EU is Spain, which makes up over 80 per cent of fish exports to the EU. Of notable significance are

Portugal (5% of fish exports) and France (2%). Trade requirements for this market are stringent, and production systems and products must comply with equivalent regulations on hygiene, food safety, consumer protection and official control requirements. Noteworthy, is that 50 per cent of industrial processers/exporters are certified to enter the EU market.

Exports to the EU essentially consist of fresh and frozen fish, particularly of high-value commercial species (crustacean, cephalopods, sole fish, etc.). Specialised smoked fish products (all traded through the only certified establishment) essentially serve the Gambian diaspora market in the EU (the UK, Netherlands, Spain and Belgium) and the USA.

Figure 10.3 Market share of fish exports, 2019



Source: TradeMap.org 2020

Outside the EU, the next most important market is South Korea, which accounted for one-third (34.3%) of fish exports from The Gambia in 2019. Following South Korea is Senegal, which accounted for 17 per cent of fish exports in 2019.

Figure 10.4 The Gambia's trade partners, based on US value of fish exports



Source: TradeMap.org 2020

10.4 Competitive Environment

The main global trade competitors in fish are China, Norway and Vietnam. These three countries accounted for one-quarter (25.1%), or US\$26.4 billion, in export of fish in 2018, according to COMTRADE data. China alone, exported US\$13.3 billion in fish that year.

Figure 10.5 Global export of fish



Source: TradeMap.org 2020

10.5 Opportunities and Implications

10.5.1 The development of aquaculture

The development of aquaculture production of shrimp, bivalves, molluscs and tilapia is a viable opportunity. Both freshwater and marine aquaculture benefit from the diversity of the natural environment and the availability of suitable native species for farming. Therefore, excellent conditions exist in the country for the development of aquaculture, particularly farming of prawns, mussels, pearls, tilapia, shrimps, bivalves (oysters) and crabs.

The potential for commercial and artisanal aquaculture involving shrimps and oysters is high. Shrimps offer significant potential for a product differentiation strategy (antibiotic-free shrimp, with unique characteristics in terms of texture and size), with a focus on high-value niche markets (for example, gourmet restaurants in Europe). Artisanal oyster farming, involving women oyster harvesters, can expand the local oyster trade and even encourage the development of the half-shell trade to supply the Gambian tourist market. A different niche of interest for potential development and expansion is that of traditional ethnic foods of value for the Gambian diaspora. Specifically, there is a potentially important niche export market for smoked catfish and other high-value fish species, including shrimps, barracuda, etc., to the Gambian and the wider West African diaspora in Europe.

Marine aquaculture is broadly oriented towards both low-cost protein supplies and high-value products for export. Particular attention could be given to marine prawn culture because of its economic importance for export markets.

At present, aquaculture is nationalised, because the activities are carried out mostly by the Department of Fisheries in co-operation with the Department of Agriculture. The pilot fishpond at Sapu in Central River Region (CRR) is part of the continuing effort by the department to assist the local farmers to improve their income and nutritional status. Several communities have expressed their interest but face challenges, such as inadequate specialised equipment and lack of technical processes/knowledge associated with fish farming.

However, there is potential for growth by encouraging commercial aquaculture, which holds great possibility, particularly in decreasing the country's reliance on netted fish. Combined with shrimps and oyster, aquaculture has the potential to be economically feasible within the River Gambia's estuarine geography, as well as the freshwater plains of the Central River Division, for species such as catfish and tilapia. Commercial aquaculture entails the culturing of high-economic-value species such as shrimps aimed at the export market.

The potential for aquaculture development along the River Gambia could be targeted for future development. Investments in these areas could be focused and streamlined by GIEPA, as part of their investment promotion initiatives.

One of the areas of untapped potential and opportunity for The Gambia is advanced processing. There is currently no advanced processing of crustaceans, molluscs and fish products, such as frozen dinners, advanced filleting and special cuts. Investment in technology will play a critical role in moving the sector up the value chain towards areas such as advanced processing.

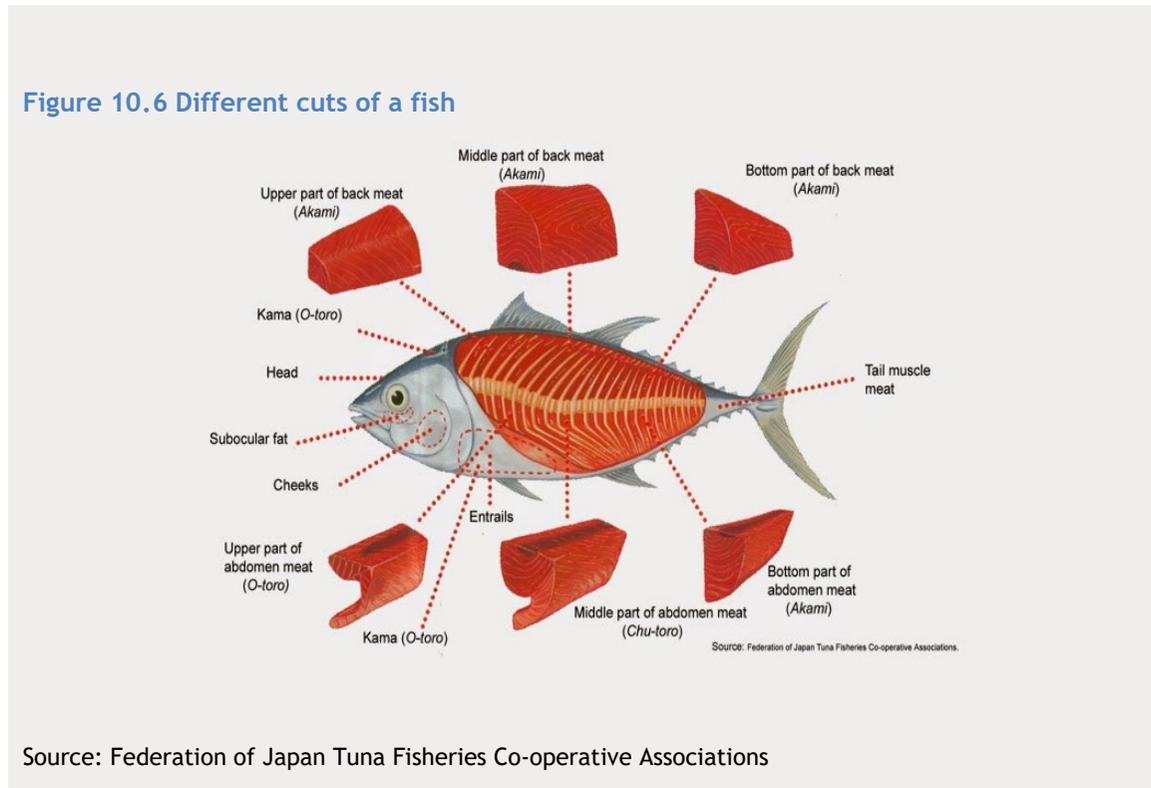
10.5.2 Tourism and fisheries linkages

The potential growth of the tourism sector is another opportunity for the fisheries sector, as hotels and restaurants will avail themselves of raw fish and fish-processed products. The tourism sector presents a readily available market of over 200,000 additional patrons per year.

10.5.3 Value added

Like the cow that can be separated into special cuts and sold at different premium prices for different parts, so too can the fish be subdivided into special cuts and sold at a premium.

Figure 10.6 illustrates this point. Advanced filleting is an opportunity to move up the value chain.



10.6 Development of Oyster Cultivation

The development of oyster cultivation has been a priority for the government for many years. The Department of Fisheries has conducted extensive research on the mangrove oyster of West Africa, *Ostrea tulipa*, which shows great potential. However, the research fell short in adequately identifying any markets.

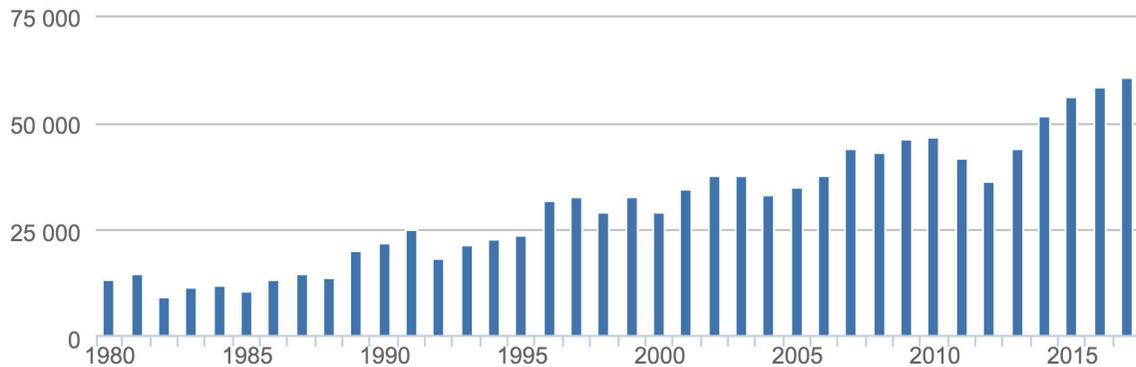
Oysters are an upper end product, with consumers willing to pay high prices. Overall world trade in this commodity is rather limited, at 70,000 tonnes. France is the main country exporting oysters, though is only at number five among the producing countries. This could be an opportunity for The Gambia to explore.

The rack system method of harvesting has proved to be a more efficient and sustainable alternative than the current harvesting method and is less destructive to the ecosystem. Policymakers need to adopt or encourage less destructive methods of cultivation, increase oyster production and provide better access to credit facilities for low-income producers.

10.7 The Fisheries Sector in The Gambia

The Gambia produces (captures) over 60,000 tonnes of fish annually, according to the Food and Agriculture Organization of the United Nations.

Figure 10.7 Fish production in The Gambia (tonnes)



Source: UN Food and Agriculture Organization 2020

The Gambia's fisheries sector consists of two subsectors: the artisanal fisheries subsector and the industrial subsector.

10.7.1 Artisanal fisheries

Artisanal fisheries consist of relatively extensive, low-capital fishing practices. This subsector refers to those fishermen and women (both nationals and foreigners) operating in small units of a few fishers - or on individual basis - employing little equipment and technology. The subsector is highly diversified, covering marine (coastal), brackish (through the estuary waters of the River Gambia) and freshwater (upstream along the river) fishing operations.

Despite the small-scale nature of its operation, the artisanal sector provides 90 per cent of the total national fish consumption and is the main source of raw material for the industrial sector. Artisanal fisheries also supply about 80 per cent of throughput to industrial fisheries processing plants.

10.7.2 Industrial fisheries

Unlike the artisanal sector, industrial fisheries and fish-processing activities involve use of high-cost fish-production systems (fish trawlers), as well as high-cost processing systems (fish factories) and are concentrated along the Atlantic coastline.

There are approximately 20 major players in the industrial fishing subsector, which are private Gambian entrepreneurs in partnership with private investors from countries such as Greece, Spain, Italy, China, South Korea and Holland. The Industrial subsector provides permanent and part-time employment to approximately 2,000 people.

Most of fishing vessels operating in our waters are foreign-owned, which have either entered the fishery through a joint venture, through fishing agreements such as the Reciprocal Maritime Fishing Agreement between The Gambia and Senegal, or through a compensatory agreement. These foreign-operated vessels do not land their catches in the country but in foreign ports.

Employment in the sector

The artisanal subsector employs between 25,000 and 30,000 people, while about 2,000 people work in the industrial subsector, according to the United Nations. The livelihoods of an estimated 200,000 people are indirectly dependent on fisheries and related activities. For women, in particular, fish processing and marketing provide an important source of income and livelihood support: an estimated 80 per cent of fish processors and 50 per cent of small-scale fish traders are women.

Image 10.1 Atlantic Seafood Fish Processing Plant, Feb. 2020



Women's involvement in fisheries

A recent assessment found that women are under-represented in local fisheries management groups and ownership and have less access to credit compared to men. Most of the women's involvement in the sector includes actual fishing for subsistence using basic techniques, such as home-made nets or pieces of cloth, processing and smoking of fish for storage, and some seasonal agriculture activities. Nevertheless, some women are involved in the buying and selling of fish on a commercial basis, as well as renting out fishing gear and storage areas to male fishers. Thus, although women do not typically go out in boats for fishing, they are involved in the activity through close-to-shore fishing and related activities for processing, selling and consumption.

Some of the problems facing women's fishing activities are the insufficient catch at the shore sides, and inadequate fishing equipment and gear, storage and processing facilities. Some women have identified the need for credit to enhance their economic activities, especially for female heads of households. Moreover, women's participation in community planning and decision-making is limited and therefore their needs are usually not addressed.

10.7.3 The policy environment

Following the identification of several constraints (institutional, technical, economic, social and physical) impeding the sustainable management and development of the fisheries sector, The Gambian government adopted a Fisheries Policy. This policy aims to address these constraints in order to contribute to the realisation of the country's goals, as outlined in the National Development Plan. The review process prior to the adoption of the new policy incorporated into it the principles of the Code of Conduct for Responsible Fisheries (CCRF), as well as other emerging trends in fisheries management.

The policy objectives include (among others): rational and long-term utilisation of the resources; the use of fish as a means to improve the nutritional standards of the population; increasing employment opportunities in the sector; increasing foreign exchange earnings; expanding the participation of Gambians in the sector; the development of aquaculture; and strengthening regional and international collaboration in the management and sustainable exploitation of shared stocks.

10.7.4 Fisheries trade partnerships

On 31 July 2019, the European Union and The Gambia signed a new, six-year Sustainable Fisheries Partnership Agreement (SFPA) and associated protocol setting out the fishing opportunities for EU vessels, the financial compensation to be paid by the EU and the modalities of sectoral support to the fishing sector of The Gambia. The current Protocol to the Fisheries Partnership Agreement covers the period 31 July 2019 to 30 July 2025, with a financial contribution of €550,000 per year for six years, out of which a specific contribution of €275,000 is dedicated to the support of the Fisheries Policy of The Gambia.

This fisheries agreement allows EU vessels from Spain, Greece and France to fish in Gambian waters and is part of the Tuna Network Fisheries Agreements in West Africa.

10.8 Key Issues and Constraints

The National Development Plan identifies key constraints in the fisheries sector due to increased illegal fishing, poor surveillance of fisheries resources in the high seas, an unsustainable number of commercial fishing licenses, declining landed catches, the high cost of energy needed for processing, and The Gambia's inability to comply with stringent sanitary and phytosanitary (SPS) requirements in the EU market. The NDP further states that the 'fisheries sector is faced with high attrition rate of trained and skilled workers, limited access to funding for the sustainable provision of adequate raw materials, a relatively small output making it difficult for the sector to make a mark on any market', ... 'incomprehensive and incoherent legal and policy framework, absence of a dedicated and deep-water fishing port or well-equipped fishing jetty, and inadequate repair and maintenance services, domination of the fishing sector by non-Gambians including ownership of fishing vessels, processing plants and the landing of most Gambian fish and processing outside of the country'.

More than 90 per cent of the fishing vessels legally operating in Gambian waters are foreign-owned and land their catch abroad, and hence cannot meet the requirement to land at least 10 per cent of their catch in the country because of 'lack of handling space in the existing Gambian factories', according to a report by the United Nations Conference on Trade and Development (UNCTAD).³

Many stakeholders have expressed concerns over the excessive exploitation of marine fish species. These concerns are further supported by the results of limited surveys and assessments, which indicate that the major marine fish stocks are over-fished or fully exploited. In particular, the most commercially important demersal species appear to be under threat from high levels of exploitation (Mendy 2009; Tobey et al. 2009) One of the main culprits is illegal, unreported and unregulated fishing, a problem that is costing the global fishing industry some US\$23 billion a year.⁴

Furthermore, a study by Changing Markets (2019) revealed that 'fishmeal and fish oil (FMFO) industry is using fishing practices that are stripping the oceans bare and damaging marine ecosystems to feed the booming aquaculture industry'⁵. The report also finds that the surge in popularity of fish (such as salmon and prawns) in the Western diet is causing fish stocks to collapse in The Gambia and taking a key source of protein away from the communities.

The National Development Plan further highlights the need for the country to intensify reforms in its fisheries and aquaculture sector. These would also include addressing the inadequate empowerment of women, high vulnerability of the fisheries sector to climate change, and natural disasters and damage to lucrative fish species by predator species. These reforms are in keeping with the National Export Strategy's focus on building resilience and focusing on responsible economic growth. They are intended to drive an increase to the sector's contribution to the country's GDP to 15 per cent, according to the development plan.

One of the key factors leading to a reduction in fish stocks in the waters of The Gambia is the growing threat of climate change. Changing water temperatures and water conditions caused by climate change are affecting aquatic life.

Further industry issues are presented in the SWOT analysis in Table 10.3.

Table 10.1 SWOT analysis of the fisheries sector

Strengths	Weaknesses
<ul style="list-style-type: none"> • Location - The Gambia is in a highly productive up-welling zone, rich in diverse fish species • Abundance of pelagic and demersal fish resources • Proximity to major trading partners - the EU and Africa • River Gambia for freshwater fish farming - aquaculture • Continental shelf of 4,000 square kilometres, with a 200 nautical mile exclusive economic zone (EEZ) • The sector contributes to food security • The sector creates employment and generates income and improved livelihoods • Tool for poverty reduction • The sector receives strategic support from government, civil society and private sector • An important source of foreign exchange • Abundant supply of fish in high demand, for example, sole fish • Existence of fisheries legislation • Fisheries regarded as a priority investment area by government, with attractive investment incentives • The halving of the country into two by the River Gambia provides for freshwater fish across the country • Membership and signatory to major subregional, regional and international fisheries protocols • The existence of bilateral co-operations • The existence of The Gambia Food Safety and Quality Authority, for implementation of SPS measures • Existence of an accredited microbiological lab for food testing 	<ul style="list-style-type: none"> • Inadequate infrastructure for improved fish handling and processing - cold storage facilities, landing sites, smoke houses and drying platforms • Inadequate technical and scientific expertise to ensure conformity with industry standards • Inability to adequately implement sanitary and phytosanitary (SPS) measures to ensure sustained market access • Weak management • Limited access to credit • High cost of credit • Poor development and organisation of fisheries associations and community-based organisations (CBOs), particularly artisanal • Some bilateral agreements do not always adequately favour The Gambia • Inability to effectively implement the fisheries legislation • High cost of inputs - fuel, fishing nets, equipment, boat engines • Inadequate monitoring, control and surveillance • Fishing vessels do not always follow designated demarcations for permissible fishing • The use of illegal fishing methods and practices by some operators • Lack of control, monitoring and management of fish stocks • Limited access to air and sea freight • Fragmented value chain • Weak knowledge of the main markets, potential buyers and market access requirements • Unavailability of adequate transport storage facilities (by air, sea and land) • Poor road networks linking production centres and markets • Low production levels (production is mainly artisanal fishing and for subsistence purposes)

<ul style="list-style-type: none"> • The waters of The Gambia are comparatively cleaner than other regions • More than half of the fish processors are certified for the EU market 	<ul style="list-style-type: none"> • Lack of support infrastructure <ul style="list-style-type: none"> ○ cleaners ○ ice factories ○ processing units ○ shipyard • Limited number of suppliers that sell inputs and materials for the fisheries industry • Low bargaining power of fishers • Lack of conservation systems of fish products/ weak infrastructure network • Overfishing, due to fishing outside the fishing season • Insufficient and weak capacity of laboratories to carry out testing • Limited number of fishing ports • Irregular supply of electricity • High costs of docking and handling containers at ports • Delays in the issuance of certificates • Lack of proper fishing ports for landing of fish in relation to signed bilateral fishing agreements with Senegal • Cumbersome technical conformity for compliance • Weak linkages • Low level of investment (particularly FDI) in industrial fishing
Opportunities	Threat
<ul style="list-style-type: none"> • The potential to replicate pilot projects of Community Fisheries Centres (CFCs) • A growing world population and increased urbanisation increases demand for marine food sources • Changing eating habits and a growing health consciousness, away from meat towards fish and seafood • Growing middle class in key markets • Aquaculture creates new opportunities to address need for more supplies to meet growing demand • The opportunity to further explore and expand the value chain and create high value-added interventions in fish processing, for example, vacuum sealing, advanced filleting, special cuts 	<ul style="list-style-type: none"> • Climate change • Depletion of fish stocks through illegal, unregulated and un-reported fishing activities • Destruction of the marine ecosystem and biodiversity due to trawl fishing and overfishing • Export bans, sanctions and trade restrictions for reasons of sanitation and non-compliance with international standards and protocols • Climate change affects marine life (both quantity and quality) • Unsustainable practices will adversely affect future supply levels • Strong competition from regional and international producers • Ocean pollution affects the quality and quantity of fish and raises issues of the suitability of fish

<ul style="list-style-type: none"> • Entry into new markets, for example, China, AGOA, etc. • Increasing demand for fish products because of increasing health consciousness 	<p>for human consumption, for example, presence of metals, such as mercury and lead, in fish</p>
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Endnotes

¹ Marine Biodiversity Assets and Threats Assessment 2009.

² COMTRADE Mirror Statistics 2020.

³ Data retrieved from The Fisheries Sector In The Gambia: Trade, Value Addition And Social Inclusiveness, With A Focus On Women, UNCTAD, 2014, pg. 6-7

⁴ The Fisheries Sector In The Gambia: Trade, Value Addition And Social Inclusiveness, With A Focus On Women, UNCTAD, 2014, pg. 10

⁵ Farmed Fish Diets Wiping Out Wild Fish Stocks In Asia And Africa, Changing markets, 2019, pg.1

10.9 Objectives and targets

The National Development Plan sets clear targets for the fisheries sector. The NDP is anticipating increased fish and fish product exports from 32 to 43 per cent of total fisheries output. The NDP identifies targets as follows:

- Fisheries to contribute 15 per cent of GDP by 2025
- Increase total production of fish resources from 60,000 tonnes to 75,000 tonnes
- Increase budget allocation to aqua culture development from D2,000,000 to D10,000,000
- Increase the percentage of fish resources exported from 32 per cent to 43 per cent

Table 10.2 Strategies and actions

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	OVI / Target
To strengthen monitoring, controls and surveillance (MCS) / to reduce illegal, unreported and unregulated fishing (IUU)	<ul style="list-style-type: none"> - Provide patrol boats and the necessary logistics for the smooth operation and maintenance of the patrol boats. - Partnering with subregion and international partners to protect our waters. 	Gambia Navy Ministry of Fisheries Monitoring Control and Surveillance Unit Department of Fisheries	Jan 2021 and ongoing (five years)	30,000,000	<ul style="list-style-type: none"> - Two Mark VI patrol boats - memoranda of understanding (MOUs) signed
To reduce overfishing	<ul style="list-style-type: none"> - Creation of fishing quotas for fishing vessels. - Limiting the number of fishing vessels allowed to fish in the Gambian waters. 	Ministry of Fisheries Department of Fisheries Association of Industrial Fishermen	Jun 2021-May 2022	100,000	Fishing quotas and limits ascertained and implemented into law
To sensitise or create awareness of all fisheries operators on sustainable exploitation of fisheries resources	<ul style="list-style-type: none"> - Organise workshops and seminars. - Organise radio and TV programmes. - Community outreach to create sensitisation and engage local fishers through traditional Kafos (A women's group). 	Ministry of Fisheries Fisheries Department NAAFO, NASCOM The National Fisheries Platform Media outlets, centre management committees, traditional groups or Kafos	Jan 2022-Dec 2022	300,000	A one-year awareness campaign developed and launched
To strengthen the research and development division of the fisheries sector	<ul style="list-style-type: none"> - Adequately train the fisheries field staff and data collectors. - Create a statistical database for processing, reporting and analysing all fisheries data. - Provide tools for a fish market survey. 	Fisheries Department Gambia Bureau of Statistics Ministry of Fisheries	Jun 2021-Jun 2025	100,000	<ul style="list-style-type: none"> - One training session per year (five in total) - Database developed - Market survey tools provided

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	OVI / Target
To provide and improve relevant infrastructure (storage facilities, smoke houses, drying platform etc.)	Construction of a well-equipped fishing jetty with adequate capacity.	Lead: Ministry of Fisheries Support: Department of Fisheries (DOF), Ministry of Finance (MoF), Ministry of Foreign Affairs (MoFA), Physical Planning Department (PPD), Ministry of Lands and Surveys (MLS), National Environment Agency (NEA)	Jan 2022-Dec 2025	15,000,000	
	Rehabilitation of existing infrastructure at fish landing sites countrywide.	Lead: Ministry of Fisheries Support: DOF, MoF, MoFA, PPD, MLS, NEA			
	Construction of Morden smoke houses, complying with international health standards.	Lead: Ministry of Fisheries Support: DOF, MoF, MoFA, PPD, MLS, NEA			
	Construction of storage facilities countrywide.	Lead: Ministry of Fisheries Support: DOF, MoF, MoFA, PPD, MLS, NEA			
	Construction of drying platforms.	Lead: Ministry of Fisheries Support: DOF, MoF, MoFA, PPD, MLS, NEA			
To strengthen and encourage formation of fisheries association and co-operatives	Capacity building and the provision of soft loans.	Ministry of Fisheries, Department of Fisheries, Credit Associations, Development partners etc.	Jan 2022-Dec 2022	200,000	
To strengthen the fisheries value chain	<ul style="list-style-type: none"> - Promoting oyster culture. - Introducing the processing, packaging and export of oysters. - Introducing innovative and appropriate technology application (cold chain fish preservation) 	Ministry of Fisheries Department of Fisheries Ministry of Trade, Food Safety and Quality Authority (FSQA), Gambia Standard Bureau, other relevant stakeholders	Jun 2022-Dec 2023	1,500,000	

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	OVI / Target
To reduce pollution of aquatic environments and ecosystems	<ul style="list-style-type: none"> - Posing heavy fines on pollution offenders. - Conducting an adequate study to reduce pollution of aquatic environments and ecosystems 	Ministry of Fisheries, Department of Fisheries, NEA, Ministry of Environment University of The Gambia (UTG), local community members	Sep 2020-Dec 2025	50,000	
To enhance the management of fisheries revolving funds	Strengthen the loan recovery mechanism.	Ministry of Fisheries, Department of Fisheries, centre management committees	Jan 2022-Dec 2022	10,000	
To improve vessel tracking standards	Establish automatic identification systems and vessel monitoring systems.	Ministry of Fisheries, Department of Fisheries, Gambia Navy, Ministry of Defence, Ministry of Finance, other relevant institutions	Six months	250,000	
To enhance the access and availability of fishing inputs	<ul style="list-style-type: none"> - Provision of subsidies by the government. - Purchase of fishing units. 	Ministry of Fisheries, Department of Fisheries, Ministry of Finance, other relevant institutions	One year	150,000	
To enhance market access and diversification	<ul style="list-style-type: none"> - Improve the hygiene and sanitary conditions of fisheries processing establishments. - Standardise post-harvest operations to maintain international standards. 	Ministry of Fisheries, Department of Fisheries, Ministry of Trade, FSQA, Gambia Standard Bureau, other relevant stakeholders	Two years	50,000	

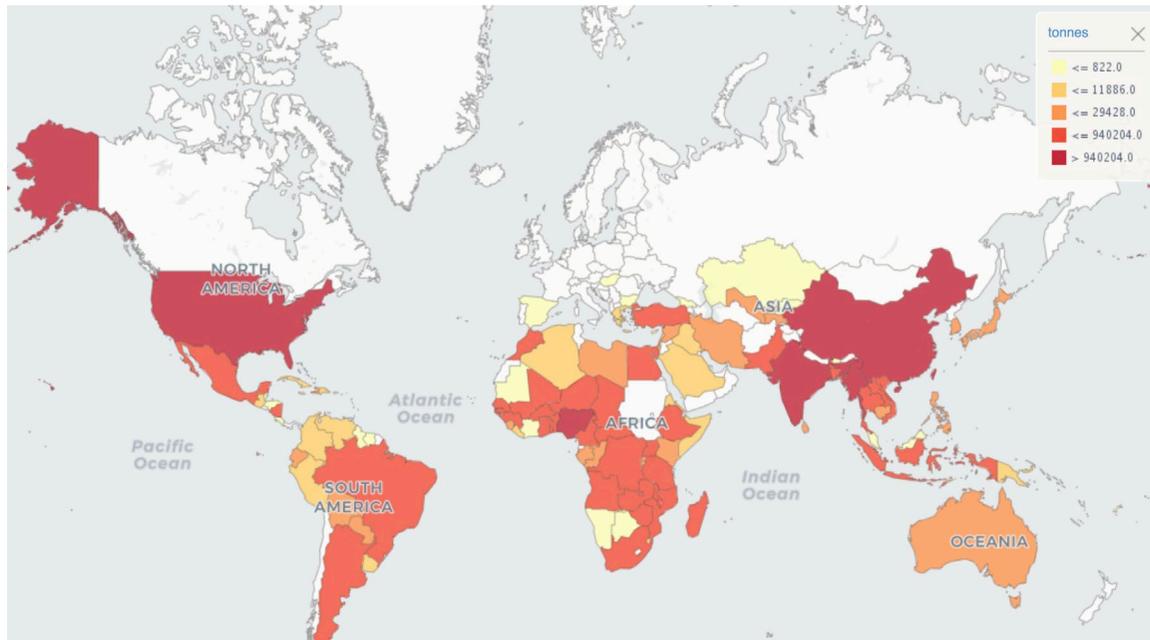
Total fisheries budget: US\$47,710,000

Chapter 11 The Groundnut Sector

11.1 The Global Groundnut Sector

Global groundnut consumption is predicted to grow at an average annual rate of 4.1 per cent (2020-2030)¹. As of 2018, China and India were the largest consumers and exporters of groundnuts in the world, accounting for more than 36 per cent of global consumption.

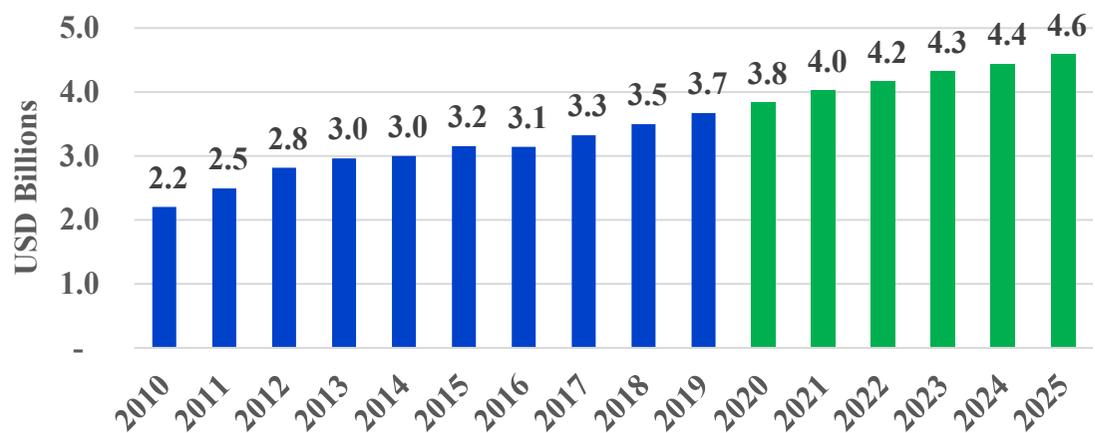
Figure 11.1 Global groundnut production



Source: FAOSTAT 2020

The most lucrative groundnut product is peanut butter, which was valued at an estimated US\$3.8 billion in 2020 and is projected to reach US\$4.6 billion by 2025.² Currently, The Gambia has only managed to exploit 0.02 per cent of the global market (or US\$0.8 million).

Figure 11.2 Global peanut butter revenue



Source: Statista.com; Tourism Intelligence International 2020

* Note: Forecast - 2020 to 2025

11.2 Performance of Groundnut Exports

Groundnuts are grown throughout The Gambia and constitute one of the country's key exports. Groundnuts are the main source of foreign exchange for The Gambia, accounting for 30 per cent, and meeting 50 per cent of the national food requirements.³

Since the 1980s, groundnut exports have declined as a result of adverse climatic conditions, in-country marketing challenges, fluctuating global market prices, and low-quality nuts due to poor handling and post-harvest practices.

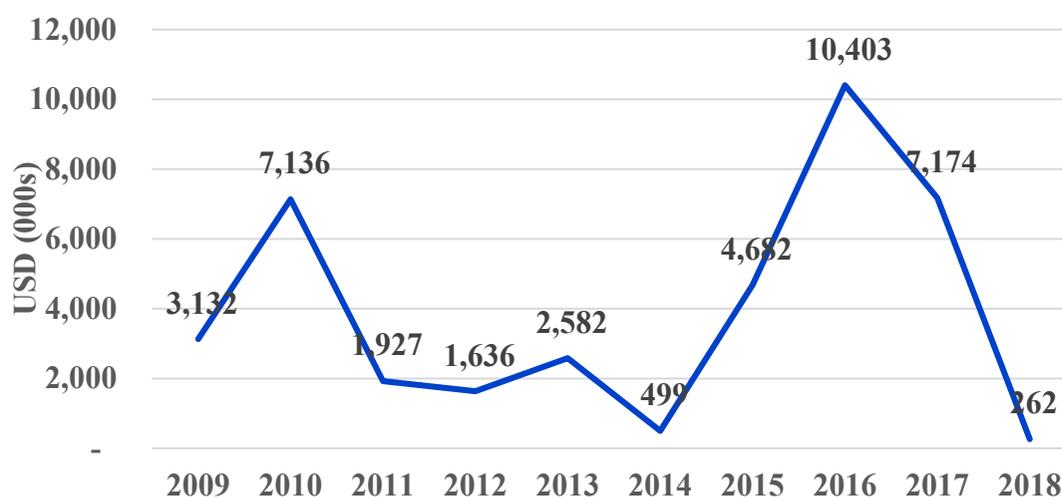
Efforts targeted at revitalising the sector identified the need to commercialise the sector. In 1993, the industrial assets were privatised, ending the government subsidy scheme and allowing private sector players to take over marketing and export. In the immediate years following privatisation, the sector enjoyed adequate crop finance, effective marketing, improved maintenance and investment in industry assets, and an enhanced contribution to research funding.

However, in 1999, the government revised its privatisation decision and managed the subsector until 2003, when it finally withdrew from marketing the cash crop. Exports collapsed in 2004 to US\$9.6 million, compared to US\$49 million in 1975. The collapse in export earnings was largely because of failures in marketing arrangements.

The government has since renewed its commitment to the sector through the development of the National Development Plan, which has strong emphasis on the development of the agriculture sector - with great importance placed on groundnuts. The sector has also received international support, particularly through the Youth and Trade Roadmap for Agro-processing and Nuts from the ITC. The importance of the sector is further reflected in the National Export Strategy, where it is identified as a priority export sector.

Export of groundnuts, according to UN COMTRADE data, has been volatile over the past ten years (see Figure 11.3). Climate change, drought and fluctuations in global prices have affected growth of the sector. In addition, the presence of aflatoxins in the crop has hurt efforts to grow the European market and take full advantage of the EPA trade agreement. One of the major trade partners within the EU was the UK. Now export to this important market has dried up. In 2010, export of groundnuts to the UK were valued at US\$6.5 million (over 90% of groundnut exports that year). There has been virtually zero exports of groundnut to the UK from The Gambia in the last three to four years. Aflatoxins is a major issue that must be addressed.

Figure 11.3 Groundnut exports (USD 000s)



Source: TradeMap.org 2020

The drying up of the EU market has spurred exporters to look elsewhere for business. All roads point to China, since the SPS requirements for aflatoxins are considerably more relaxed than those for the EU. Some issues still remain, but Vietnam is being used to gain ‘access’ to China. Therefore, while data show that in 2017, Vietnam accounted for more than 90 per cent of groundnut exports from The Gambia, the real intended market was China, as reported by the Gambia Groundnut Corporation (GGC)⁴.

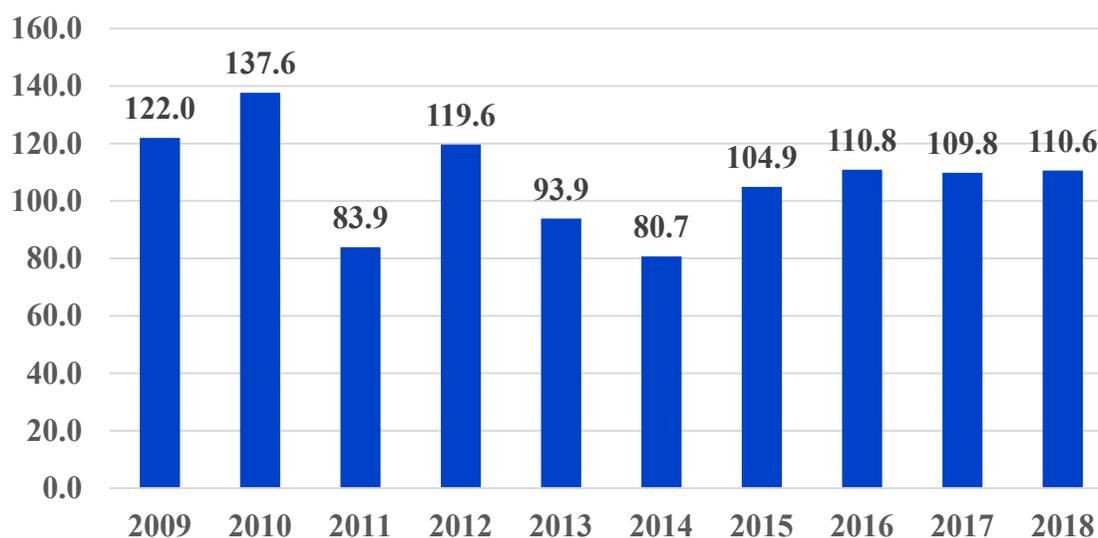
11.3 The Groundnut Sector in The Gambia

Groundnuts are of paramount importance to The Gambia. Approximately 45 per cent⁵ of agricultural land is devoted to groundnut production and nearly 70 per cent of the agricultural labour force works in groundnut farming, handling, processing and trade. Notably most groundnut handlers are male. Groundnuts contribute approximately 7 per cent of the GDP of the local economy and account for 30 per cent⁶ of the foreign exchange to the country.

Groundnuts are mostly grown for food by small artisanal farmers as a semi-subsistence crop. Groundnuts are cultivated primarily under rain-dependent conditions, with few inputs (mainly land and labour). Groundnut cultivation is subject to drought stress (for example, Sahelian drought) and to high levels of pest and disease infestation (predominantly aflatoxins). As a result, yields can vary substantially from year to year.

The Gambia generally produces over 100,000 tonnes of groundnut on a yearly basis, of which roughly 8-12 per cent are exported⁷. Production has remained stable since 2015. However, the sector is dependent on rainfall. In the past, groundnut production has suffered significant declines; for example, a 22 per cent decline in 2013 and a 14 per cent drop in 2014, mainly due to reduced rainfall conditions.

Figure 11.4 Groundnut production - tonnes (000s)

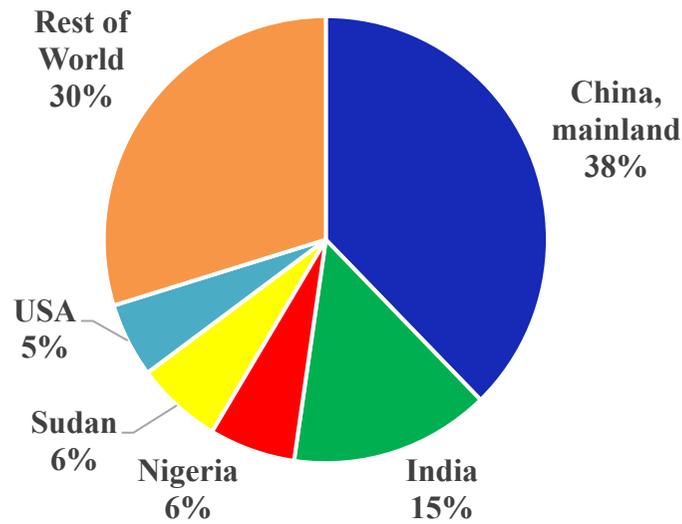


Source: FAOSTAT 2020

11.4 Competitive Environment

Cultivated on over 25 million hectares, the current global production of groundnuts averages 46 million tonnes.⁸ Over 70 per cent of the world output in 2018 was harvested in China (37.7%), India (14.6%), Nigeria (6.28%), Sudan (6.28%) and the USA (5.39%)⁹. Other African countries produce about 16 per cent of the world output and Latin America supplies some 4.5 per cent.¹⁰ The Gambia, accounted for 0.24 per cent of global production in 2018.

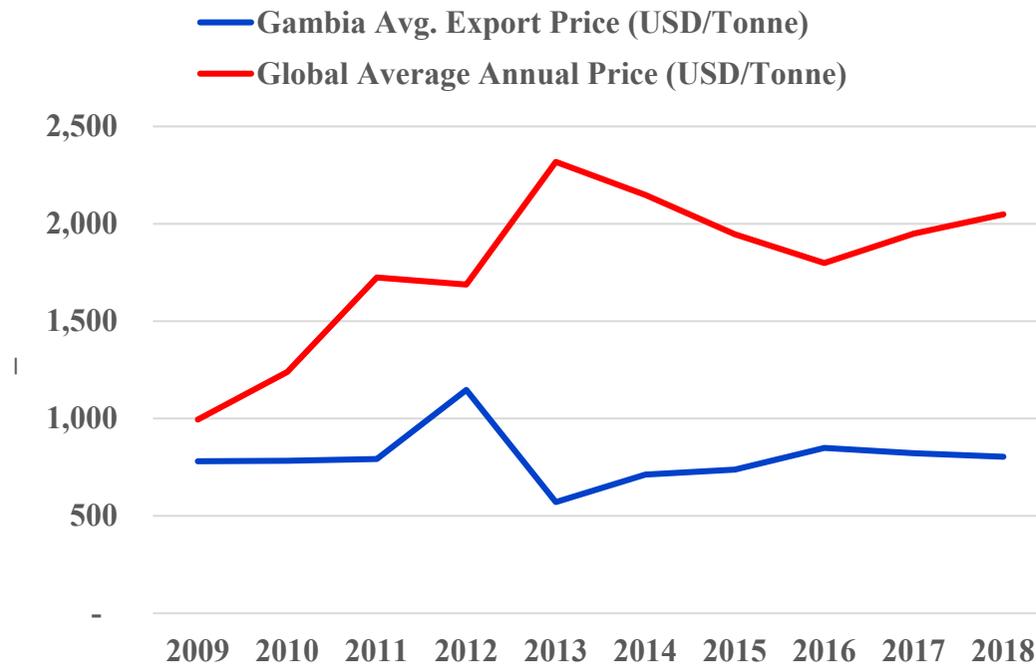
Figure 11.5 Main producers of groundnut, 2018



Source: FAOSTAT 2020

Not only does The Gambia account for a small portion of global groundnut production, but it is also unable to access global prices. The Gambia's average unit price per tonne of exported groundnuts has been relatively stable since 2013. However, this has been typically around half the global average annual commodity price for groundnuts. This has been largely due to the quality of the groundnuts, because of the high level of aflatoxins. Regaining access to the EU market will help to increase prices.

Figure 11.6 Average groundnut prices (US\$/tonne)



Source: TradeMap.org and Federal Reserve Bank 2020

*Note: Export value over export quantity (EV÷EQ = Price Per Tonne)

11.5 Opportunities and Implications

Very little value-added groundnut processing is currently carried out in The Gambia, and many current exports are sold as low-value products (for example, birdfeed) - this presents an untapped area of potential investment.

Groundnuts are the base of a diverse set of products, and it is possible to obtain 63¹¹ derivative products from raw groundnut. A small selection of these are shown in Figure 11.7.

Figure 11.7 Derivative products from groundnuts

Roasted & salted peanuts	Groundnut oil	Peanut butter
Peanut flour	Soaps	Shampoos
Dyes	Fertilizer	Bioenergy from shells

Source: GIEPA 2013

Investors in groundnut production in The Gambia therefore have the opportunity not only to export raw nuts, but also to consider processing activities that would enable value-added products to be developed and sold at a premium. For example, peanut butter is a staple in many developed countries, particularly the USA and Europe.

11.6 Key Issues and Constraints

The low performance of the groundnut sector is due to a range of factors, including: an unfavourable macro-fiscal stance in recent years; a weak policy and institutional framework; insufficient budgets (capital and recurrent); difficult access to modern inputs and to finance; ineffective research and advisory services; rainfall variability and climate shocks; lack of transport and market infrastructures; limited irrigation; and high post-harvest losses due to poor handling, inappropriate storage, high levels of aflatoxin contamination, low levels of application of food safety management systems along the value chains, as well as poor adherence to SPS and technical barriers to trade (TBT) standards of the export markets.

11.6.1 Aflatoxins

Among the major challenges facing the country are the inherent problems of aflatoxin, particularly within the groundnut value chain. The inability of The Gambia to comply with the stringent European Union aflatoxin regulations has effectively reduced the contribution of this sector to foreign exchange earnings. The high presence of aflatoxins has virtually closed off the EU market to Gambian groundnut exporters. Approximately 416 metric tonnes of groundnut exports were rejected at the EU border, resulting in an estimated economic loss of US\$72,000 for the period 2012 to 2015.¹²

As a result, the government is committed to the promotion and attraction of investment in aflatoxin mitigation technologies, as identified in the NDP. Investment in business opportunities presented by these technologies - particularly, post-harvest handling and drying equipment for groundnuts, the production and commercialisation of safe seed dressing chemicals, etc. - could be promoted.

In addition, responding to aflatoxin challenges requires streamlined interventions to handle and manage products in line with acceptable SPS practices and standards at various stages of the value chain, including building the capacity of key actors in the sector.

11.6.2 Limited mechanisation and use of technology

There is limited mechanisation of smallholder agriculture in The Gambia and farmers face different land issues, such as decreasing fertility of arable land, soil salinisation and erosion. Hence, there are many opportunities for increasing productivity along the value chain by facilitating adoption of mechanisation and strengthening the capacity to exploit bigger hectares of land.

11.6.3 Rain-dependent sector

The groundnut sector is also vulnerable to weather conditions. Rainfall is not always certain and the Sahelian phenomenon is always a challenge for the sector, which seriously affects productivity and yield. To improve the sector's productivity, actions need to be implemented to address irrigation issues. Irrigation mechanisation, the use of the River Gambia and the use of boreholes are all suitable measures. However, the option to use the River Gambia may provide the most impact.

11.6.4 Low value added

Another key issue is the low level of value added in the sector. Only an estimated 18 per cent of the value added within the chain from the Gambian producer to the consumer outside the country takes place within The Gambia, according to a recent study by the International Trade Centre (2017). This is due to ongoing low levels of raw nut processing in The Gambia and the fact that local roasting and packaging for final consumption (42% of value added) is virtually non-existent. While some low-level expeller processing (also called oil pressing, is a mechanical method for extracting oil from raw materials takes place along the value chain, producing cakes and oil, these are not sufficient to generate the kind of wealth that the sector requires. High value addition should be considered, and the commensurate investment opportunities targeted and promoted.

Value added may not only come from processing but also from farming practices. Organic farming, for example, can attract a premium in developed markets. However, certification for organic is time consuming and very costly.

11.6.5 Male-dominant sector

The groundnut sector is largely dominated by men at senior levels. According to the Agro-processing and Nuts Roadmap by the ITC, 92 per cent of top managers in the groundnut sector are men. Women are mostly located at the lower levels - picking and cleaning. More needs to be done to encourage and support female-run businesses in the sector.

Table 11.1 Groundnut sector SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Ready availability of arable land - 45% of arable land available for cultivation • Favourable climatic conditions for production • Inexpensive and available labour supply • Favourable investment climate and incentives for agricultural investment 	<ul style="list-style-type: none"> • Limited access to finance • High interest rates • Lack of technical know-how in value-addition processing of groundnuts • Insufficient high-quality seeds • Marketing challenges and inadequate financing for marketing of the cash crop

<ul style="list-style-type: none"> • Proximity to EU and African markets • The River Gambia for transportation • The River Gambia for irrigation • Availability of underground water for irrigation using boreholes. • Support programmes in place for the industry • Established channels to some target markets with experience to expand reach based on trade agreements, for example, ECOWAS, EPA, AGOA • Geographic location within Africa and location near to seaports • Strong linkages and support arrangements between exporters and farmers • Co-operation and collaboration in the industry • Strong government support • Short maturity period for crop development (approx. 3 months) 	<ul style="list-style-type: none"> • Inadequate processing equipment and storage facilities • High cost of transportation from farm gate to buying and processing centres • High cost of farming inputs • Aflatoxin, pests and disease challenges • Inability to access EU market because of aflatoxins • Rainfall dependent • Male-dominated sector • Inadequate commercial farms and predominant use of subsistence-type farming techniques and practices • Inadequate research and development (R&D) and limited agricultural extension services • Ineffective co-operative schemes • High non-performing loans in the subsector, which may cause banks to shy away from financing the sector • High inputs and logistics costs - seeds, fertilisers, electricity • Inadequate agricultural extension services • Limited specialisation in extension services • Logistical challenges, for example, periodic ferry inefficiencies and delays and limited freight availability • Unfavourable land tenure system for financing • Lack of knowledge of international markets and their entry requirements • Limited capacity for testing and certification of products to ensure products meet international requirements • Limited ability to certify national production • Poor post-harvest management • Cost and strictness of standards and certification programmes • Weak export focus among many potential and current suppliers • Limited innovation and use of technology to match evolving market trends • Increasing security costs • Increasing praedial larceny in the industry • The sector is very fragmented and highly informal/artisanal in nature
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	<ul style="list-style-type: none"> • An aging farmer population and low involvement in the sector by young people
Opportunities	Threat
<ul style="list-style-type: none"> • Value-addition opportunities through processing, for example, peanut butter • High and consistent global demand for groundnuts • River Gambia for irrigation • River Gambia for removal from farm gates to processing centres • River Gambia for transportation • Multilateral institutional support for the development of the value chain - FAO / Aid for Trade, Commonwealth • Aflatoxin detoxification using ammonia or hydrogen peroxide or other suitable methods • AGOA, EU Everything But Arms (EBA) initiative, West Africa (WA)-EU EPA and GSP export market access • Export to new markets with lower standards and requirements, for example, China • The recent signing of the AGOA agreement to gain access to the US market • Climate and soil quality conducive to growing groundnuts • Exploitation of regional African markets (and their diasporas) yet to be fully explored • Co-operative/cluster base to be better explored for greater efficiency and output 	<ul style="list-style-type: none"> • Global warming and climate change, for example, Sahelian drought • Rural-urban migration • Preference of farmers for alternative cash crops - notably cashew supplemented by other annual crops • International price volatility • Pests and disease - also occasional invasion of locusts from the Sahara • Increasing and new non-tariff barriers on exports - specifically sanitary and phytosanitary (SPS) measures and environmental regulations • Low growth in the domestic market • Low levels of investment in the sector • Strong competition • Issue of non-comparable treatment of imports - not same level of diligence as trading partners • Volatile foreign exchange rates (euro to dalasi)

11.7 The Groundnut Value Chain Analysis

Several stakeholders are involved in producing, marketing, processing and exporting groundnuts. Up to seven entity categories can be involved in channelling the product from the grower to the consumer in export markets. See Figure 11.8 on the groundnut value chain.

Groundnuts are purchased by the local processing company. Farmers are compelled to sell the surplus in the parallel market (unofficial marketing channel) at a lower price to at least gain profit from its production. It is exported or consumed as kernels, cakes and oil. The main actors in the sector are producers, intermediaries and industrial stakeholders. The Gambian Groundnut Corporation is the body responsible for collecting and exporting groundnuts.

Value-added opportunities lie largely in the marketing and advanced processing elements of the chain.

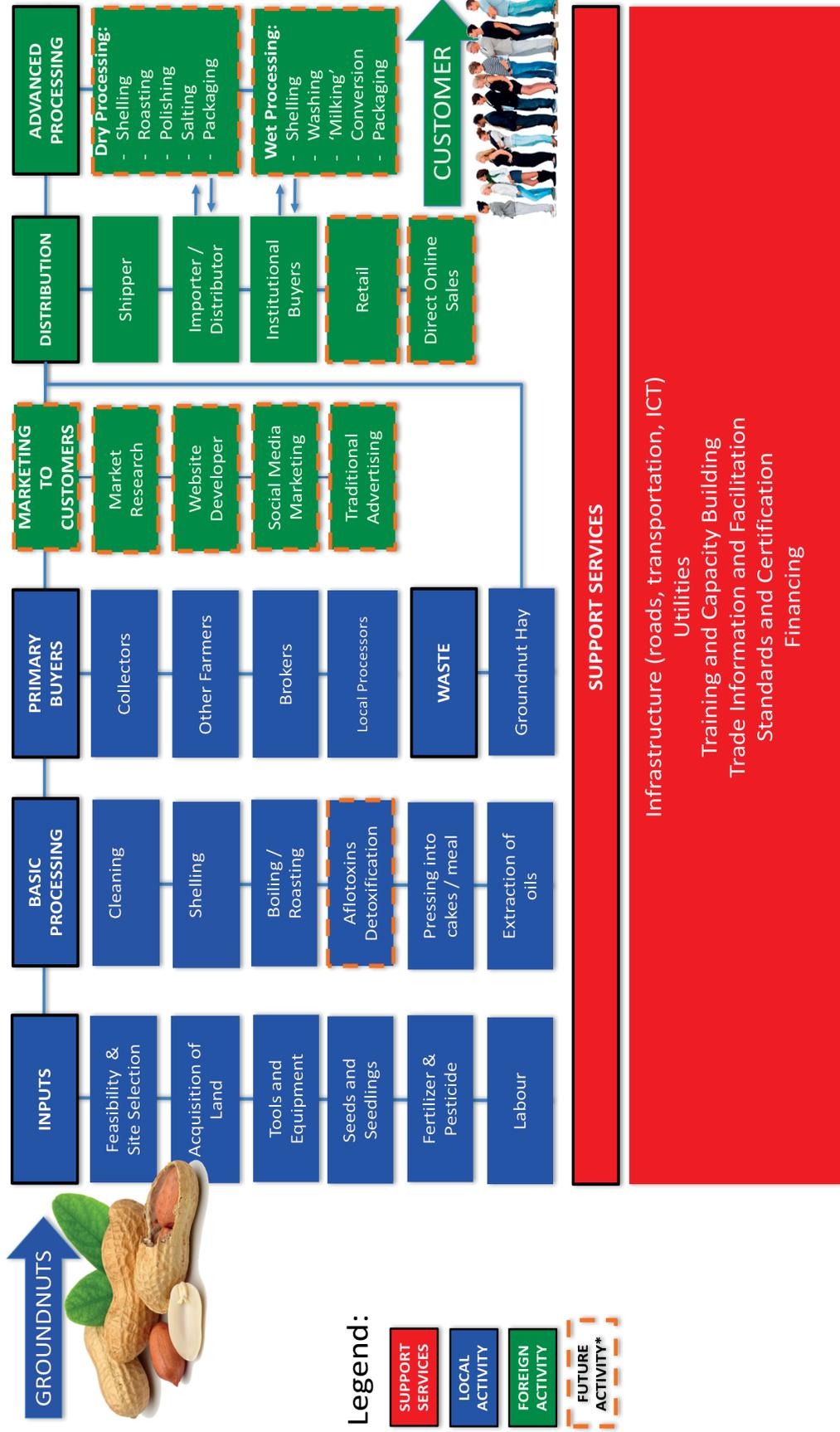
Endnotes

¹ Statista.com 2020.

² Forecast by Tourism Intelligence International 2020.

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- ³ The Gambia Common Country Assessment 2015.
- ⁴ Based on Stakeholder Meeting with the Principals of the Gambia Groundnut Corporation, March 2020
- ⁵ FAOSTAT 2020.
- ⁶ Gambia National Development Plan (2018–2021), p 172.
- ⁷ Calculated based on quantities exported (UN COMTRADE data) over quantities produced (FAO data), 2020.
- ⁸ FAOSTAT 2018.
- ⁹ Ibid.
- ¹⁰ International Trade Centre, Groundnut Report. 2017. <https://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Projects/YEP/groundnut.pdf>
- ¹¹ US Department of Agriculture's Foreign Agricultural Service (2010), Revitalization of the Groundnut Sector in West Africa, March.
- ¹² The Partnership for Aflatoxin Control in Africa. (2017), Situational Analysis for Aflatoxin Mitigation within the National Food Safety System of The Gambia, (C-SAAP).

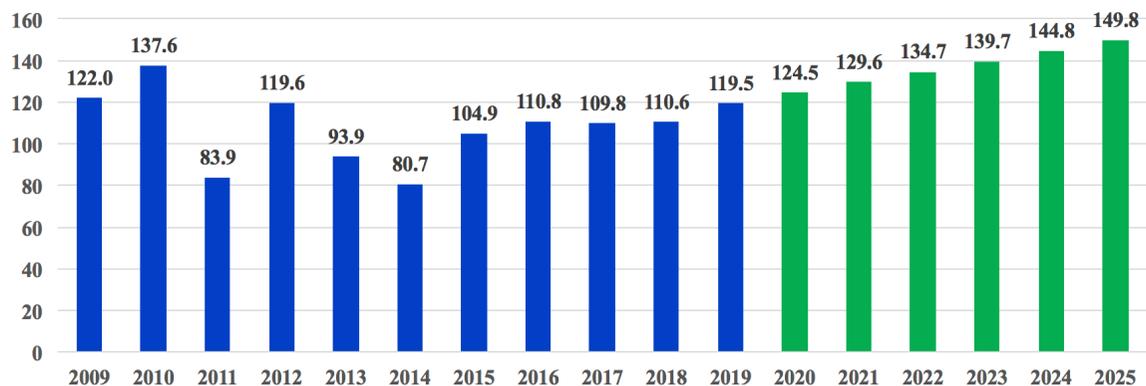
Figure 11.8 Groundnut value chain analysis



11.8 Objectives and Targets

Based on moderate assumptions, a forecast for the groundnut sector was developed. The National Development Plan set a target for groundnut production to increase to 100,000 tonnes by 2021. The production in the sector has already surpassed those projections. Further forecasting projects groundnut production to reach 149,834 tonnes by 2025. This represents a projected CAGR of 3.8 per cent per annum between 2020 and 2025.

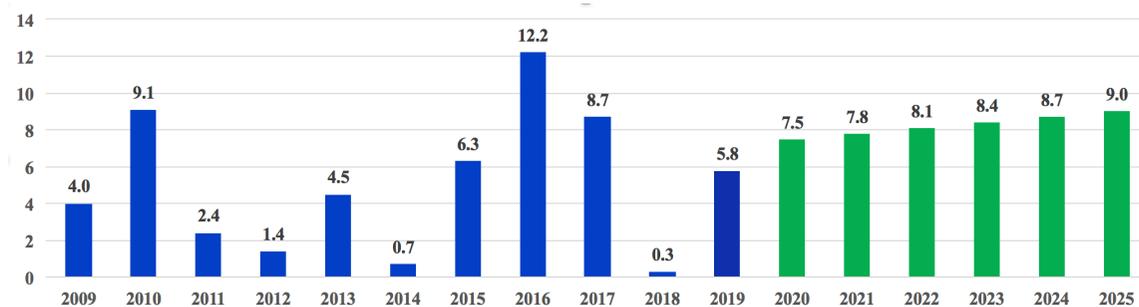
Figure 11.9 Forecast groundnut production in The Gambia (thousand tonnes), 2020-2025



Source: Food and Agriculture Organization; Forecast by Tourism Intelligence International 2020

Further forecasting projects groundnut exports as shown in Figure 11.10. The groundnut export target is set at 6 per cent of groundnut production, an increase of 2 percentage points above the current average levels. The target is set at 9,000 tonnes for exports.

Figure 11.10 Forecast groundnut exports (thousand tonnes), 2020-2025



Source: Food and Agriculture Organization; Forecast by Tourism Intelligence International 2020

Key targets are summarised as follows:

1. Grow local output by 3.8 per cent per year
2. Local production output to reach approximately 150,000 tonnes by 2025
3. Export output to reach 9,000 tonnes by 2025

Table 11.2 Groundnut sector strategy

Strategy	Activities	Responsibility	Timeframe	Budget (US\$)	Objectively verifiable indicators
To reduce aflatoxins in groundnuts	Implementing technology to reduce aflatoxins (see what other countries are doing to reduce aflatoxins).	Ministry of Agriculture (MOA), Gambia Groundnut Corporation	June to Dec 2021	100,000	Testing applied to 50% of crop (GGC reporting)
To promote sector development	Encouraging the development of local value-added processing industries.	GIEPA	Jan 2022	250,000	Processing industries set up, training carried out among at least 2,000 persons
Attraction of FDI inflows to the sector	<ul style="list-style-type: none"> - Identifying and attracting potential investors into the sector. - Creating fiscal and non-fiscal incentives to attract FDI. - Encouraging, supporting and incentivising investments in female-run businesses. 	GIEPA	June 2021-May 2022	20,000	10% increase in FDI into sector by 2025 (GIEPA reporting)
To increase the level of production	Creating research institutes, engaging the private sector, using improved seeds and increasing technical assistance to farmers.	GIEPA	Jan 2021 to Dec 2025	150,000	15 female businesses supported
Research and development	<ul style="list-style-type: none"> - Certifying groundnut seeds. - Training. 	MOA	Jan 2021 to Dec 2025	100,000	Output increased by 50% over period (reporting by MOA)
To revitalise and strengthen groundnut producers associations (for example, co-operatives and others)	Sensitising farmers to form organisations and apex organisations (managed and controlled by them).	GOTG, National Agricultural Research Institute (NARI), NGOs	Jan 2021-Dec 2025	1,000,000	R&D carried out
To enhance production and distribution	<ul style="list-style-type: none"> - Utilising the River Gambia for year-round production (inputs of fertiliser and aflatoxins¹ and agribanks²). 	Agribusiness Services Unit, NGOs	Jan 2021-May 2023	400,000	Association supported
		MOA, Dept. Water Resources, Gambia Transport Union	Jan 2021-Dec 2025	1,000,000	River Gambia effectively utilised

Strategy	Activities	Responsibility	Timeframe	Budget (US\$)	Objectively verifiable indicators
To enhance the conformity assessment system	- Transportation using the hinterlands. Implementing a centralised accredited testing laboratory.	GOTG, The Gambia Standards Bureau	Jan 2021-Dec 2025	6,000,000	Testing lab established

Total groundnut budget: US\$9,020,000.00

¹ A safe chemical used to reduce aflatoxins

² Agricultural farming along the river banks

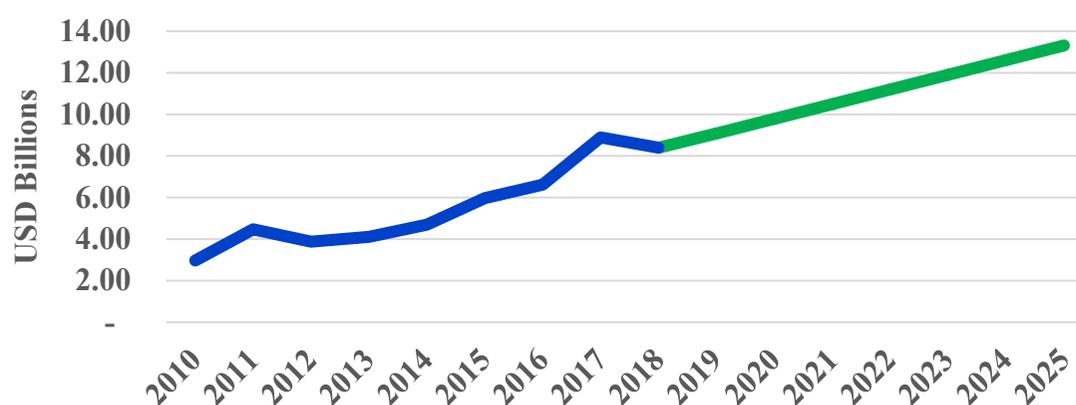
Chapter 12 Cashew

Cashews offer one of the most dynamic alternatives to The Gambia's main export commodity - groundnuts. Not only does The Gambia already produce and export a significant volume of cashews, but high-quality Gambian cashews currently command a premium from international buyers. As such, the cashew sector has been identified as a key priority sector for export growth in The Gambia.

12.1 The Global Cashew Sector

The international cashew export market was valued at US\$8.4 billion in 2018, growing at a CAGR of 9.4 per cent between 2010 and 2018. Global cashew exports are projected to reach US\$13.3 billion by 2025, with a forecasted CAGR of 6.8 per cent between 2019 and 2025, to account for both production growth as well as increased prices.

Figure 12.1 Global cashew export (USD billions)

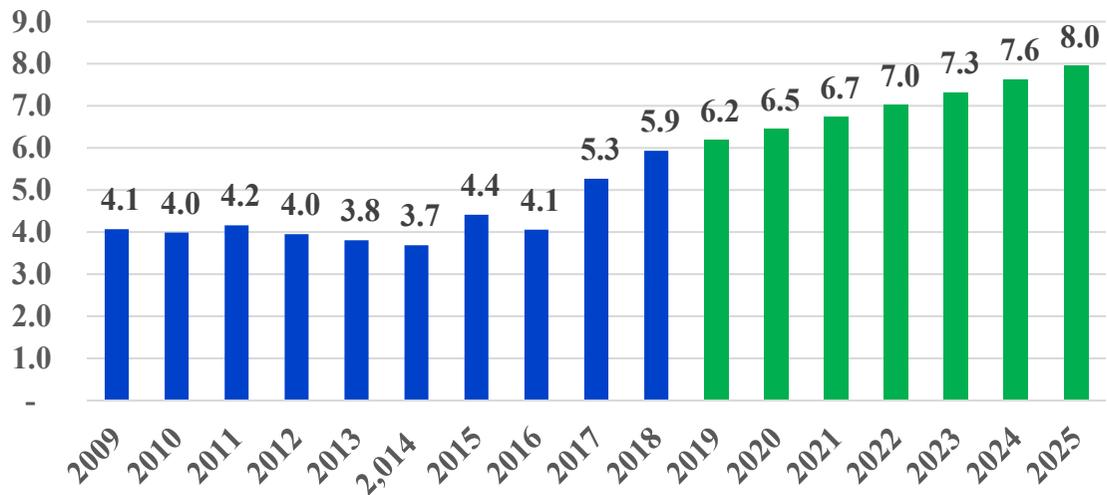


Source: TraedMap.org 2020

*Note: Forecast by Tourism Intelligence International 2020

Raw cashew nut (RCN) production has been growing at a CAGR of 4.28 per cent (between 2009 and 2018) and is projected to reach 8 million tonnes by 2025. At present, The Gambia accounts for 0.05 per cent of global RCN production.

Figure 12.2 Global raw cashew nuts (RCN) production

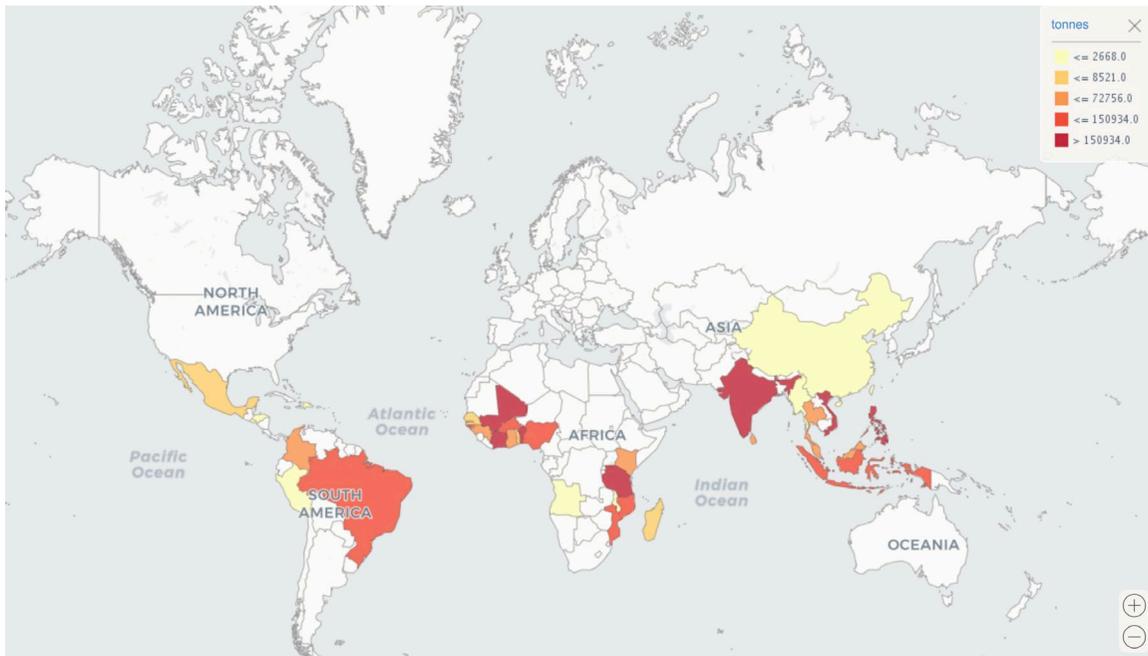


Source: FAOSTAT 2020

* Note: Forecast by Tourism Intelligence International 2019-2025

The growth drivers identified in the global market are increasing demand for healthy snacks, increasing demand from European countries and an increase in the number of primary processing units in Africa. The restraints identified in the market are weather-related uncertainties, food safety issues and the prevalence of small-scale primary processing infrastructure.

Figure 12.3 Global RCN production by country



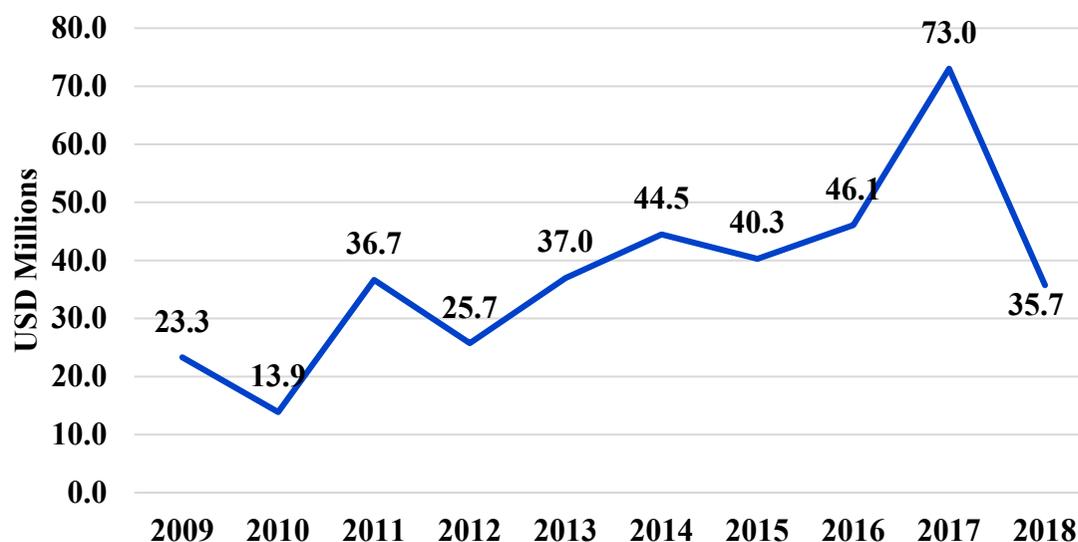
Source: FAOSTAT 2020

12.2 Performance of Cashew Exports from The Gambia

The cashew nut sector in The Gambia has been growing rapidly. Between 2009 and 2017, cashew exports from The Gambia were growing at a CAGR of 15.3 per cent. However, there

was a significant dip between 2017 and 2018 of 51 per cent (which was due to an embargo placed on RCN from specifically Senegal and Guinea Bissau coming into The Gambia for re-export). The Gambia mainly exports raw cashew nuts and does not currently export cashew nuts without shell. The relative high export value (mirror data) could also be accounted for based on imports of cashew from Bissau and Senegal for further export.

Figure 12.4 Cashew exports (USD millions)¹



Source: TradeMap.org Mirror Statistics 2020

12.3 Market Analysis

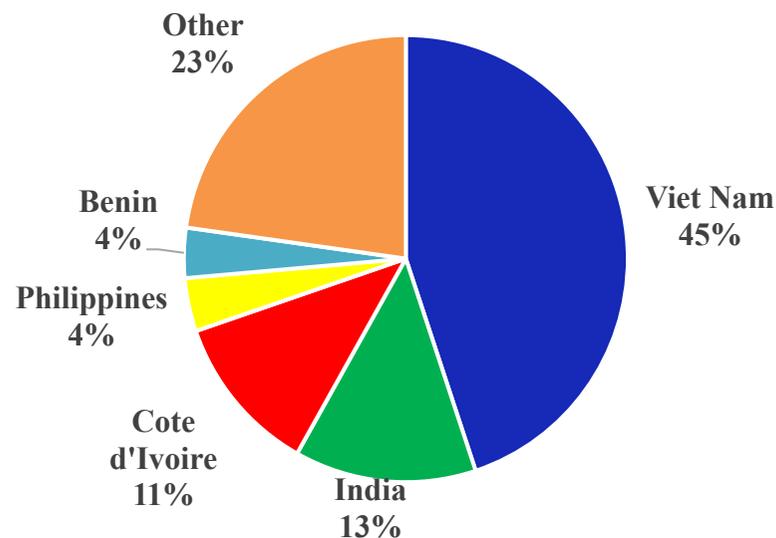
India is the largest market to receive raw cashew nut exports from The Gambia. The second-largest market is Vietnam. Collectively, these two markets account for virtually 100 per cent of the exports of cashew from The Gambia.

Globally, the top importers of cashew (shelled ‘processed kernel’ and in shell ‘RCN’ combined) are India, the USA and Vietnam. The Gambia is not sufficiently capitalising on key markets such as USA and Europe, and is not taking adequate advantage of trade agreements such as AGOA and the EU-EPA.

12.4 Competitive Environment

Vietnam is the largest cashew-producing country in the world. In 2018, Vietnam accounted for 45 per cent of global production. It is the largest supplier of cashew to the some of the largest consumers in the world: the United States, China, Australia, Canada and New Zealand. India, the second-largest cashew producer, accounted for 13.3 per cent and Cote d’Ivoire 11.6 per cent in 2018.

Figure 12.5 Main producers of cashew, 2018



Source: FAOSTAT 2020

The Gambia cannot compete with large cashew-producing giants such as India and Vietnam because of limited comparative land availability. To truly benefit from the trade in cashew, The Gambia needs to move up the value chain (for example, via value-added processing, marketing and packaging), focusing on being niche (for example, producing organic cashew milk), and exploiting key assets such as the River Gambia for transportation and irrigation.

12.5 The Cashew Sector in The Gambia

The cashew sector in The Gambia continues to receive strong support from the government. Cashew development is addressed in the National Development Plan and further supported by several initiatives, including the Youth and Trade Roadmap for Agro-processing and Nuts, developed by ITC through the YEP. And now, the sector has been elected for priority consideration within the National Export Strategy.

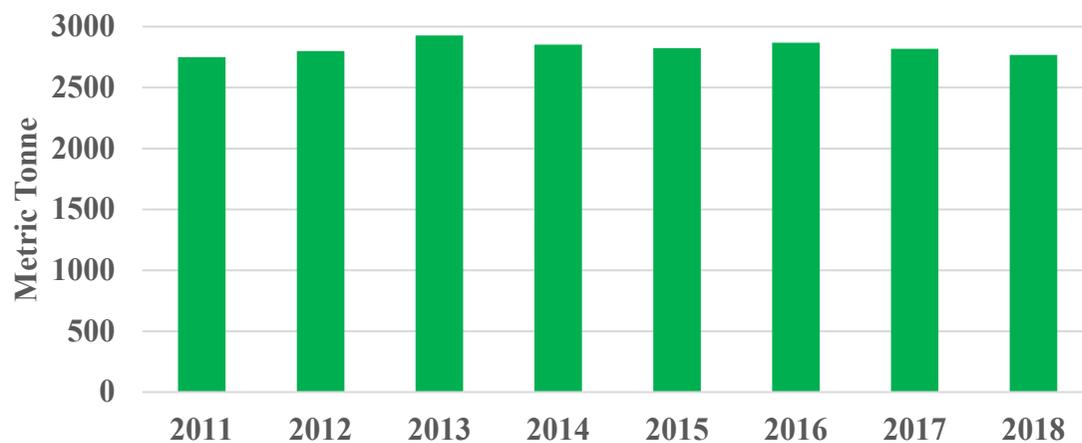
The production of raw cashew nuts steadily increased from a low 200 tonnes in 1998 to 2,768 tonnes in 2018. Since cashew took off in The Gambia, production has been steady. The sector currently has over 12,000² cashew growers, while the majority of cashew farmers are individual landowners with average holdings of 1-3 hectares (ha).³

Gambian cashew nut farming has gained most of its momentum in the Western and North Bank regions. It is estimated that there more than 2 million cashew trees planted on approximately 23,529 ha.

Although the overall production capacity of RCN is still relatively low in The Gambia, the throughput of RCN at Gambian ports is estimated at around 70,000 metric tonnes. The difference between the throughput and local production comes from neighbouring Bissau and Casamance (Senegal). These RCN find their way into the country primarily for two reasons: an efficient port in The Gambia and the proximity of The Gambia's ports to Casamance relative to that of the Port of Dakar, Senegal.

The challenge with cashew processing, though not peculiar to The Gambia, is that to be economically viable there must be enough output of processed kernels. This implies the need for a calculated expansion either in the size of existing farms, the entering of new farmers into cashew production, or an increase in imports of RCN from the subregion to ensure processing plants can achieve economically sustainable operations.

Figure 12.6 Cashew production in The Gambia (metric tonnes)



Source: FAOSTAT 2020

12.6 Opportunities and Implications

One of the key opportunities for The Gambia cashew sector is to move up the value chain. Currently, cashew is mostly exported in its raw or near-raw form. More processing is recommended, particularly at the higher end of the value chain - roasted cashew, cashew butter, cashew milk, cashew juice (from the fruit), etc.

In addition, local demand and taste for cashew could be positively influenced. Cashew could be used in a variety of dishes. Also, the fruit could be used for local juicing. The hotel and restaurant sector provide an additional 'market' for processed cashew.

Table 12.1 SWOT analysis for the cashew sector

Strengths	Weaknesses
<ul style="list-style-type: none"> • 24-hour port operations service with quick turnaround time on throughput shipments • High-quality local crop variety with good resistance to diseases • Ready availability of arable land - 45% of arable land available for cultivation • Existence of industry organisation and collaboration through the National Cashew Federation • Attractive investment incentives • Favourable climatic conditions for production • Inexpensive and available labour supply • Favourable investment climate and incentives for agricultural investment • Proximity to EU and African markets • The River Gambia for transportation and irrigation 	<ul style="list-style-type: none"> • Lack of R&D in cashew • High fuel and electricity costs • Numerous checkpoints which impede the transit and export of RCN • High corporate tax (32%) and municipality taxes • High interest rates (17%-30%) and other charges • Low skills in processing and cropping best practice • Underutilisation of available land • Periodic ferry inefficiencies and delays • Limited access to finance • Lack of technical know-how in value-addition processing of cashew and cashew apple • Marketing challenges and inadequate financing for marketing of cashew to international buyers • Inadequate processing equipment and storage facilities • High cost of transportation from farm gate to buying and processing centres

<ul style="list-style-type: none"> • Geographic location within Africa and location near to seaports 	<ul style="list-style-type: none"> • High cost of farming inputs • Inadequate commercial farms and predominant use of subsistence-type farming techniques and practices • Ineffective co-operative schemes • High inputs and logistics costs - seeds, fertilisers, electricity • Inadequate agricultural extension services • Unfavourable land tenure system for financing • Lack of knowledge of international markets and their entry requirements • Limited innovation and use of technology to match evolving market trends • Increasing security costs due to praedial larceny • The sector is very fragmented and highly informal /artisanal in nature • An aging farmer population and low involvement in the sector by young people • The infusion of low-quality RCN from neighbouring countries, especially Mali, into the harvest of organic RCN, can lead to the loss of premium organic cashew status being enjoyed in the global market (traceability)
<p style="background-color: green; color: white; padding: 2px;">Opportunities</p>	<p style="background-color: red; color: white; padding: 2px;">Threat</p>
<ul style="list-style-type: none"> • Value-addition opportunities through processing, for example, cashew milk, cashew butter, cashew apple jams • High and consistent global demand for cashew nuts and related products • The River Gambia for transportation • The River Gambia for irrigation • AGOA, EU Everything But Arms initiative, WA-EU EPA and GSP export market access • Commercialised horticulture for exports • Packaging and processing • Proximity to a major export market (South Africa) • Climate and soil quality conducive to growing certain crops • Environmental positioning based on products and processes/systems • Exploitation of regional African markets (and their diasporas) yet to be fully explored • Co-operative / cluster base to be better explored for greater efficiency and output 	<ul style="list-style-type: none"> • Port of Bissau improving on its efficiency, thus making it more attractive to export from Bissau • Periodic closure of the Senegal-Gambia border • Non-compliance with ECOWAS Protocols, specifically Free Movement of Goods and Persons • Global warming and climate change, for example, Sahelian drought • Rural-urban migration • Preference of farmers for alternative cash crops - notably groundnut supplemented by other annual crops • International price volatility • Pests and disease - also occasional invasion of locusts from the Sahara • Increasing and new non-tariff barriers on exports - specifically sanitary and phytosanitary (SPS) measures and environmental regulations • Low growth in the domestic market • Low levels of investment in the sector • Strong competition • Issue of non-comparable treatment of imports - not same level of diligence as trading partners • Volatile foreign exchange rates

Endnotes

¹ Note: Data may possibly include goods being transported by land from Southern Senegal, leaving through the port in Banjul and being counted as The Gambia's export.

² Based on discussions/meetings with the Cashew growers stakeholders. [Stakeholder discussions, March 2019, Banjul]

³ African Cashew Initiative (2011), Analysis of the Cashew Value Chain in Senegal and The Gambia, GIZ, Germany.

Figure 12.7 The cashew sector value chain analysis

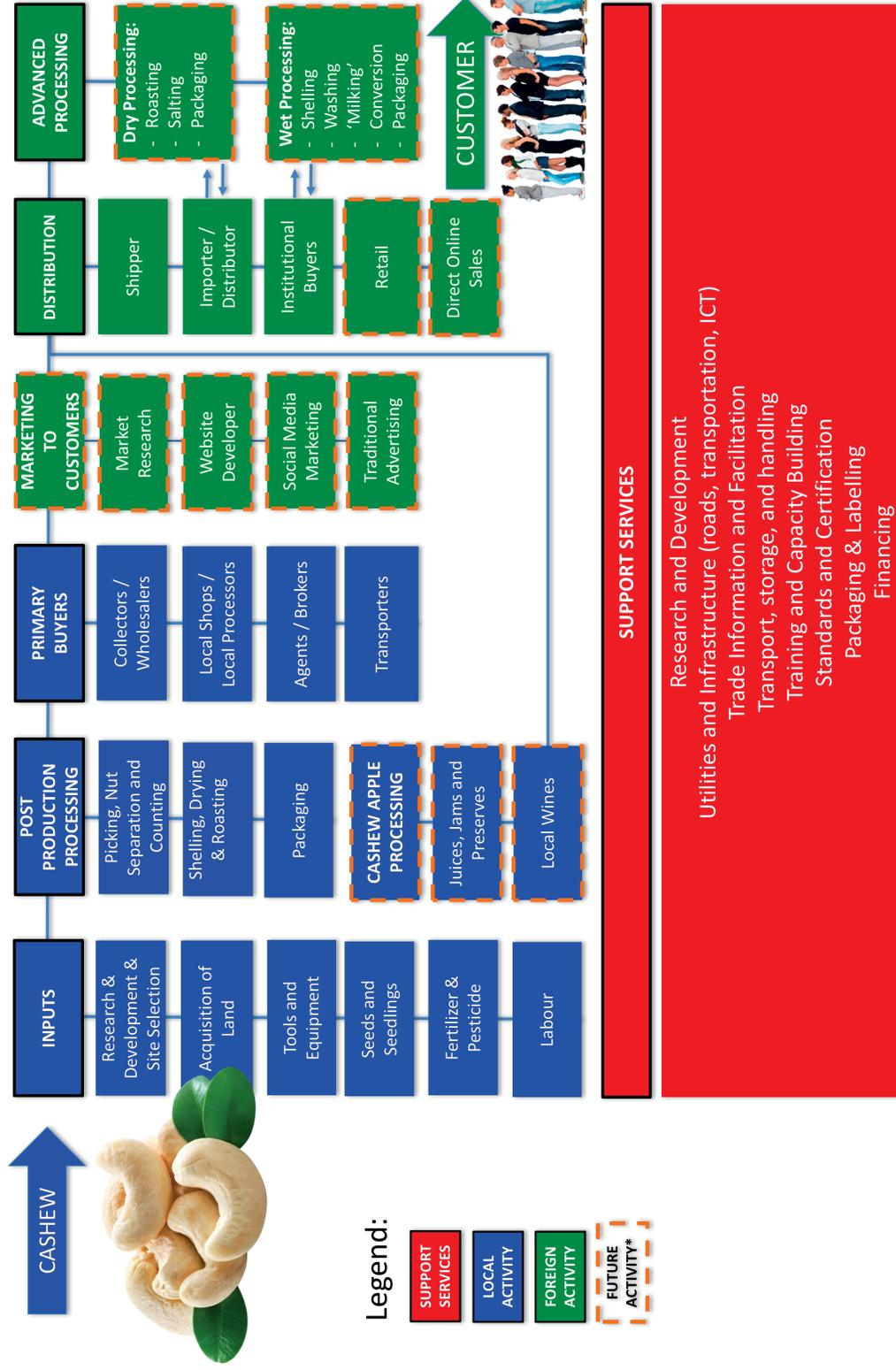


Table 12.2 Strategies and actions

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	OVs / targets
To organise and strengthen cashew sector with support services that enable structured development	Bringing the value chain players under a single umbrella.	Ministry of Agriculture (MOA), sector associations	Jan 2021-Dec 2022	50,000.00	Appropriate organisation established
	Developing a regulatory mechanism for the cashew sector by institutionalising registration of cashew value chain players, cashew harvesting and trading seasons.		Jan 2021-Dec 2025	100,000	Regulatory mechanism implemented
	Identifying, training and coaching quality controllers along the value chain.		Jan 2021-Dec 2025	250,000	Training and coaching implemented
To improve cashew sector with the ability to produce higher volumes and better-quality raw cashew nuts to compete globally	<ul style="list-style-type: none"> - Introducing recommended quality varieties. - Coming up with well-equipped R&D units. - Adopting good agricultural practices. - Introducing organic cashew farming. - Creating viable markets for The Gambian RCN. 	Ministry of Trade, MOA GIEPA, sector associations	Jan 2021-Dec 2025	2,000,000	<ul style="list-style-type: none"> - New varieties introduced - R&D carried out - Organic farming introduced - New markets explored
To increase capacity of Gambian RCN and its value-added (processed) products to develop, enter and perform in global markets	<ul style="list-style-type: none"> - Training value chain players to become value adders/processors. - Accessing advanced processing machinery to enhance productivity. - Branding the processed or value-added products to be attractive in the global market. 	Ministry of Trade MOA, Cashew Alliance the Gambia Gambia Chamber of Commerce and Industries, GIEPA Gambia Ports Authority	Jan 2021-Dec 2025	2,500,000	<ul style="list-style-type: none"> - Training implemented - Machinery identified - Branding carried out - Support given for certification - Markets identified and targeted

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	OVI / targets
	<ul style="list-style-type: none"> - Supporting certification of value adders. - Creating a viable market and market linkages for value-added products. - Creating access to an efficient market information system. 				<ul style="list-style-type: none"> - Market information system implemented
To encourage equitable opportunities in the sector	<ul style="list-style-type: none"> - Ensuring that women entrepreneurs and female workers are included throughout activities. - Ensuring that youth entrepreneurs and young workers are included throughout activities. - Ensuring that rural entrepreneurs and rural workers are included throughout activities. 	GIEPA, MOTIE	Jan 2021-Dec 2025	750,000	<ul style="list-style-type: none"> - 150 women targeted for training and entrepreneurial /employment support - 150 young persons targeted for training and entrepreneurial /employment support - 75% of all outreach/support is targeted towards rural communities

Total cashew budget: US\$5,650,000.00

Chapter 13 Horticulture

Horticulture is an important subsector of agriculture and plays an integral role in the livelihood of Gambians, especially that of rural communities and women. The agricultural sector accounts for about 46.4 per cent¹ of employment in The Gambia, with an estimated contribution to GDP of 32 per cent.² It is estimated that the horticulture subsector accounts for about 65 per cent³ of the agricultural labour force, with a GDP contribution of about 4 per cent⁴ or roughly US\$66.8 million.⁵ Horticulture exports accounted for about 7.5 per cent of local output in 2019,⁶ or roughly 0.3 per cent of GDP. It is, therefore, evident that the horticultural subsector is an important employer within the agricultural sector and is in dire need of improvement in terms of its productivity and contribution to GDP (65% of agriculture labour producing only 4% of GDP is not sufficient).

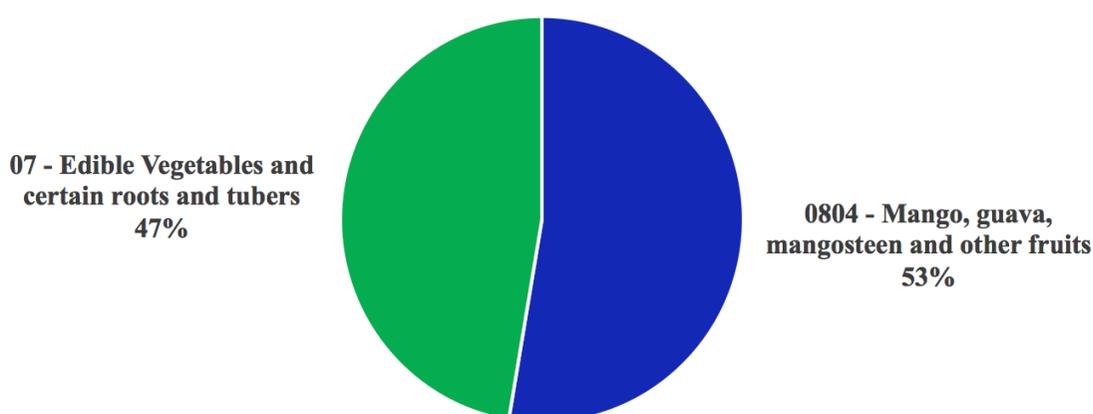
The importance of horticulture is also evident in the contribution it makes to national food security, sustenance and poverty alleviation, and to household incomes, especially those of rural dwellers and women. Horticultural activities in The Gambia are largely seasonal, with off-season (dry-season) activities that lasts from November to June, subject to some degree of small-scale irrigation made possible by dug-out wells. Horticultural outputs during the rainy season are usually of a low quality compared to those produced during the dry season.

The horticultural subsector is dominated by individual subsistence farmers and women-dominated communal horticultural activities, with limited commercialised horticultural players. The few commercial players include Gambia Horticultural Enterprise (GHE), Radville Farms, Kharafi Farms and Tropingo. Despite the estimated 285,000 ha of arable land available for agricultural activities, no available statistics could validate the area used for horticultural activities. Commercial horticultural activities are estimated to account for fewer than 1000 ha and their primary focus is on the production of fruits - mostly mangoes.

13.1 Horticulture Export Performance

Horticulture exports are generally evenly split between fruit (mainly HS Code 0804) and vegetables (HS Code 07), each accounting for 53 per cent and 47 per cent respectively.

Figure 13.1 General composition of horticulture exports from The Gambia in 2019

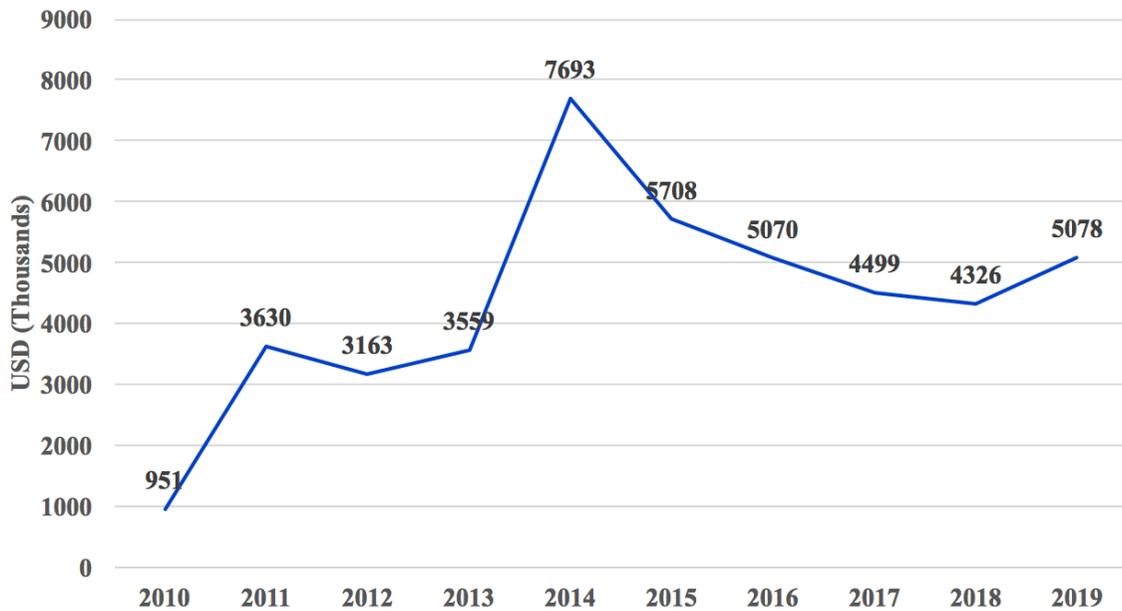


Source: TradeMap.org 2020

Horticulture exports are at a relatively low base, at US\$5 million in 2019, and contribute only 0.5 per cent to GDP, based on mirror data. Between 2010 and 2019, the sector experienced a

CAGR of 20.5 per cent per annum, driven mostly by growth in vegetable exports such as peppers and fresh beans.

Figure 13.2 Horticulture export performance (USD thousands)



Source: TradeMap.org, Mirror Statistics 2020

13.2 Market Analysis

The two main markets for horticulture exports from The Gambia are the UK and Belgium. These two markets account for 94 per cent of all vegetable exports and about 98 per cent of fruits.

Figure 13.3 Export market share - vegetables

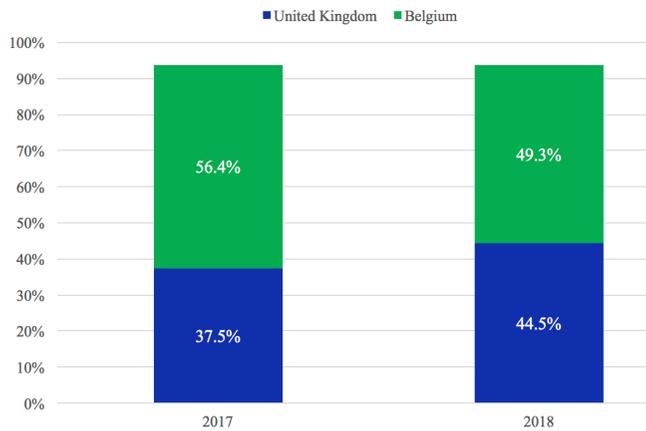
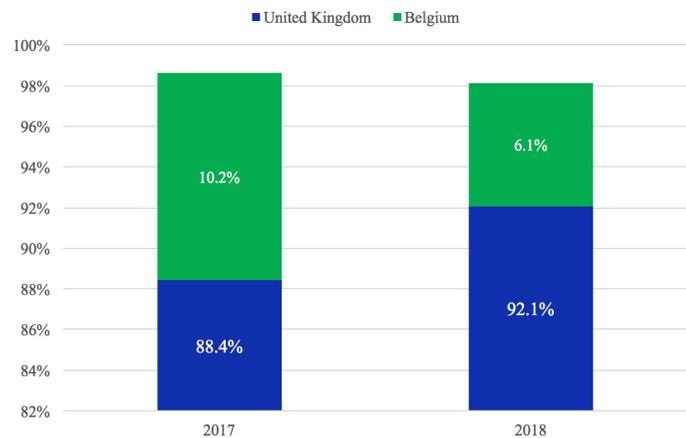


Figure 13.4 Export market share - fruits



Source: TradeMap.org 2020

13.3 Competitive Environment

The main competitors globally to The Gambia's horticulture exports are China, the Netherlands, Mexico, Spain and Costa Rica. Collectively, China, the Netherlands and Spain account for one-third of the global export of vegetables (34%) and Mexico, the Netherlands and Costa Rica account for two-fifths (39%) of the global export of fruit (HS Code 0804).

Figure 13.5 Top exporters of vegetables (HS Code 07)

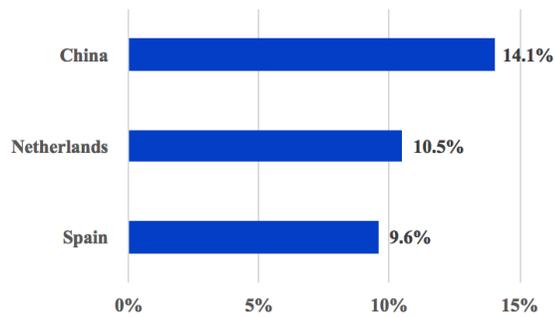
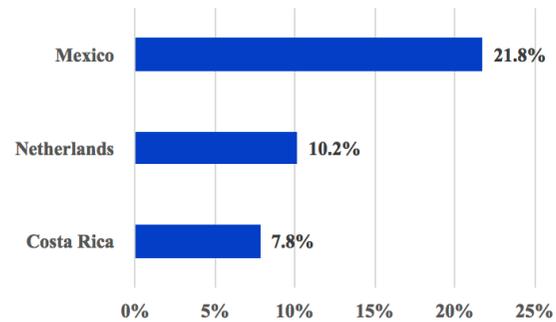


Figure 13.6 Top exporters of fruits (HS Code 0804)



Source: TradeMap.org 2020

The entire horticulture sector, from growing to processing to retailing, is an extremely competitive field, where profit margins are typically so low that it is often challenging to maintain profitability. Locally, the sector's competitiveness is also hindered by high-energy costs, the high cost of finance and changing consumer tastes.

Global population growth and increased urbanisation of key markets mean that the demand for food will continue to grow. Growing health consciousness will also increase demand, specifically for fresh, naturally grown and organic options, an area The Gambia could consider for future competitiveness.

The Gambia should not attempt to compete head-on with the global horticulture export leaders such as China and the Netherlands. Instead, the sector players need to focus on what makes their products unique and on the strength of The Gambia brand. Products also need to be strategically positioned to take advantage of the sector's natural and potential strengths such as healthy, organic and fair-trade produce. This positioning can help to justify the higher prices of some products. In addition, the sectors need to look for opportunities to integrate into global value chains (GVCs), at an increasingly higher level up these chains, as their engagement deepens. More processing is required in some instances. Better branding and becoming more niche-focused in the health and wellness sector are some examples of moving up the value chain.

The Gambia has the opportunity to compete in a number of potential areas/niches, including fair trade, organic, health and performance foods, etc. These are considered in detail in the next section.

13.4 Opportunities and Implications

There are several export opportunities that this sector offers to The Gambia. With the growing trend towards more experienced, health-conscious and demanding consumers, with sophisticated tastes and preferences, a number of opportunities are opening up where The Gambia can take advantage. These opportunities include developing products and brands along the following lines:

- The fair-trade movement
- Organic farming and fresh produce
- Authentic and ethnic produce
- Health and wellness
- Performance foods

These are further explained in the following sections.

13.5 The Fair-trade Movement

'Fair trade' is an organised social movement, which aims at helping producers in developing countries achieve better trade outcomes and to promote sustainability. The movement advocates the payment of higher prices to exporters, as well as higher social and environmental standards. It also focuses on commodities or products that are typically exported from developing countries to developed countries. Most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, chocolate, flowers, etc. Many of these fall squarely within the fruits and vegetables sector.

Global retail sales of fair-trade products, such as coffee, sugar and bananas, soared by 15 per cent between 2012 and 2013 to reach £4.4 billion (US\$6.8 billion). There are currently 74 fair-trade producer countries internationally, while more than 30,000 fair-trade products are on sale in 125 countries across the world. In 2013, sales for fair-trade sugar grew by 22 per cent compared to 2012. Other products with increases included bananas (12%), flowers (16%) and coffee (8%).

Strongest growth markets include the USA, where sales of fair-trade products have risen to £258 million (US\$400 million) since the introduction of fair trade in 2012. Brand new markets such as India and Kenya came on stream, joining South Africa as fair-trade producer countries with rapidly growing sales of fair-trade products in their own markets.

The largest fair-trade market is the UK, which generated £1.8 billion (US\$2.79 billion) in sales and growth of 14 per cent between 2012 and 2013. Germany cemented its number two market position after the UK, with consumer retail sales topping £519 million (US\$804 million), following exceptional 23 per cent annual growth. Fairtrade International reported initiatives to open more opportunities for the people at the far end of the supply chain: now more than 1.4 million farmers and workers, belonging to 1,210 producer organisations, including local co-operatives.

The Gambia already has the right circumstances to benefit from and take advantage of the fair-trade opportunity. However, fair trade certification is a critical component that must be implemented; there are attendant costs involved which must be budgeted for. In addition, stakeholders in the sector need to become aware and educated on the importance and benefits of the fair-trade opportunity.

13.6 Organic Food Products

The growth in demand for organic fruits and vegetables is strong around the world. Yet, little has been done to exploit it in the region, which gives The Gambia an advantage in being one of the first to take the export opportunity. This advantage is supported by the fact that consumers are increasingly participating in a growing food culture focused on high-quality gourmet experiences and unique dishes. This trend has been further supported by a rise in per capita disposable income in many developed nations. In the five years to 2014 in the US market, for example, disposable income increased at an average annual rate of 1.2 per cent, according to the US Census Bureau.

In addition, environmentally sustainable eating environments that serve farm-to-table and locally sourced dishes, will become increasingly commonplace. The trend of locally sourcing produce and other ingredients used in restaurants will spill over into the beverages sector. Many operators within the food-services sector, particularly within both the fast-casual and full-service dining segments, are increasingly seeking out locally produced and craft beers, wines and spirits to pair with their dishes. These emerging trends are expected to strengthen over the next five years, offering operators within these sectors opportunities to develop new products and bolster profit margins.⁷

The opportunity for The Gambia that organic produce offers, is real. However, suppliers will need to comply with the strict international standards for organic products in order to truly take advantage of this opportunity. On the flip side, however, organic certification is costly and not currently affordable for most producers. The government needs to provide support (technical and fiscal incentives) to make this a reality.

13.7 Health and Wellness

Growing trends in health and wellness also provide key opportunities for the Gambian agriculture sectors. Consumers are looking for healthy options when eating out or purchasing processed foods at the grocery. The demand for more natural and fresh fruits and vegetables is part of a growing health consciousness trend. The health benefits offered by many fruits and vegetables are growing in popularity. The Gambia can supply what consumers want in this regard - a variety of fruits such as mango are growing in health importance globally.

13.8 Nutritional and Performance Foods

As a result of growing health consciousness among global consumers, many industries are developing healthy, nutritional and 'performance' foods to meet rising demand. 'Energy' or 'performance' is a key component of contemporary health and wellness lifestyles across all consumer age groups. Conceptually, performance is almost as important as concerns over weight management and physical fitness. This rise in importance is a change from the past. For most consumers, the very definition of health and wellness is having the energy to live an active life. Almost a third of consumers view their performance levels as urgently needing improvement - this is surpassed in importance only by thoughts about getting fit and losing weight. Consumers see energy management as a balancing act that affects all other aspects of wellness. They take this balance into account in their health and wellness habits and purchasing, including of foods and beverages. All consumers acknowledge an implicit connection between energy and what they eat. The understanding of gut-brain connections will become more sophisticated as trends emanate outward from progressive consumers.

The Gambia is in a well-suited position to benefit from this opportunity, as it is known for many nutritional, performance and nutraceutical superfoods, such as, moringa, baobab, hibiscus, fonio, etc. It could easily and inexpensively add other such foods if needed.

13.9 Fresh Foods

The frozen food category in past decades established itself as the 'new fresh' and a convenient solution to prepared meals, through an expanding combination of product and packaging innovation. However, as consumer perceptions of the freshness and 'healthfulness' of frozen foods wane, and the perceived nutrition and convenience of fresh prepared foods accelerate, the frozen prepared food category is facing a long-term decline relative to the rapid growth of fresh produce. This is much like the canned foods frozen food eclipsed decades ago. However, this trend is only expected to become mainstream in the very long term and frozen prepared foods remain a viable opportunity for farmers.

The fresh offer is a primary driver of store choice, just behind value and convenience in terms of overall importance. In fact, 70 per cent of US consumers in a recent global study said, 'access to the best quality fresh products is the most important consideration', when choosing where to shop.⁸

While 'fresh' represents a huge opportunity for farmers, it's not easy to get right. And getting it wrong could be very costly, both in terms of immediate loss of products and the financial costs attached, and also in terms of customer satisfaction.

Table 13.1 SWOT analysis of the horticulture

Strengths	Weaknesses
<ul style="list-style-type: none"> • Land availability • Proximity to the EU and African markets • The River Gambia for transportation • The River Gambia for irrigation • Relative availability of labour supply • Availability of underground water for irrigation using boreholes. • Unique and exotic fruits and vegetables • Diverse product range • Support programmes in place for the industry • Availability of some 'green' raw materials • Established channels to some target markets with experience to expand reach based on trade agreements, for example, ECOWAS, EPA, AGOA • Reasonable and improving product development competency exists, for example, Radville Farms, GHE, Tropingo, etc. • Geographic location within West Africa and location near to seaports • Strong linkages and support arrangements between exporters and farmers, for example, initiatives by Radville, GHE and Tropingo • Co-operation and collaboration between competing exporters 	<ul style="list-style-type: none"> • High input and logistics costs - seeds, fertilisers, electricity • Inadequate cold storage facilities, market access, packaging and processing • Inadequate financing opportunities and high-interest costs • Uncompetitive interest rates undermine reinvestment in the sector • Inadequate agricultural extension services • Limited specialisation in extension services • Logistical challenges of ready air and sea freight availability • High and unusual incidence of pests and diseases • Periodic ferry inefficiencies and delays • Limited ability to certify national production • Lack of commercial depots for exports • Inconsistencies between applicable policies and legal framework • Lack of reliable production information system • Limited availability of quality packaging at the national level • Poor post-harvest management • Cost and strictness of standards and certification programmes • Weak export focus among many potential and current suppliers • Weak knowledge of external consumers and marketing trends • Limited innovation and use of technology to match evolving market trends • Increasing security costs • Increasing praedial larceny in the industry • The sector is very fragmented and highly informal/artisanal in nature • Inadequate (poor) transportation impacting on product quality arriving at processors • Lack of market information • Insufficient available information on business support services • An aging farmer population and low involvement in the sector by young people • Low literacy rates and market understanding of many farmers

	<ul style="list-style-type: none"> • Fragmented value chain • High domestic transport costs from farmer to exporter • Limited air and seaport capacity • Limited availability of certain skilled labour, forcing firms to bring in labour from outside The Gambia, particularly for management and technical skills
Opportunities	Threat
<ul style="list-style-type: none"> • Certification of businesses for enhanced market access • Sector diversification into other horticultural products • Improvement in standards and quality infrastructure • Facilitation of private sector-led co-operative schemes • Value-added agroprocessing • Use of attractive packaging to add value and attract premium prices • Linkages with tourism industry • The River Gambia for transportation • Commercialised horticulture for exports • Packaging and processing • Proximity to a major export market (South Africa) • The recent signing of the AGOA agreement to gain access to the US market • Climate and soil quality conducive to growing certain crops • Environmental positioning based on products and processes/systems • Growth in potential linkage industries - such as organic, health, wellness and performance • Changing global consumer demand for wholesome, fresh and organic fruits and vegetables • Exploitation of regional African markets (and their diasporas) yet to be fully explored • Genetically modified seed applications for pest and disease resistance • Sales to tourists through backward linkages from the tourism industry 	<ul style="list-style-type: none"> • Global warming and climate change • Seasonality of some products, for example, mango • Wasted or underutilised capacity during seasonal down time, for example, mango packaging facilities at Radville Farms are down during the off season • Pests and disease - also occasional invasion of locusts from the Sahara • Price volatility • Rural-urban migration affecting farming prospects (most farms are in rural communities) • Non-tariff barriers on exports - specifically international regulations such as sanitary and phytosanitary (SPS) measures • Low levels of investment in the sector • Strong competition • Issue of non-comparable treatment of imports - not same level of diligence as trading partners • Volatile foreign exchange rates • Competition from subsidised products, both in local and export markets • Reliance on international flights for freight

Endnotes

¹ Gambia Bureau of Statistics (accessed 2020), <https://www.gbosdata.org/topics/population-and-demography/distribution-of-working-population-7-years-and-abo-1>

² Ibid.

³ National Export Strategy 2013–2017, pg. 17. The Government of the Gambia.

⁴ Ibid.

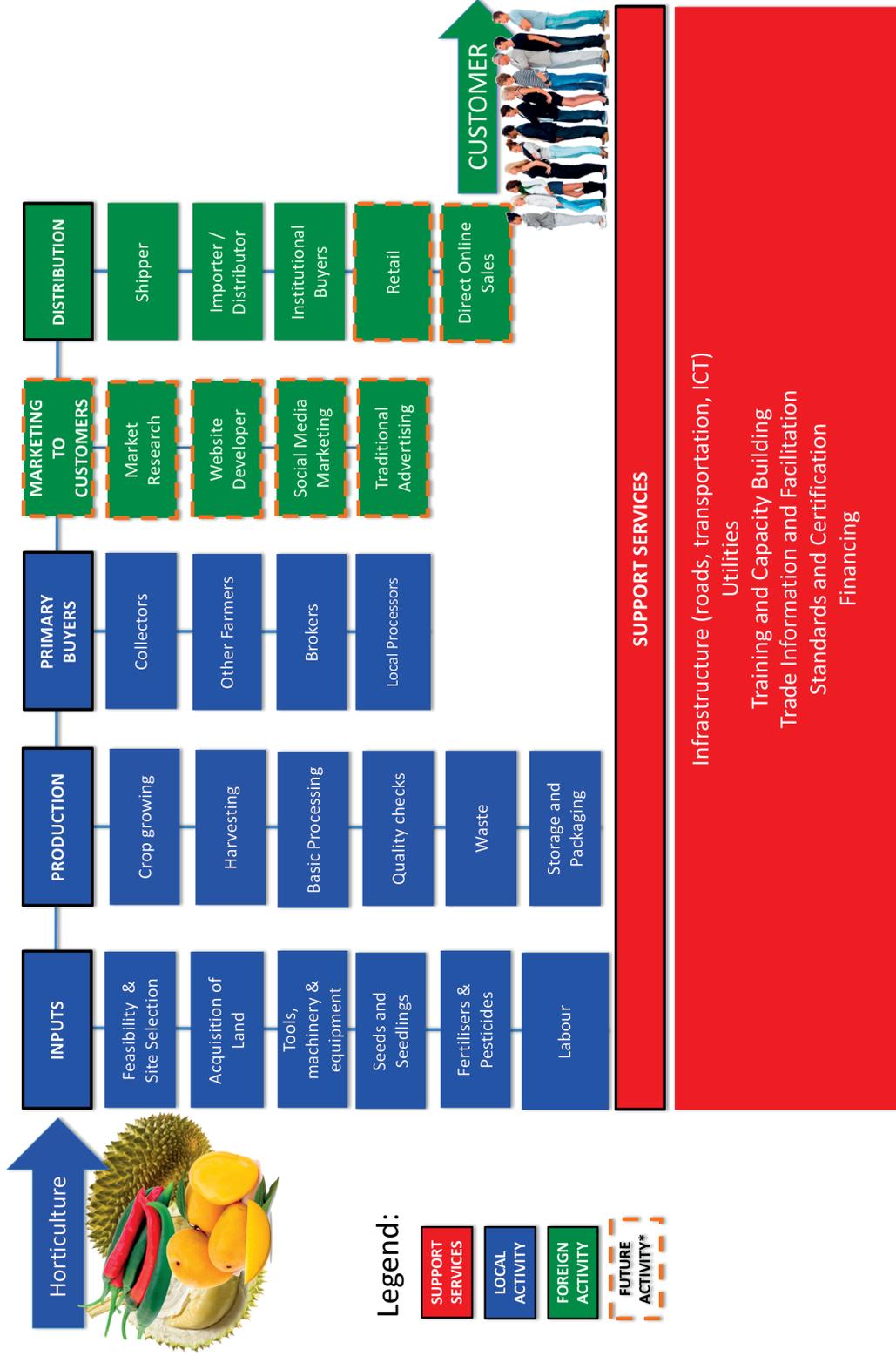
⁵ Tourism Intelligence International's estimates, based on 2019 GDP levels.

⁶ Ibid.

⁷ Organic Grocery Stores Industry in the US - Market Research Report, [IbisWorld](#), 2015

⁸ International Journal of Production Economics Volume 209, March 2019, Pages 265-273

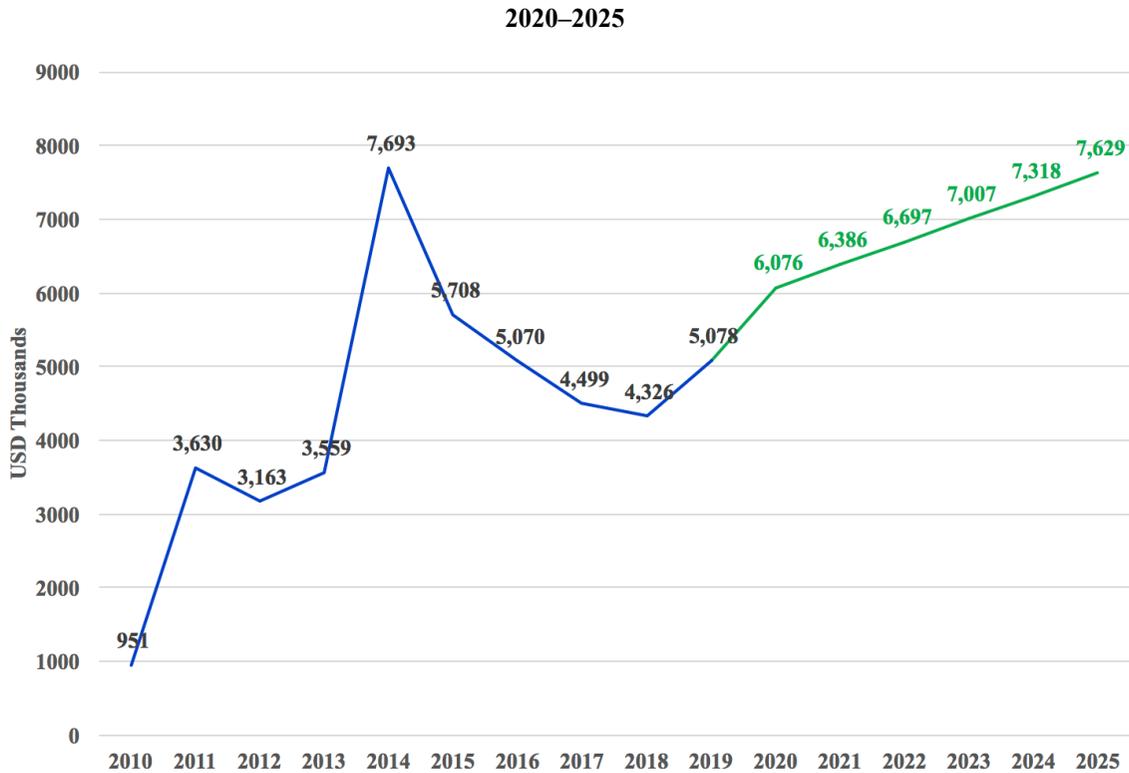
Figure 13.7 Value chain of the horticulture and agroprocessing sector



13.10 Objectives and Targets

A forecast of horticulture exports was developed using a moderate approach. It is projected that horticulture exports will reach US\$7.6 million by 2025, with a CAGR of 7 per cent per annum between 2020 and 2025.

Figure 13.8 Forecast of horticulture exports



Source: TradeMap.org 2020

* Note: Forecast by Tourism Intelligence International 2020

As such, the objectives and targets set for the sector are as follows:

- To increase the volume and value of horticulture exports by an annual average rate of 7 per cent, to reach US\$7.6 Million by 2025. This is further broken down as follows:
 - grow vegetables (HS 07) by 7.8 per cent per annum; and
 - grow fruits (HS 0804) by 12.5 per cent per annum.
- To increase jobs and entrepreneurship opportunities in the sector.
- To capture new markets and new niches and become less UK dependent.

Table 13.2 Strategies and actions

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
Year-round production and supply of quality horticultural products	<ul style="list-style-type: none"> - Supporting and incentivising farmers to introduce irrigation (drip) across production sites and gardens for continuous production. - Training and encouraging farmers to introduce crop production calendar. - Implementation of Integrated Production and Pest Management - Farmer Field School (IPPM-FFS). - Research and development of good quality varieties. 	Private sector, Department of Agriculture (DOA), agri-engineering services, National Agricultural Research Institute (NARI), ITC/ Jobs Skills & Finance International Fund for Agricultural Development	Jan 2021-Dec 2025	15,000,000	Irrigation improved across nation Crop production calendars adopted by farmers IPPM-FFS introduced New varieties researched and introduced
To promote organic farming throughout the country	<ul style="list-style-type: none"> - Sensitising and encouraging farmers on organic production. - Implementing an organic farming awareness campaign. - Building local capacities to help with organic certification. - Building capacity on production of organic fertilisers, like compost. 	DOA, Food Safety and Quality Assurance, PPS and private sector	Jan 2021-Dec 2025	2,500,000	Organic farming becomes best practice nationwide
To strengthen linkages between exporters and growers	<ul style="list-style-type: none"> - Promoting linkage between exporters and growers through a linkages mechanism (for example, a WhatsApp group). - Empowering commercial individual growers to supply exporters. 	DOA, private sector, The Access and Benefit-Sharing Clearing House MOTIE, ITC, SheTrades Gambia	Jan 2021-Dec 2025	200,000	Linkages mechanism established Exporter-Grower linkages strengthened
To position The Gambia as a producer of high-value crops	<ul style="list-style-type: none"> - Encouraging farming of high-value crops. - Incentivising and capacitating farmers to focus on high-value crops. 	Private sector, MOTIE, ITC/YEP, SheTrades Gambia	Jan 2021-Dec 2025	8,000,000	The Gambia is positioned in the marketplace as a high value crop producer

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
	<ul style="list-style-type: none"> - Creating export opportunities and identifying suitable markets and buyers for Gambian 'superfoods' and other high-value crops. - Driving awareness on the importance of high-value crops. - Marketing and promoting The Gambia as a source of high-value superfoods to take advantage of health and wellness opportunities. 				<ul style="list-style-type: none"> - Awareness campaign launched - New markets and buyers identified and targeted - New marketing campaigns launched in the marketplace
To increase value addition and processing	<ul style="list-style-type: none"> - Providing capacity building to processors of agricultural produce. - Increasing availability of packaging materials (through investments). - Creating market opportunities for processors of horticultural inputs. - Providing business development services (BDS) to agroprocessing businesses. 	MOTIE, ITC/SheTrades, YEP Andandorr Programme	Jan 2021 - Dec 2025	1,000,000	<ul style="list-style-type: none"> - Training and capacity building implemented - Market opportunities identified and targeted - BDS provided
To maintain quality management and high standards in the sector	<ul style="list-style-type: none"> - Encouraging proper post-harvest handling, such as use of proper baskets - Building regional cold storages facilities and reefers and park houses. - Training producers on good agricultural practices. - Implementing/improving laboratory services for pest and disease diagnostics and residues. 	Private sector, MOA, DOA, PPS, FSQA, MOTIE ITC/SheTrades Gambia	Jan 2021 - Dec 2025	2,000,000	Quality management introduced in all areas
To develop and strengthen the regulatory framework for agricultural production and export	Implementation of SPS standards.	PPS, FSQA, private sector	2020-2024	500,000	SPS standards implemented

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
To encourage equitable opportunities in the sector	<ul style="list-style-type: none"> - Ensuring that women entrepreneurs and female workers are included throughout activities. - Ensuring that youth entrepreneurs and young workers are included throughout activities. - Ensuring that rural entrepreneurs and rural workers are included throughout activities. 	GIEPA, MOTIE, private sector	Jan 2021-Dec 2025	750,000	<ul style="list-style-type: none"> - 150 women targeted for training and entrepreneurial /employment support - 150 young persons targeted for training and entrepreneurial /employment support - 75% of all outreach/support is targeted towards rural communities

Total horticulture budget: US\$29,950,000

Chapter 14 Light Manufacturing

14.1 Global Trends in Manufacturing

The transition from agriculture to manufacturing remains one of the fastest routes to higher productivity and increased standards of living among citizens of developing economies. In developed societies, the manufacturing of goods is a hallmark and tangible expression of content, creativity and competitiveness. The manufacturing sector continues to play a key role globally and for the Gambian economy to grow, it will need to gain significance in the future.

Globally, manufacturing continues to grow. Value-added manufacturing now accounts for approximately 14.5 per cent of global GDP, or approximately US\$13.74 trillion, and 14 per cent of employment, in 2019¹. In The Gambia, manufacturing accounts for approximately 4.4 per cent of GDP.²

The manufacturing sector constituted 70 per cent of global trade in 2018. The Gambia's manufacturing sector's contribution to GDP remained below the global average, according to the World Bank, pointing to the need for increased growth in this sector. Export development may give the sector the necessary impetus to grow and contribute more significantly to economic development and employment creation.

There are several global trends that are creating new opportunities that The Gambia needs to monitor. The worldwide economy has experienced a number of shifts and shocks that have created challenges for manufacturing companies, including a declining contribution to the economy, changes in consumer demand, volatile factor input costs, talent shortages, the spread of new technologies and innovations, a growing middle class in many developed economies, urbanisation/the rural-urban shift, growing environmental consciousness (for example, reduction in use of plastics), and the effects of government policies for the sector. All of these are important challenges but are simultaneously opportunities for The Gambia.

14.2 Manufacturing Sector Performance in The Gambia

Manufacturing activities in The Gambia are dominated by light manufacturing (as opposed to heavy industrial manufacturing), with no activity in high technology or heavy manufacturing. Within light manufacturing, economic activities are dominated by clothing and textiles, food and beverages, metals and metallic works, wood and leather, and chemicals, which are primarily in the areas of soaps and plastics.³

The follow are the list of products and the respective HS Codes.

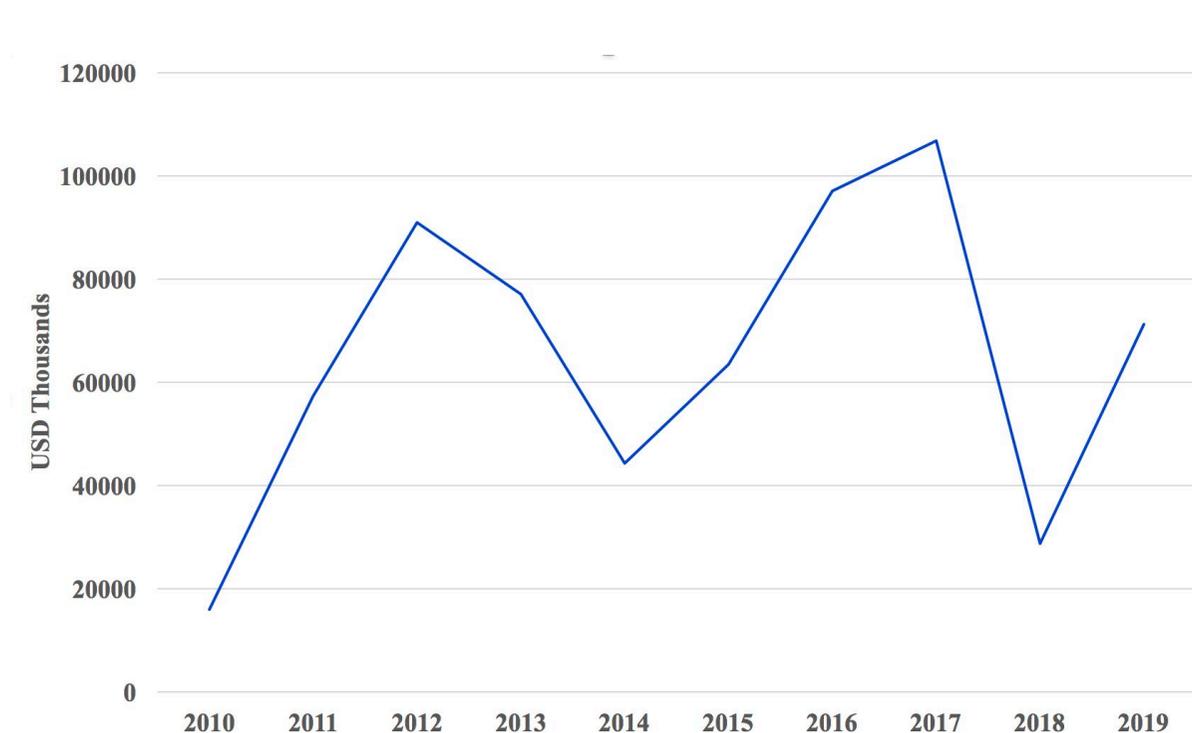
- 34 - Soaps
- 35 - Plastics
- 44 - Wood
- 61 - Knitted Articles of Apparel and Clothing
- 62 - Articles of Apparel and Clothing - Not Knitted
- 63 - Other Made Up Textiles
- 64 - Footwear
- 72 - Iron and Steel
- 73 - Articles of Iron and Steel
- 74 - Copper
- 76 - Aluminium

According to the UN COMTRADE mirror data, the bulk of the light manufacturing industry is made up of wood and wood-related products (96%).

The sector consists mainly of medium-sized enterprises, located primarily in the urban and peri-urban areas. The sector's share of GDP continues to be low, thus forming the basis of increased government efforts to expand industrial production and development.

With an estimated US\$771.1 million in export value in 2019, the light manufacturing sector has experienced volatile growth, with a CAGR of 18.1 per cent between 2010 and 2019. The sector grew by 148 per cent in 2019 over 2018, after experiencing a drastic decline of 73 per cent the previous year.

Figure 14.1 Combined light manufacturing performance



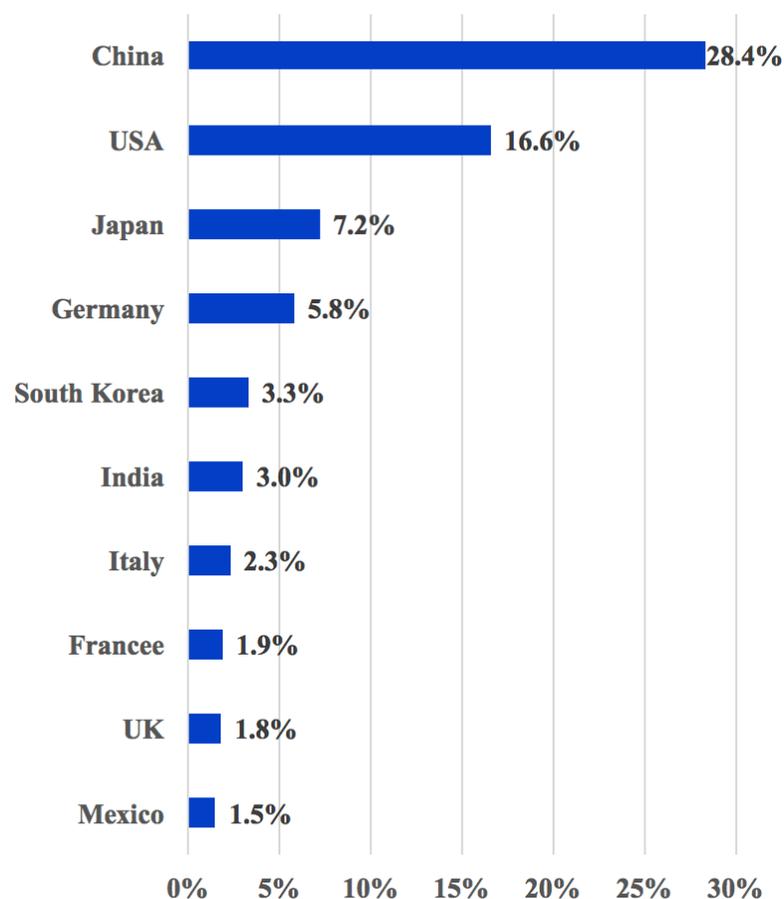
Source: TradeMap.org 2020

14.3 Competitive Environment

The global manufacturing sector is valued at approximately US\$14 trillion and China accounts for the lion's share, with nearly 30 per cent of global manufacturing output (as at 2018). Collectively, the top three countries (China, USA and Japan) account for more than half (52%) of global manufacturing output.

Given the sheer size of the manufacturing sector globally, The Gambia cannot compete 'head-on' with giants such as China, USA and Japan. However, The Gambia can make inroads and create real growth for the light manufacturing sector by competing using three key ingredients: intelligence, technology and branding.

Figure 14.2 Top-ten countries by share of global manufacturing output, 2018



Source: United Nations Statistics Division 2020, available at:
<https://www.weforum.org/agenda/2020/02/countries-manufacturing-trade-exports-economics/>

14.3.1 Intelligence

The light manufacturing sector in The Gambia needs to focus on those products that are driven by what the consumer wants and not merely by what is currently being produced. The sector needs to therefore understand the markets, perceive consumer needs, rapidly respond to emerging trends and craft products that surpass customer expectations. Areas such as environmentally friendly products and practices, fair trade, and authentic products and experiences are what customers want. For this to be a reality, the sector needs to rely on market information and analysis. The role of the support agencies such as GIEPA will become even more critical in this regard. The government also needs to support manufacturers and encourage them to expand their production and market focus.

14.3.2 Technology

The light manufacturing sector is heavily driven by technology. Many developed industries are moving ahead and creating competitive clout by adopting the latest manufacturing and data-mining technologies. The Gambia needs to recognise the important role that technology plays in increasing productivity, reducing costs, improving quality, targeting customers and surpassing their expectations with surgical precision.

Many firms are already using some of the latest machinery and equipment. However, technology also needs to be used to get close to the markets. Use of the internet, e-commerce (where applicable), online marketing, data mining, etc. will become increasingly important to stay competitive in today's globalised economy.

In addition, science, technology and innovation continue to support the country's drive to create more competitive business structures. Initiatives have included the adoption of product and service standards and the accreditation of conformity assessment bodies to key ISO standards. There have also been key international partnerships, such as the YEP (through ITC) to support the ICT sector. However, the private sector needs to understand the importance of technology as a competitive tool. Better systems need to be put in place to incentivise the private sector, particularly in manufacturing, to keep in line with trends in technology.

14.3.3 Branding

Branding is another key competitive tool for The Gambia. Manufacturers need to be able to 'piggy-back' on the strength of the Gambian brand to expand in existing markets and penetrate new ones. They also need to find what is unique and special about their brand to stand out from the competition.

Marrying what makes The Gambia unique and special and what makes their product unique and special with the precise requirements of the market, further facilitated by advanced technology, is the formula for competitive success of the sector.

14.4 Opportunities and Implications

With the growing trend towards more experienced, knowledgeable and demanding consumers, with sophisticated tastes and preferences, increased urbanisation, shifting demand from west to east, growing environmental consciousness, talent shortages and advancement in technology, there are a number of implications to be considered and opportunities to be seized by the manufacturing sector in The Gambia.

These implications and opportunities explained in the following sections.

14.4.1 Market-based manufacturing

With the demand shift that is taking place globally, coupled with the diversity of consumers across all markets, if The Gambia's manufacturing sector is to remain competitive it has no choice but to produce what the markets want rather than what it can or desires to produce. This points to the need for a stronger market focus on the part of manufacturers. Export support agencies, such as GIEPA, need to provide timely and relevant market intelligence to manufacturers, so that they can make informed decisions about which products to produce and which markets to target. In addition, Gambian manufacturers need to start looking to non-traditional markets for growth opportunities - South America and Africa, for example.

14.4.2 Customised manufacturing

Given the heterogeneity of markets, it will become increasingly necessary for manufacturers to adopt a customised approach. The ability to manufacture a customised/niche product at different sites may overcome the drive towards commoditisation and economies of scale in some sectors. From the design and production perspective, manufacturers will need to respond very quickly to a much wider variety of product specifications. Emerging technological solutions will need to be adopted to ensure the flexibility and permanent adaptation required in production systems.

On the other hand, smaller manufacturers might want to focus on specific niche products to satisfy particular segments of the markets. The diversity of the markets creates vast opportunities to find the right market niche fit for Gambian manufacturers.

14.4.3 Information-driven manufacturing – big data and the value chain

Innovation is enabling information-driven intelligence in both products and processes. Big Data, advanced analytics, social technologies, and use of intelligent devices to monitor production machinery, supply chains, transportation and products in use (also known as the 'Internet of Things') are all bringing intelligence to how products are designed, built and used, according to Tourism Intelligence International's *Big Data - Delivering the Big Picture to Drive Competitiveness*

(2014). To date, this sort of technology is not being used in The Gambia in any significant way. This is a missed opportunity for manufacturing companies to optimise their processes on the supply side and to match customer needs with surgical precision on the demand side.

The benefits that the manufacturing sector can derive from the adoption of Big Data techniques includes improved efficiency in design and production, further improvements in product quality, and better meeting customer needs through more precisely targeted products and effective promotion and distribution. For example, Big Data can help manufacturers reduce product development time and eliminate defects prior to production through simulation and testing. Using real-time data, companies can also manage demand planning across extended enterprises and global supply chains, while reducing defects and rework within production plants. Overall, Big Data provides a means to achieve dramatic improvements in the management of the complex, global, extended value chains that are becoming prevalent in manufacturing and to meet customers' needs in innovative and more precise ways, such as through collaborative product development based on customer data.

Table 14.1 Big Data's impact across the manufacturing value chain

	R&D	Supply chain	Production	Marketing and sales	After sales service
Build interoperable, cross-functional R&D and product design databases to enable concurrent engineering, rapid experimentation, simulation and co-creation	✓		✓		
Aggregate and share customer data to improve service, increase sales and enable design-to-value	✓	✓		✓	
Source and share data through virtual collaboration sites (idea marketplaces to enable crowdsourcing)	✓		✓	✓	
Implement advanced demand forecasting and supply planning across suppliers and use external variables		✓	✓	✓	✓
Implement lean manufacturing; model and optimise production; develop dashboards			✓		
Implement sensor data-driven analytics to improve throughput and enable mass customisation			✓		
Collect real-time after-sales data from sensors and customer feedback to trigger services and detect flaws		✓	✓	✓	✓
Improve supply-chain visibility through control towers and organisation-wide collaboration		✓	✓	✓	✓

Source: *Big Data: The Next Frontier for Innovation, Competition and Productivity*, McKinsey (2011)

14.4.4 Green manufacturing

The rising cost of inputs (wages and energy), as well as the growing trend towards more environmental consciousness, is giving rise to 'green' manufacturing. The trend towards environmental consciousness is influencing government policy and legislation. The National Development Plan speaks to the green economy and environmental sustainability. Environmental consciousness also draws pressure from interest groups. These ingredients combined are forcing many companies, particularly in manufacturing, to adopt more 'green' technologies and production practices.

By 2035, it is expected that world energy consumption will more than double, from a 1990 baseline, to roughly 770 quadrillion Btu, and will outpace the increase in population over the same time period, according to the US Energy Information Administration⁴. The demand for and cost of energy will only increase with future population growth and industrialisation. All manufacturing sectors will be forced to seek new ways of manufacturing, from energy-efficient product designs to energy-efficient operations and logistics. Partnerships between the public and private sectors will become increasingly important in solving the energy problem.

Since The Gambia is not a highly industrialised economy, the country is in a good position to grow manufacturing in a sustainable and green manner. Production practices that reduce waste and ensure that inputs used are eco-friendly, as well as aiming for the establishment of a circular economy, are opportunities that The Gambia can take advantage of to grow in competitiveness.

It seems The Gambia is falling behind somewhat in this regard. It is missing opportunities to reduce costs through better environmental and energy practices, as well as the opportunity to convert green manufacturing into a viable revenue earner in terms of offering and monetising green services.

14.4.5 Responsible production

It is also important to foster 'responsible' production and development (from tourism and agriculture to light manufacturing). Responsible production can be used to strengthen Brand Gambia. In this regard, it is valuable not just to exploit 'responsible' as a brand, but to truly implemented responsible production and operation at all levels of the Gambia economy and society.

14.4.6 Foster innovation

The Gambia's manufacturing sector must innovate to stay ahead of regional and international competitors, who are already making significant strides in this area. The sector must, however, be enabled by infrastructure and a policy environment that better supports intelligence gathering, research and development and innovation in science and technology, as well as making funds available to support projects. In the modern-day manufacturing environment, being able to develop creative ideas, address new and complex problems, and deliver innovative products and services that meet and exceed the expectations of international markets will be the hallmarks of competitive success for the manufacturing sector in The Gambia. But even more critical for innovation to flourish, will be access to talent that is capable of driving creativity. The Gambia must therefore invest in people to make this a reality.

The Gambia already scores low on the innovation index, pointing to the need for strategies and policies to be developed to foster greater innovation among Gambians.

14.4.7 Marrying services and manufacturing

In order to increase their marketability, manufacturers are adopting new strategies by attaching services to their final products. Thus, a new manufacturing paradigm is emerging, so-called service-oriented manufacturing. This is in keeping with the trend towards a growing service economy and manufacturers seeking to remain relevant amid rapid and radical transformation. The services are typically business-to-business (B2B), either along the value chain or through business integration

(either vertical or backward). Grace Inc (a Jamaican conglomerate), for example, offers B2B services to suppliers of raw materials (backward vertical integration) to ensure consistent product quality. Grace Inc does not charge for these services, yet, but there is no reason for this not to be the case in the short to medium term, both domestically and in terms of exports.

14.4.8 Distribution-based manufacturing

In a more globalised world, manufacturing systems increasingly face the challenge of managing operations across vastly distributed production environments. They need to adapt to a global customer base and recognise arising market opportunities quickly. Some of the required qualities and characteristics identified by international studies for managing distributed manufacturing systems include:

- Dynamic collaboration across extremely complex, multilevel, reconfigurable supply chains. Tightly interlinked international value chains will lead to new organisational competencies in complex structures.
- An agile supply chain. This will require a radical change from the use of high inventories and order quantities based on maximum capacity utilisation towards a more predictive, make-to-order approach.
- Transparent and real-time provision of information on products, processes and people. Big Data will play a key role.

14.4.9 Filling the talent gap

A critical challenge is being experienced internationally. An estimated 10 million jobs with manufacturing organisations cannot be filled today, due to a growing skills gap, according to the World Economic Forum⁵. Despite the high unemployment rate in many developed economies, companies are struggling to fill manufacturing jobs with the right talent. And emerging economies cannot fuel their growth without more talent. Access to talent will become more important and more competitive. Today's skills gap will not close in the near future. Companies and countries that can attract, develop and retain the highest skilled talent - from scientists, researchers and engineers to technicians and skilled production workers - will come out on top. In the race to future prosperity, nothing will matter more than talent.

The Gambia has a real opportunity to attract foreign direct investment in terms of setting up manufacturing concerns and supplying skilled workers from The Gambia to fill the talent void. Furthermore, the cost of labour in The Gambia is lower than in many advanced economies, making this option attractive. This will help stimulate job creation and boost the manufacturing sector.

14.4.10 Proactive investment promotion

While GIEPA already has investment promotion planned for the manufacturing sector, a more proactive approach needs to be adopted. Based on global trends (markets, technology, environment, etc.) GIEPA needs to craft an investment strategy that clearly outlines the kinds of investments that will propel the country's economy. Investments in the sector should not merely be based on investors approaching the country looking for opportunities, but should rather focus on a clear roadmap of the quality and quantity of investments required for the sector. Investments must be in alignment with the National Development Plan's goals, as well as its focus on sustainability, people development and poverty alleviation.

14.5 Key Issues and Constraints

The manufacturing sector faces formidable challenges that must be overcome if manufacturing is to contribute meaningfully to the economic development aspirations of the country.

Among these challenges are the lack of technical competencies - electrical engineers, manufacturing specialists (soap, steel, etc.), and science and technology specialists - to cater to

the varying needs of the sector. It is for this reason that services for manufacturing activity in The Gambia is dominated by foreigners, especially those from neighbouring Senegal. This talent gap needs to be bridged urgently. Skills development will be critical in this regard. A needs assessment is required to determine what specific skills are not being supplied locally, with a plan of action developed to address both the short-, medium- and long-term requirements.

Another key challenge is that regional initiatives of the ECOWAS Protocol - notably the ECOWAS Trade Liberalization Scheme - is fraught with challenges of member states not honouring the protocols of free movement of goods, lack of awareness and cumbersome application process. These challenges, and those of the Inter-state Road Transit (ISRT), have made it difficult for manufacturing businesses to leverage the much larger ECOWAS market. Vehicles are stopped at the borders unnecessarily, goods are over-inspected, and even when the required documentation is presented, border patrol officials still find one issue or another to delay the process. In some rare cases, vehicles crossing the borders are turned back. This could be due to a lack of knowledge of the protocols on the part of border officials. Representatives from the government are continuing discussions with their Senegalese counterparts to address these border issues.

In addition, high taxes, high utility costs and the high cost of financing hinder the competitiveness of the sector and makes investment unattractive.

These issues and more are listed in the SWOT analysis that follows.

Table 14.2 Manufacturing SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Member of ECOWAS trade block - a market of over 280 million people • Proximity to EU and US markets • English speaking country - it is the official language • Existence of Gambia Standards Bureau • Established niche markets, brands and products • Established channels to the target markets with experience to expand reach • Reasonable and improving product development competency exists 	<ul style="list-style-type: none"> • Cumbersome cargo clearance procedures • Numerous check points which impede the transit trade - export and re-exports • Lack of conformity assessment services to ensure compliance with international standards • High corporate tax (32%) and multiplicity of local government and municipality taxes • High fuel and electricity costs • High lending interest rates by banks to businesses (17-30%) • Inadequate labour force, lack of skilled labour • Non-enforcement of intellectual property rights - patents and trademarks • Weak export focus among many potential and current manufacturers • High focus on re-exports • Some companies lack the aggressiveness to go after new market opportunities • Lack of market intelligence to drive R&D and production of goods that are in keeping with international market trends • Poor networking between firms • Weak strategic alliances between internal and external entities • High import content • Few companies follow best practices and quality standards, which leads to a low level of export-readiness in the sector • No foresight and planning related to new product groups (value creation)

	<ul style="list-style-type: none"> • Poor supply chain management • Limited availability of skills necessary to build viable businesses • Quality assurance • Production/factory management • Technical/engineering/maintenance • Out-dated production systems and lack of new technologies in some areas • Low utilisation of quality management systems (QMSs) • Weak linkages to R&D resources (private and academic) • Limited use of environmentally friendly/clean production technologies (inefficient energy technologies) • Limited use of innovative production technologies, for example, digital manufacturing • Limited availability/ access to competitive factory space • Insufficient creative use of brand ‘The Gambia’ • Need for greater environmental and green practices to preserve and conserve the natural resources on which the sector so heavily relies - for example, wood for furniture or paper production; more monitoring needed here • Many companies are undercapitalised • Many lack good marketing skills (marketing and brand-building is weak on average, both at the firm level and at the manufacturing sector level) • Low access to and high cost of quality packaging materials • Lack of information on the sector - no needs assessment carried out recently • Limited maturity and little export experience; entrepreneurs with limited business experience • Limited economies of scale, as many plants are relatively small compared to international counterparts; production is geared mainly for the domestic market • Very limited industrial base and few factories • Over-dependence on the domestic market • Limited availability of credit and financing • High costs of some productive inputs - energy, labour, etc. • Need for greater co-ordination and communication among manufacturing associations - The Gambia Manufacturers’ Association, the Chamber of Commerce, GIEPA etc. • High shipping and distribution costs • Inability to produce volumes required to sustain global export markets • Lack of comparative advantage on economies of scale • Lack of innovativeness
Opportunities	Threat
<ul style="list-style-type: none"> • Proximity to main export markets • Support available • Access to product knowledge 	<ul style="list-style-type: none"> • Continued increase in labour costs without corresponding productivity improvements • Low growth in the domestic market

<ul style="list-style-type: none"> • Training programmes are available • Growth in potential linkage industries - such as tourism • The potential for development of industrial parks for manufacturing sector because of the logistics hub initiative on the south coast • The utilisation of Big Data and other technologies to create more consumer/market-focused production practices • Green manufacturing on the rise • Growing service orientation of the manufacturing sector 	<ul style="list-style-type: none"> • Export of Gambian ‘knock-offs’ • Violation of geographic indicators by foreign manufactured products • New product development in competing countries • Multiple occurrences of products arriving without proper labelling, etc. (‘leaky’ border and insufficient protection of consumer and of manufacturers/employers) • Issue of non-comparable treatment of imports - not same level of diligence as trading partners. • Poor response from domestic authorities to halting products that should not be on the market • A floating foreign exchange regime; while managed by the CBG (Central Bank of the Gambia), the floating system does not make for easy planning • Lack of competitive interest rates to allow for reinvestment in the sector • High energy costs • Constraints in the macroeconomic and business environment, particularly complex regulatory processes • High crime and security issues • Constraints in transport and other infrastructure, which in turn makes business costly and/or inefficient • Negative aspects and implication of regional and international trade liberalisation • Restrictions imposed by international product and process standards such as Hazard Analysis and Critical Control Points (HACCP) and ISO 9000 and 14000 • Limited availability of higher-end talent in the sector and strong ‘brain drain’ from The Gambia • Competition from other countries in the region, whose costs of production are much cheaper
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Endnotes

¹ World Bank Database, 2019 data (accessed July 2021)
<https://data.worldbank.org/indicator/NV.IND.MANF.CD> .

² Ibid.

³ National Export Strategy 2013–2017.

⁴ US Energy Information Administration, <https://www.eia.gov/todayinenergy/detail.php?id=41433>

⁵ World Economic Forum, <https://www.weforum.org/agenda/2012/11/how-can-education-help-manufacturing-in-india/>, 2021

Figure 14.3 Manufacturing value chain

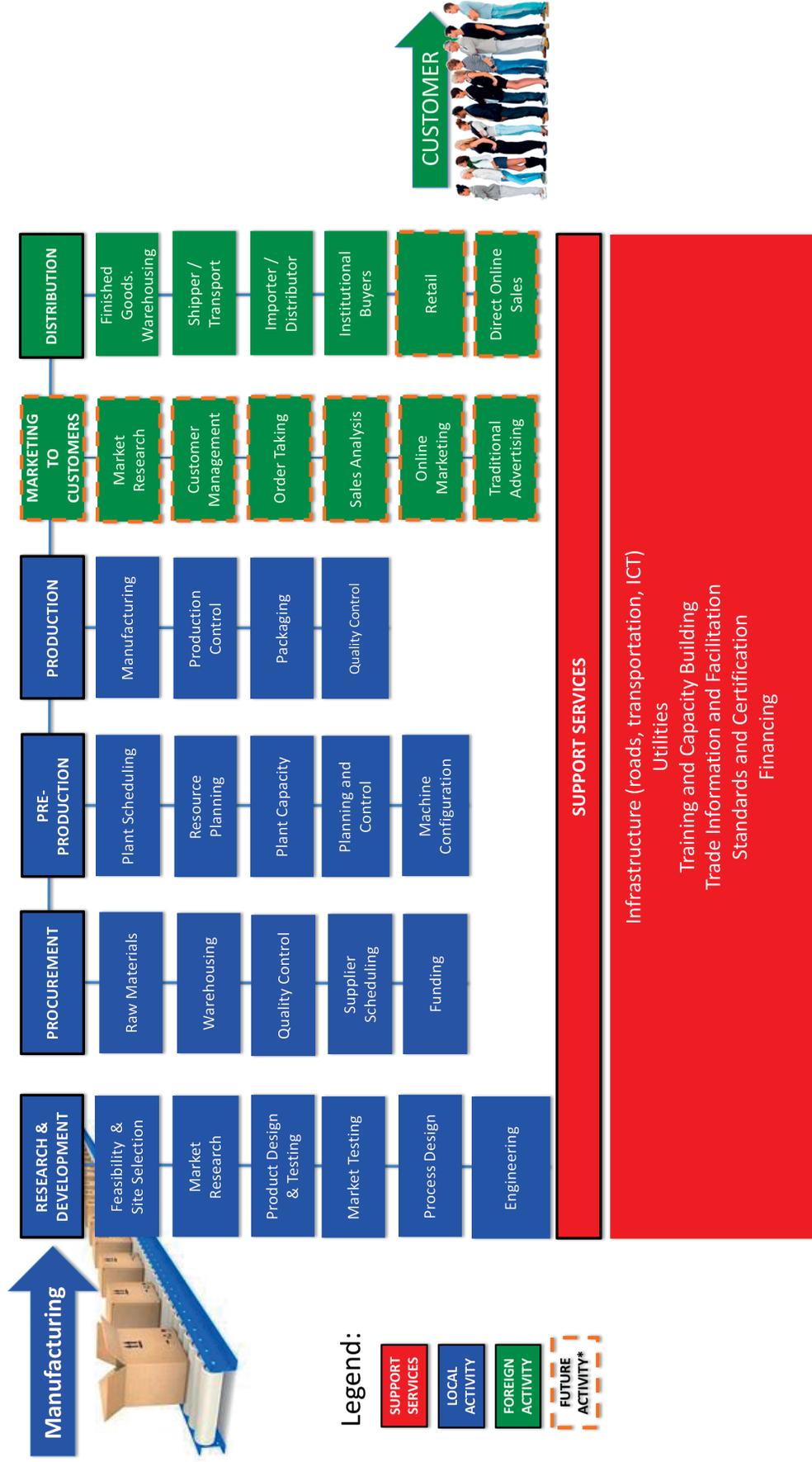


Table 14.3 Manufacturing sector strategies

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget
To create high-quality manufacturing products	Regulatory M&E of manufacturing processes to ensure compliance with standards. Encouraging ASIC standards.	Regulatory bodies, for example, Gambia Standards Bureau (GSB) and Association of Gambian Manufacturers (AGM)	Jan 2021-Dec 2025	0
	Capacity building for entrepreneurs on modern production methods.	Fashion and apparel: MOTIE, ITC/SheTrades Gambia and YEP		150,000
	Establishing a centre of excellence for fashion and garment production.	MOTIE, ITC/YEP		5,000,000
	Providing training on quality management and standards to manufacturing businesses.	GSB, private sector	Jan 2021-Dec 2025	150,000
To reduce costs of production	Encouraging co-operation/co-opetition alliances. Coming together to enjoy economies of scale. Sharing resources where possible.	AGM, MOTIE	Jan 2021-Dec 2025	0
To increase adoption of modern equipment and machines and foster greater industrialisation	Providing technical expert training and coaching for businesses.	AGM, GSB and MOTIE	Jan 2021-Dec 2025	250,000
	Providing incentives to purchase modern equipment, especially energy-efficient equipment.	AGM, GSB and MOTIE	Jun 2022-Dec 2025	0
	Attracting and encouraging investment in and development of industrial areas to grow the manufacturing sector.	AGM, GSB and MOTIE GIEPA	Jan 2021-Dec 2025	500,000
To create a diversified manufacturing sector	Carrying out a baseline study of potential manufacturing product opportunities and disseminating that information to potential investors (including current exporters).	GIEPA, entrepreneurs	Jan 2021-Dec 2025	40,000
	Providing technical and fiscal incentives to encourage innovation and R&D.	MOTIE, Ministry of Finance	Jan 2021-Dec 2025	0

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget
	Encouraging and incentivising international producers of key manufacturing inputs to set up in the GIETAF Special Economic Zone to create easy access to cheaper technological inputs.	GIEPA, AGM	Jan 2021-Dec 2025	0
To develop a cadre of exporters in the manufacturing sector that are globally focused and market oriented	Providing regular market intelligence to ensure that manufacturers fully understand the key markets - market reports and dossiers.	GIEPA, AGM	Jan 2021-Dec 2025	250,000
	Researching, analysing and targeting non-traditional markets.	GIEPA, AGM	Jan-Mar 2022	50,000
	Developing sector-wide marketing plans for each target market.	GIEPA, AGM	Mar 2022	50,000
	Developing, implementing and regularly using effective channels to promote and disseminate export and market information - websites, WhatsApp, TV, radio, etc.	GIEPA, AGM	Apr 2022-Dec 2025	500,000
	Developing an export-oriented training programme through training and networking events, as well as workshops and webinars aimed at exposing exporters to export opportunities, how to export, market intelligence and advice about export processes and systems, etc.	GIEPA, AGM, ITC/YEP, SheTrades Gambia	Jan 2021-Dec 2025	75,000
	Targeting ten MSMEs currently not exporting but that are willing to explore the possibilities of seizing export opportunities. Developing a 'hand-holding' process to help them with exporting - from registration to market penetration and until they are comfortable in doing it alone.	GIEPA, AGM, ITC/YEP, SheTrades Gambia Andandorr Programme	Jan 2022-Dec 2023	100,000
	Developing a mentorship programme to target MSMEs.	GIEPA, AGM, ITC/YEP, SheTrades Gambia Andandorr	Jan 2022-Dec 2023	40,000

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget
	Encouraging and incentivising manufacturers to adopt greater environmental and green practices.	GIEPA, AGM, ITC/T4SD	Jan 2021-Dec 2025	0
	Encouraging and incentivising suppliers to adopt new technologies.	GIEPA, AGM	Jan 2021-Dec 2025	0
	Developing grants and low-interest loans to encourage manufacturers to purchase and implement low-energy efficiency inputs.	GIEPA / Ministry of Finance	Mar 2021	0
	Improving enforcement and monitoring of standards at origin.	GSB		100,000
To adequately address the skills gap in the sector	Carrying out a needs assessment and skills gap analysis.	GIEPA, AGM	March 2021	50,000
	Encouraging and developing technical and vocational education and training (TVET), university, and on-the-job training programmes (annually).	AGM, MOTIE	Jun 2021-Dec 2025	450,000
To encourage equitable opportunities in manufacturing	<ul style="list-style-type: none"> - Ensuring that women entrepreneurs and female workers are included throughout activities. - Ensuring that youth entrepreneurs and young workers are included throughout activities. - Ensuring that rural entrepreneurs and rural workers are included throughout activities 	GIEPA, MOTIE		

US \$7,755,000

Chapter 15 Cross-Cutting Areas

15.1 Transportation and Trade facilitation

15.1.1 Customs procedures and requirements

In general, procedures applied to exports are similar to those applied to imports. Pre-departure declarations for exports must be submitted to Gambian Revenue Authority (GRA). Certain goods for exportation, including warehoused goods, goods on which drawback may be claimed, and dutiable goods intended for transshipment, may be subject to a deposit payment prior to loading of goods on vessels or aircrafts.

According to the World Bank's studies¹, exports from The Gambia are more efficient in terms of time and money than the regional average for sub-Saharan Africa. However, the time spent by exporters on border procedure compliance is greater than the regional average (Table 15.1).

Table 15.1 Time and cost for exports from The Gambia, 2017

		The Gambia	sub-Saharan Africa average
Time to export (hours)	Border compliance	109	103
	Documentary compliance	61	93
Cost to export (US\$)	Border compliance	381	583
	Documentary compliance	183	230

Source: World Bank Group (2017), Doing Business 2017: Equal Opportunity for All, Economy Profile 2017: <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2017>

15.1.2 Export support and promotion

The Gambia Investment and Export Promotion Agency (GIEPA), established in 2010, is responsible, inter alia, for Special Investment Certificates (SICs) and export processing zones (EPZ). GIEPA also offers programmes to participate in international trade fairs and trade missions. GIEPA is responsible for the implementation of the National Export Strategy.

EPZ enterprises are exempted from import duties and excise duties, as well as corporate income tax and municipal taxes. Enterprises located outside an EPZ exporting at least 30 per cent of their products may enjoy a 10 per cent reduction in annual corporate or turnover tax liability for up to five years.

The Gambia set up the 'July 22nd Business Park' in 2001 as its first EPZ under the management of GIEPA. The Business Park occupies 168 ha and is located near Banjul International Airport. The park offers infrastructure such as electricity, water, telecommunications and waste management. It offers opportunities through private sector participation for the development of commercial office space, industrial complex, hotels and resorts, and other real estate opportunities within the vicinity. Businesses engaged in manufacturing and processing, agribusiness, assembling, bulk breaking, labelling, packaging and repackaging, warehousing, ICT, and financial and offshore services are eligible to operate in the park. Businesses operating in EPZs must be licensed by GIEPA. The licence is valid for ten years and not transferable. Licensed business in an EPZ must export at least 80 per cent of their output in order to enjoy the incentives granted to EPZ enterprises.

According to the authorities, other standalone EPZs are operating throughout the country (nine, as of July 2017). These EPZs are approved but not managed by GIEPA.

15.1.3 Incentives

Incentives are available to certain qualifying investments: in accordance with the Gambia Investment and Export Promotion Agency (GIEPA) Act, tax incentives are provided for investments in priority sectors². To be eligible, the investment must be of at least US\$100,000 (for domestic investors) or US\$250,000³ (for foreign investors). A qualified investment project benefits from a tax holiday with respect to corporate income tax and a depreciation allowance for five years; import duties, VAT (value-added tax) and excise taxes are exempted for the imported capital goods for the investment project. A Special Investment Certificate (SIC) is required for the qualified investment in order to enjoy the incentives. GIEPA is the sole agency responsible for assessing the investment application and issuing an SIC. An SIC is valid for five years, and not transferable. An SIC may be extended, subject to meeting some conditions, for another two years.

For eligible investment projects of at least US\$5,000,000⁴ in agriculture, fisheries, energy or the technology sector, an 'enhanced incentive' may be granted to investors. Enhanced incentives include all the incentives under an SIC, but extended for an additional period of five years, in addition to zero withholding tax on dividends for ten years from the date of first declaration (if no dividend was declared in the first five years since the issuance of the SIC).

For eligible domestic investments of less than US\$100,000⁵, the following incentives are available: exemption from turnover tax for three years, reduced corporate tax rate (i.e. 15%) for three years, and an import duty waiver on capital goods. A Domestic Investment Certificate from GIEPA is required for enjoying these benefits. For micro, small, and medium-sized enterprises in the priority sectors, 'exemptions for tax and municipal taxes' are granted for five years.

While these incentives are welcome and can be used to encourage investment in the priority sectors, there appears to be little or no incentives to support the MSMEs (both in the informal and formal sectors) which constitute the bulk of producers in the economy. As such, support to MSMEs needs to be strengthened and GIEPA needs to be responsible for that. In addition, the programmes that do exist are not known about by most micro and small businesses. More needs to be done to disseminate this information through multiple channels.

15.1.4 Commercial intelligence in trade facilitation

The availability of credible and current information and data is important for the facilitation of trade in an economy, as it helps in making informed decisions. For both the public and private sectors, access to trade information opens windows to identifying market opportunities, developing linkages in export markets and promoting trade. However, trade information is not always readily available in The Gambia. Even in the development of the National Export Strategy, one of the key challenges encountered was finding relevant and up-to-date information. While data are available for a number of sectors, they are predominantly domestic focused. Overall, market intelligence needs to be strengthened. In addition, where market and trade information is available, it is either not prepared in a manner that is easily understood by the average person or the information is not adequately disseminated to those most in need. This is not to say that some areas are not up to standard. In consultations with stakeholders, this area was an issue that they considered to be of critical importance for the development of the export sector.

In addition, the global economy and international markets are changing rapidly and radically. These changes are driven largely by the consumers who are also changing - demographically, geographically and psychographically.⁶ However, The Gambia cannot compete internationally if it is not up to date with key international trade and market trends.

There are several challenges and constraints relating to trade information and commercial intelligence. These challenges are:

- limited financial and human resource capacity within service delivery institutions (including government institutions, industry associations and sector support agencies) for the preparation of essential reports, such as market entry or feasibility reports and other trade and market information;

- market and trade information is typically presented in the form of printed materials and often, when available, it is outdated;
- difficulty in obtaining reliable and consistent statistics and data on national economic trends, sectoral performance, and production and export volumes in all economic sectors, particularly emerging or informal sectors, such as, the creative industries;
- insufficient communication, co-ordination and collaboration among key trade and statistics agencies: further strengthening of this area needed;
- lack of regularly updated and disseminated export-specific reports, such as market or product profiles;
- limited awareness by exporters of the existence of key information; and
- official trade documents not always written in a manner that is easy to read and down to earth for the average citizen.

In today's globalised world, making cross-border trade easier is increasingly critical for the economic and competitive success of a country. Excessive bureaucratic procedures, burdensome customs requirements, inefficient port operations, and inadequate transportation and port infrastructure all lead to extra costs and delays for exporters, stifling trade potential. It is in this context that trade facilitation becomes key.

Logistics forms a critical component of trade facilitation and can be described as 'simplifying and standardising the commercial activities involved in the movement of goods and information across borders from seller to buyer'.

Logistics involves activities and processes carried out by ports and airport authorities, customs, freight forwarders, pre-shipment inspection agencies, government departments, and even financial service providers and information communications technology (ICT) providers. Logistics is an important enabling sector for the growth and competitiveness of exporters, as without efficient transportation to air, land and sea ports, the sector will be at a considerable disadvantage. Logistics, therefore, is the lifeblood of exporters.

Table 15.2 Transportation SWOT analysis

Strengths	Weaknesses
The River Gambia as a key transportation artery Liberalised economic environment Signatory to the ISRT Protocol (1982) 24-hours port operation services Presence of seven ports Existence of extensive trunk and feeder roads Transparent customs valuation procedures made possible by the Automated System for Customs Data (ASYCUDA ++) The Senegambia Bridge	Cumbersome and inconsistent cargo clearance procedures Numerous check points, which impede transit trade and exports/ re-exports Old transportation fleet that does not meet ISRT Protocol requirement of using containerised trucks for interstate trade Lack of EPZ facilities, such as bonded warehousing, bulk breaking, and sorting facilities to meet trade facilitation needs Time restrictions on transit trade truck movements - no movement allowed after 7pm. Border practices inconsistent with the provisions of ECOWAS Protocol on Free Movement of Goods and Persons Scanning costs of cargo/containers Small berth area of the ports Lack of information management systems in trade facilitation

	<p>Limited air cargo capacity</p> <p>Insufficient cold storage facilities at or near the ports</p> <p>The Gambia is still considered as lacking competitiveness in current logistics procedures and infrastructure</p> <p>Lack of complete and widespread electronic processing mechanism for all transactions</p> <p>Relatively long processing times</p> <p>Numerous document requirements for export</p> <p>The lengthy export registration process</p> <p>High container costs</p> <p>Weak exporter competency related to export logistics and related procedures</p> <p>Limited specialised storage facilities at the ports and airports for export of perishable goods</p> <p>Some cargo handling facilities at the port and airport need upgrading</p> <p>High costs and perceived inefficiencies associated with pre-shipment inspections and container scanning</p>
Opportunities	Threats
<p>Port expansion and use of Bund Road area for warehousing and bulk-breaking (re-packaging)</p> <p>Dredging of the port area to allow for larger vessels</p> <p>Implementation of the ACE (Africa Coast to Europe) Project, which has now been signed</p> <p>Investment in trucking and haulage</p> <p>Implementation of the West African Regional Communication and Infrastructure Project</p>	<p>Subregional ambition of most ECOWAS member countries to become the trade gateway of West Africa</p> <p>Increase in cargo handling charges</p> <p>Implementation of the CET</p> <p>Proposed Gambia Maritime Administration (GMA)</p> <p>Freight Levy on certain goods</p>

Endnotes

¹ World Bank Group (2017), Doing Business 2017: Equal Opportunity for All, Economy Profile 2017

² The Gambia Investment and Export Promotion Agency Act, 2010, pg. 25

³ Ibid

⁴ World Trade Organization, Trade Policy Review, the Gambia, 2018, pg. 42

⁵ Ibid

⁶ Psychographic segmentation divides the market into groups according to customer lifestyles, social class and personality characteristics.

Strategy	Activities	Responsibility	Timeframe	Budget (US\$)
To effectively use the River Gambia as a key transportation and trade growth pole	Carrying out a feasibility study on the transportation potential of the River Gambia.	Ministry of Transport, Port Authority	Jan 2021-Jun 2021	120,000
	Dredging areas of the river that are covered with silt to allow for greater access.	Ministry of Transport, Port Authority	Jun 2021-May 2022	500,000
	Improving existing ferry services.	Ministry of Transport	Jun 2022-Dec 2022	50,000
	Encouraging and promoting investment in river transportation services.	GIEPA	Jun 2022-Dec 2025	100,000
	Expanding the fleet of ferries to facilitate more transportation and movement along the River Gambia.	Ministry of Transport	Jun 2022-Dec 2022	2,000,000
To increase air cargo capacity - balance volume with space available	- Developing a system (electronic) to allow freight forwarders to consolidate and co-operate. - Developing a system for exporters to pool information, so volume needs can be established and provided for within the freight forwarder system.	Ministry of Trade, Ministry of Transport	End 2021	50,000
	Negotiating with relevant airlines to bring larger aircrafts.	Ministry of Trade, Ministry of Transport, Private sector representatives	Mar 2021	50,000
To encourage and facilitate the provision of cold storage at export points for the fish and horticulture sectors	- Developing 24-hour opening. - Encouraging related services to keep the same hours, so all exporter activities can be executed at the same time.	Ministry of Trade, Ministry of Agriculture and Fisheries	Early 2021	25,000
To reduce air freight costs	Implementing a system to allow exporters and freight forwarders to co-operate in order to consolidate and negotiate for better rates.	Ministry of Trade	End 2020	10,000
To improve the quality and efficiency of transportation networks from source to warehouse to port and beyond	Encouraging and facilitating the fixing of major road networks, improving road conditions.	Ministry of Transport	Mid 2021	10,000,000
	Investigating the possibility of a cost-effective rail transport system, which would alleviate some of the road congestion.	Ministry of Trade, Ministry of Transport	End 2021	50,000
	Providing logistical support through the provision of vehicles to facilitate the movement of goods in response to COVID-19 impacts.	MOTIE, ITC		40,000

Strategy	Activities	Responsibility	Timeframe	Budget (US\$)
To improve the quality and efficiency of shipping	Having forms and declarations available online, with exporters able to submit them online.	Ministry of Trade, Customs	Mid 2021	5,000
	Facilitating the set up a clearing house for information for all exporters, possibly under the NES umbrella.	Ministry of Trade	End 2021	15,000
	Identifying software/online solutions so exporters can request space for air or sea freight with date/time/ goods information, etc. and a freight forwarder can bid on the job.	Ministry of Trade	End 2021	50,000
	Training and educating freight forwarders on the rules and requirements for exporting goods of all kinds.	Ministry of Trade	1st quarter 2021	20,000
	Developing order fulfilment centres.		First quarter 2021	-
To enhance domestic logistics	<ul style="list-style-type: none"> - Increasing transport links. - Encouraging more commercial transport connections for produce from up-country to capital area + international shipping ports. 			
To make companies e-commerce ready	Assessing the state of e-commerce readiness of export players.	GIEPA	Mid 2021	20,000
	Identifying suitable e-commerce-ready products.	GIEPA	Mid 2021	15,000
	Providing digital literacy training to entrepreneurs, especially women entrepreneurs.	MOTIE ITC/SheTrades Gambia, YEP, private sector, Information Technology Association of the Gambia (ITTAG)		
	Increasing the awareness of entrepreneurs of e-commerce opportunities and providing case studies of companies which have been successful in e-commerce.	GIEPA, MOTIE ITC/SheTrades Gambia, YEP, ITTAG	Mid 2021	35,000
	Identifying suppliers which could deliver e-commerce solutions and make their services available to export companies.	GIEPA, ITTAG	Third quarter 2021	5,000
	Negotiating, as a group, preferred transportation rates with key courier providers such as DHL and Fed Ex.		Mid 2021	5,000
	Assisting 50 companies in becoming e-commerce ready within a one-year period.	GIEPA	Mid-End 2021	75,000

Strategy	Activities	Responsibility	Timeframe	Budget (US\$)
	<ul style="list-style-type: none"> - Ensuring that women entrepreneurs and female workers are included throughout activities. - Ensuring that youth entrepreneurs and young workers are included throughout activities. - Ensuring that rural entrepreneurs and rural workers are included throughout activities. 	GIEPA, MOTIE		
	Increasing policing and control at ports to reduce shipment contaminants (for example, fruit flies, contraband, etc.).	Ministry of Trade	Mid 2021	60,000
To make companies e-commerce ready	Assessing the state of e-commerce readiness of the export players.	GIEPA	Mid 2021	20,000
	Identifying the goods and services to be exported via the internet.	GIEPA	Mid 2021	15,000
	Increasing the awareness of suppliers of e-commerce opportunities and providing case studies of companies which have been successful in e-commerce.	GIEPA	Mid 2021	35,000
	Identifying suppliers which could deliver e-commerce solutions and make their services available to export companies.	GIEPA	Third quarter 2021	5,000
	Negotiating, as a group, preferred transportation rates with key courier providers such as DHL and Fed Ex.	GIEPA	Mid 2021	5,000
	Assisting 50 companies in becoming e-commerce ready within a one-year period.	GIEPA	Mid-End 2021	75,000
	Providing training in e-logistics in response to COVID-19 impacts.	GIEPA	Jan 2021 to July 2021	50,000
	Developing interactive and innovative platforms for value chain actors.	GIEPA	Jan 2021 to July 2021	200,000
To improve post-harvest logistics and handling	Supporting the reduction of post-harvest losses through appropriate post-harvest logistics and handling (i.e. grading/ sorting, processing/packaging, preservation, transport provision (from producers to processors in appropriate transport crates).	Ministry of Trade	Jan 2021 - Dec 2022	300,000

US \$14,005,000

Table 15.3 Transportation Strategies

15.2 Information and Communications Technology

Information and communications technology (ICT) infrastructure has improved in The Gambia. However, The Gambia is still lagging behind competitors in terms the adoption of technology. Consider that internet penetration rate was a mere 18 per cent in 2020, or 442,000 users, considerably behind the African average of 39.3 per cent and the global average of 58.8 per cent.¹ Yet, it must be noted that this is a significant improvement. In the year 2000, there were just 4,000 internet users in The Gambia. That improvement from a very low penetration rate was enabled through liberalisation and privatisation policies led by the government. The connection with the Africa Coast to Europe (ACE) submarine fibre optic cable further helped to enhance ICT infrastructure and gave much-needed access to the internet to the wider population.

There are a few ICT players in the country at present, including mobile providers, internet services, ICT professional services, financial services technology and many more. However, despite the improved infrastructure, technology-based entrepreneurship and innovation in the country is still slow. For example, there are no active tech hubs at present.

The main area of technology improvement has been in the mobile subsector of ICT. The mobile industry is expected to play an important role in the development aspirations of the country. It is evident that Vision 2020 has plans for the telecommunications industry, to facilitate the promotion of a well-informed and self-reliant population. Examples of such plans include the multiplication, diversification and decentralisation of the media and the integration of the country into the Global Information Infrastructure (GII) via the super-information highway. It is expected that this will render the country a major data processing and training centre.

The National Development Plan expresses the government's commitment to improving the ICT landscape for citizens and businesses alike. The NDP underscores the importance of ICT and commits to undertaking the following ICT-related initiatives: establishing a national data centre to strengthen e-government; upgrading the Telecoms Access Network (last-mile connectivity); establishing a National Technology Park to spur research and development; increasing rollout of regional ICT centres to enhance connectivity to schools and communities; achieving digital switch over and analogue switch off; strengthening cyber-security; and enhancing postal service delivery.

The government also sees the key role that ICT can play in improving the political and regulatory climate in the country, to make doing business with the government and carrying out civil and statutory requirements more seamless and less bureaucratic for businesses.

ICT can play a crucial role for the export sector in improving competitiveness, increasing productivity, getting closer to the customer, getting access to information and penetrating new markets.

Consider that the rapid transformation in technology has revolutionised the way we conduct business, interact with each other, search for and share information, spend, shop, and sell. Consider that it is not just a single technology being used in a single sector or industry, but a whole system of technologies being rapidly diffused across all sectors and industries. And most critically, the consumers are also users. The internet, in particular, with 4 billion internet users worldwide, has impacted significantly on the way we do business today. For instance, distribution through e-commerce is now 'a must' for many businesses.

The influence of the internet, particularly e-commerce, cannot be ignored as a key distribution mechanism. To date, there are virtually no exporters benefitting from e-commerce in The Gambia. E-commerce would expose Gambian exporters to vast markets in Europe and North America.

In addition, a critical challenge is the relationship between technology and the financial services sector. Credit cards are very limited in use. Many businesses cannot accept credit card or online payments. With the global trend today, which is moving away from paper money (for example, credit cards, mobile money, online transactions, wire transfers, Bitcoin and cryptocurrencies), The Gambia will be left behind by its competitors if appropriate action is not taken.

However, the uptake of credit cards to facilitate e-commerce cannot become a reality in a vacuum. Key areas must be improved to give exporters access to this real opportunity, including:

1. Improved IT infrastructure. The government should consider expanding 4G and even 5G technology.
2. Opening up the ICT sector to allow more investments in fibre optics and new technology infrastructure. The government cannot have a monopoly on IT infrastructure development.
3. The financial services sector developing mechanisms to allow Gambian businesses to accept online payments, not just locally but from international sources as well.
4. Fulfilment houses being identified and partnered with in the key markets of North America and Europe.
5. Gambian producers gaining access to great photography and related professional services.
6. Improved quality and standards.
7. Enhanced packaging to make products more marketable and attractive.

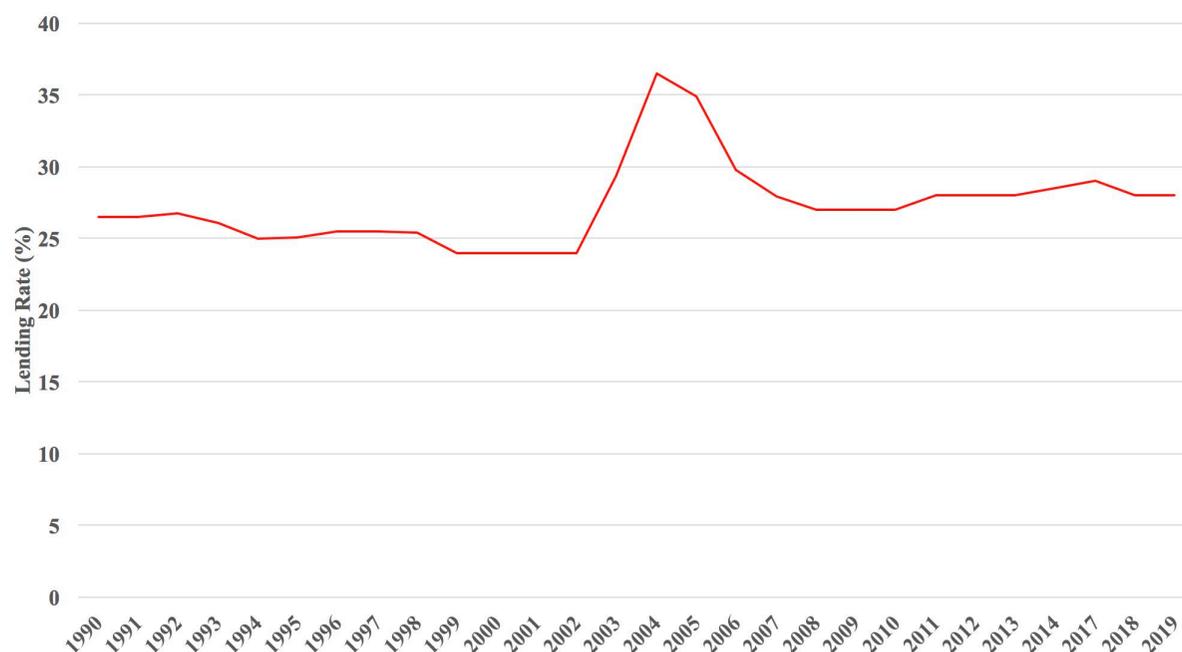
15.3 Financial Services

Finance represents the major catalyst for effective trade execution. It spans the entire value chain: from product development to assembling, packaging and down to logistics. In order to strengthen an industry's or a sector's competitiveness, ensure fair trade and reasonable access to markets across the board, effective trade finance infrastructure is needed to support the entire value chain. The availability of cash, credit, investments and other financial assets is a prerequisite for effective trade.

In The Gambia, the economy is challenged by a thriving informal sector characterised by many micro and small enterprises, which increases the risks to financial institutions when extending finance. To mitigate such risks, these institutions not only restrict the flow of cash to a few companies, but also increase the risk premium on the cost of capital. Flexible and internationally recognised financial instruments that aid trade (letters of credit, structured commodity finance, invoice discounting, credit insurance, capital markets, hedging, etc.) are either non-existent, relatively new, not well understood by the private sector, or generally ignored because of the relatively high costs and time associated with securing them.

In addition, the cost of financing is high. The commercial lending rate averaged at 27.3 per cent between 1990 and 2019. High lending rates crowds out the private sector and makes investment in business challenging. Considering that most of the businesses in The Gambia are MSMEs, this may be potentially holding back export development.

Figure 15.1 Commercial lending rate in The Gambia



Source: World bank Data 2020

In addition, many financial institutions exhibit a culture of risk aversion and do not seem willing to adopt change in a rapid manner. Some banks express that in order to properly manage risks, they also have to consider other loan requirements: some firms do not meet all stipulations and are therefore turned away. The risk-averse nature of financial services has also adversely affected the MSMEs' ability to access financing. Considering that many MSMEs are female-run and compounded by the exceptionally high level of unemployment among women, this does not augur well for the development of women entrepreneurs in The Gambia.

The current risk-averse environment within the financial services sector is an issue that needs to be addressed at a high level by government if the sector is to take its place as a key enabler of private sector development.

More could be done around incentivising the financial services sector to adjust how it calibrates risk for business activity in some of the key prioritised sectors under the NES. The government and the Bank of The Gambia can play a key role by developing a progressive environment and by providing appropriate incentives to encourage financial institutions to be more open to offering financial services, particularly to MSMEs.

¹ Internet World Stats, March 2020. <https://www.internetworldstats.com/stats1.htm>

Strategies	Activities	Lead implementing institution	Timeframe	Budget	OVI's
To offer banks risk guarantees	In partnership with banks, creating an adapted guarantee system to mitigate risks when financing priority export sectors (agriculture, fisheries, etc.).	Ministry of Finance, banks, banking associations	End 2021	0	- Guarantee system created and easily available - Increase in financing of risk-prone sectors
To promote co-operation through creating intermediary entities and improving procedures	Establishing a formal dialogue between the private sector (producers, processors, exporters) and financial institutions to resolve the financial challenges to enterprise and export development. Accelerating decentralisation of procedures to ensure faster issuing of certificates, forms, accreditation, etc, required to access finance and credit.	Ministry of Finance, banking associations	Mid 2021	5,000	- Dialogue platform established - Actions taken
	Accelerating decentralisation of procedures to ensure faster issuing of certificates, forms, accreditation, etc, required to access finance and credit.	Banking institutions, Central Bank	Mid 2021	50,000	Decentralisation measures strengthened and operational rank in doing business improved
	Establishing a private credit bureau to ensure integration of the private sector into information system for financial transactions.	Ministry of Finance, Central Bank	Third quarter 2021	100,000	- Policy for private credit rating created - Private bureaux created and initially supported
	Eliminating delays in VAT refunds to help ameliorate working capital issues.	Gambia Revenue Authority, Ministry of Finance	Third quarter 2021	0	- Delay reduced by 30% - Enterprises acknowledge improvements
To improve legal framework for contract enforcement	Establishing a system of small claims courts or a fast-track system to clear small claims, in order to enable contract enforcement and reduce costs of courts procedures. Training notaries to be able to respond to the needs of clients better and more efficiently	Central Bank	Third quarter 2022	100,000	- Small courts system established - Cost of settlements reduced - Doing business ranking
	Training notaries to be able to respond to the needs of clients better and more efficiently		Second quarter 2022	150,000	- Additional notaries classes provided at national level - Additional resources to schools - New students graduated
To reduce the costs of access to finance	Developing policy recommendations to withdraw or reduce charges on certain bank transactions.	Central Bank	Third quarter 2022		- Evaluation of charges and costs completed - Withdraw or reduction of costs completed

Strategies	Activities	Lead implementing institution	Timeframe	Budget	OVI's
	Reducing commission rates (issuing cheques bouncing, cash withdrawal, credit card fees, etc.) and banking transaction costs (money transfers, etc). A first step is aligning the commissions and costs with those of ECOWAS.	Central Bank, banking associations	Third quarter 2022		<ul style="list-style-type: none"> - Clients satisfied - Commissions and cost aligned to Southern Africa Development Community (SADC) - Future targets established
	Evaluating the possibility to expand or lengthen moratorium periods and improving overdraft credit access to enterprise to finance working capital flows.	Banking sector, banking associations, Central Bank	Mid 2023		<ul style="list-style-type: none"> - Inter-financial institutions evaluation completed - Increase in authorised moratorium and overdraft credit
To enhance existing financial instruments	Allocating, through refinancing, additional resources to existing financial mechanisms in order to increase the volume of credit available to operators for investment, expansion, etc.	Ministry of Finance	End 2021		<ul style="list-style-type: none"> - Refinancing option defined - Key credit line increased - Increase in credit received by clients
	Providing direct financial support (grants and soft loans) and facilitating access to credit and rural financial service providers in response to the downturn and economic challenges posed by the COVID-19 pandemic.	Ministry of Finance, Ministry of Trade	Jan 2021-Dec 2023		Financial support made available
To create and structure a production/ export development fund	Creating an export development fund to assist enterprises to enter new markets or expand in existing markets.	Ministry of Finance	Mid 2022	1,000,000	<ul style="list-style-type: none"> - Fund established - Export financing mechanisms easily available - Exporters utilise the financing mechanisms
To establish and structure export credit and trade	In partnership with the African Export-Import Bank (EXIM) or EXIM banks in other developing or donor countries, establishing an export credit agency to organise existing and future	Ministry of Finance, GIEPA	Mid 2022	1,000,000	<ul style="list-style-type: none"> - Export credit agency established with support of EXIM banks

Strategies	Activities	Lead implementing institution	Timeframe	Budget	OVI's
insurance mechanisms	export credit lines and facilitating procedures between government and exporters in the access to export financing				<ul style="list-style-type: none"> - Export credit easily available - Procedures facilitated - Increase in export credit allocations
	Incentivising and training insurance companies to provide mercantile export insurance as a critical tool for exporters to insure risks of exporting goods, including delayed delivery. Ensuring efficient promotion of IT services to exporters.	GIEPA, Ministry of Trade	First quarter 2022	0	<ul style="list-style-type: none"> - Export insurance available - Exporters use the service - Export insurance is promoted
	Creating export credit and export credit guarantee mechanisms to reduce risk of non-payment by foreign buyers, thereby enhancing access to commercial banks' export credit lines and ensuring their availability to existing and potential exporters.	Ministry of Trade, Ministry of Finance	End 2022	50,000	<ul style="list-style-type: none"> - Export guarantee agency established - Export guarantees are easily available - Procedures are facilitated - Exporters have greater access to export credit
	Performing a feasibility study to evaluate incentivising commercial banks to create specialised export credit lines. Acting on results of the study.	Central bank	First quarter 2023	50,000	<ul style="list-style-type: none"> - Study completed - Results acted upon

US \$2,505,000

Table 15.4 ICT Strategies

15.4 Quality Management and Standards

The Gambia is part of an international trading system that lays strong emphasis on issues of quality and standards for production, packaging, labelling and export of goods through diverse agreements/negotiations like WTO agreements, the Doha Round and economic partnership agreements.

The implementation of global quality standards is indispensable to maintaining and protecting the environment and consumer safety and health. This is even more so when exporting to external markets. Many markets, such as the USA and Europe, have very strict sanitary and phytosanitary standards in place, which can be a barrier to trade for many small exporters. Not only are the standards high, but they are often costly to overcome. Stakeholders also commented that as often as they met one standard, markets 'beefed up' the requirements and they were set back once more. The relationship among exporters is exemplary. They often work together to support each other in meeting standards. In some cases, exporters who cannot meet certain standards export through certified partners on the ground. This is an excellent example of co-opetition ('collaborate to compete'). For example, GHE supplies limited packaging to smaller player, Radville Farms.

The Gambia's exports, particularly fish, horticulture, cashew and groundnuts, have often had difficulty in meeting the quality and delivery requirements specified by international buyers. For groundnuts, in particular, the chief issue is aflatoxins, which can be controlled through better agricultural processes, storage and handling.

The Gambia's standards regime is subject to ECOWAS rules on standard harmonisation (ECOSHAM); the authorities state that ECOSHAM is based on WTO and ISO/IEC rules. The Gambia Standards Bureau Act 2010 is the main national legislation. The Gambia Standards Bureau (GSB), under the Ministry of Trade, Industry, Regional Integration and Employment (MOTIE), became operational in 2011. The bureau is responsible for standardising methods, processes and products in the country. In addition, GSB is the representative on technical barriers to trade (TBT) with the WTO.

Most standards currently enforced by the GSB are directly adopted from international standards, except where necessary local adaptation has to be made to reflect Gambia-specific conditions (for example, climate, geographical factors, indigenous products). There are approximately 33 national Gambian standards in force, covering, inter alia, wheat flour, groundnuts, sugars, rice, edible fats and oil, natural mineral water, bottled water, and pre-packaged food; this includes three local standards.

While there are several standards in place, the main challenge is adoption and enforcement. A main cause is that some exporters do not fully understand the role of TGBS in the exporting process. In addition, there are other agencies that deal with similar issues and roles and responsibilities overall, for example, the Food Safety and Quality Authority (FSQA) and the Plant Protection Services (PPS). In some instances, mainly for agriculture produce, exporters bypass the TGBS and deal with the FSQA or PPS. This points to a lack of knowledge and understanding. Training and effective dissemination of information is required.

Strategies	Activities	Lead implementing institution	Timeframe	Budget
To ensure effective co-ordination and an operational network of quality management (QM) providers	Reinforcing the co-ordination, monitoring, implementation and resource mobilisation role of the Gambia Standards Bureau to plan and co-ordinate QM interventions in favour of export development by: holding regular meetings; enhancing participation of the private sector and trade support organisations; monitoring the implementation of the QM strategy, etc.	GSB, Ministry of Trade	Mid 2021	
To foster a culture of quality	Developing QM training/education guides covering areas such as rules of origin, international rules and regulations, and other QM issues and standards, etc. Forging regional and international partnerships at the institutional level, through exchange programmes to build human resource capacity in standards.	GSB	First quarter 2022	75,000
		GSB, Ministry of Trade	Mid 2021	40,000
To ensure quality production inputs	Providing incentives to firms for certification of their products/ systems/ facilities.	Ministry of Finance	Mid 2021	25,000
	Quality management institutions (QMIs) increasing monitoring of inputs for agriculture, processing, packaging, etc, to ensure strict compliance with international quality criteria relating to the priority sectors, in particular.	GSB, Ministry of Trade	Mid 2021	
To provide technical support and assistance to enterprises	GSB technicians, in collaboration with private sector - accredited laboratories, inspection enterprises, etc. - providing on-site support to firms in QM processes (ISO, HACCP, good agricultural practices, GMP, organic, fair trade, etc.) and Gambian standards. Investing in a food testing lab with full complement of technical staff and high-quality equipment.	GSB, ITC/YEP	Mid 2021	250,000
	Enabling R&D in quality management to ensure the capacity to respond to new international market demand and requirements.	Ministry of Agriculture, Ministry of Trade	Mid 2022	3,000,000
		GSB	Jan-Mar 2022	100,000

Strategies	Activities	Lead implementing institution	Timeframe	Budget
To assist firms to take advantage of new trends and improve competitiveness through quality standards and compliance	Supporting and incentivising suppliers in obtaining certification for organic, fair-trade and other certification programmes related to sustainable development that cater to growing market trends.	GSB, GIEPA	Mar-May 2022	75,000
To provide adequate infrastructure for quality management	Supporting the construction of quality management infrastructure (silos, warehouse, cold storage facilities, etc.) in identified priority areas that respect quality standards and are regularly inspected to ensure compliance.	Ministry of Trade	Mid 2022	4,000,000

US \$7,565,000

Table 15.5 Quality management and standards strategies

15.5 Human Resource Development and Entrepreneurship

A major barrier to realising a robust export sector is a low level of competence on issues relating to the export of goods and services among key players in the public and private sectors.

Export skills development broadly covers aspects of production, marketing, sales, trade negotiations, international trade finance, export procedures, banking, transport and standards.

To promote export growth in The Gambia, there is a critical need to develop the level of competences of policymakers and members of the private sector involved in exports. There is need to build an understanding of key issues on export promotion and ensure that policies that promote exports are defined and implemented. For example, there is limited competence in terms of market intelligence and understanding some of the key trends affecting trade worldwide.

Within the private sector, there are low levels of export know-how, particularly among MSMEs and new entrants. The sector players are weak and not in a position to build the necessary skills required to improve on the export of their products. This problem is exacerbated by high levels of informality in many of the sectors, particularly among MSMEs, and poor access to/limited knowledge of the existence of information on export markets, standards, and export requirements and opportunities to build the required skills.

Keeping pace with international business requirements calls for extensive and continuous investment in skills development and keeping track of demand for new services in the form of training and business counselling.

A range of institutions such as GIEPA, GSB, etc. offer business and export skills development in the form of short workshops, seminars, and printed material (both offline and online).

There are, however, less consistent advisory and support services tailored for the individual clients, or in-depth training in these and other areas.

Key strategic issues of skills development:

- Low level of technical skills.
- Low levels of export know-how.
- Many small sector players are not able to build the necessary skills required.
- High levels of informality in many sectors.
- A highly competitive global market competing with high-level talent.
- Lack of an integrated and complementary approach to export skills development that targets current, potential and aspiring exporters at varying levels of development (large, medium and small).
- Limited resources to target rural communities for outreach programmes and advisory and support services.
- Limited consistent advisory and support services tailored for the individual clients.
- Limited in-depth training in business plan development, marketing, financial management, pricing, etc. These types of training exist on a small scale in some cases and are ad hoc in others.
- Limited export training curriculum with the requisite scope and depth that enables complementary short courses (such as market development and penetration). The scale and scope of existing programmes could be expanded.

Strategies	Activities	Responsibility	Timeframe	Budget (US\$)	Objectively Verifiable Indicators
To create and build a sustainable adaptive educational system to respond to the changing needs of the export sector	Carrying out a needs assessment and gap analysis of skills sets and attitudes required in the targeted sectors to determine current and future employment needs to support export growth areas. The needs assessment should pay particular attention to those sectors with a low rate of female employees and determine the skills needed by women in order to take up jobs in these sectors.	Ministry of Trade, with support from Ministry of Higher Education and Research Science and Technology	Mid 2021	30,000	- Needs assessment carried out - Skills particularly for women identified for key sectors - Recommendations developed - Curriculum review for tertiary and non-tertiary institutions
	Assessing teacher training programmes towards meeting the identified needs.	Ministry of Higher Education Research Science and Technology (MoHERST)	Mid 2021	25,000	- Needs assessment carried out - Recommendations developed
	Developing and promoting educational programmes that equip the workforce to enter these export sectors, for example, scholarships and team-building competitions, career weeks etc.	GIEPA	Mid 2021	50,000	- Educational programmes developed and promoted
	Developing a business incubation system tied to the delivery of specialised education, training and services, with special emphasis on female and young entrepreneurs.	GIEPA	First Quarter 2021	250,000	- Business incubation programme expanded (special focus on female and young entrepreneurs)
	Promoting partnerships between private and public education and training institutions and the private sector, to develop a three-tier export curriculum which spans introductory, supervisory and management courses.	Lead by GIEPA, in collaboration with training institutions, private sector, trade support organisations	Mid 2021	50,000	- Capacity building partnerships developed - Training programmes enhanced or developed
	Developing entrepreneurship programmes and internships at all levels in partnership	GIEPA	End 2021	150,000	- Internships developed and promoted

Strategies	Activities	Responsibility	Timeframe	Budget (US\$)	Objectively Verifiable Indicators
To build skills within the priority sectors to increase efficiencies and competitiveness in key areas of production and business management	with industry, to foster an entrepreneurial mindset. Developing and including training programmes targeted particularly to MSMEs in the tertiary and non-tertiary curriculum.	GIEPA and MoHERST	Early 2021	400,000	- Training programmes developed - 200 MSMEs targeted Regular training opportunities / events created both offline and online Special targeting for female MSME owners (at least 40% are women)
	Developing a mentorship programme between established exporters and MSMEs.	GIEPA and MoHERST (National Accreditation and Quality Assurance Authority [NAQAA])	Early 2021		- 20 established companies mentoring 40 MSMEs on a regular basis by 2021 (spread evenly across priority sectors)
To build skills for competitiveness	Training of artisanal fishers and farmers in hygiene and critical control practices, in order to improve the quality of their products so that they may be processed by establishments that export those products. Incentivising producers and processors to provide on-the-job training (OJT), by creating fiscal advantages (reduced salary during training, tax reduction, etc.) for enterprises providing structured trainings.	Ministry of Agriculture, GSB, GIEPA/ MoHERST	Mid 2021	50,000	- 500 artisanal fishers trained
		Ministry of Finance, Ministry of Trade	Mid 2022		Fiscal advantages and incentives developed to encourage OJT 15% of all firms within the NES priority sectors take up incentives and carry out OJT
	Developing training curricula for fishers, artisans, farmers and processors to acquire	Ministry of Education, Ministry of Trade	Mid 2022	30,000	Training curricula developed

Strategies	Activities	Responsibility	Timeframe	Budget (US\$)	Objectively Verifiable Indicators
	appropriate skills and competencies to effectively increase export competitiveness.				
	Delivering specialised training for fishers, artisans, farmers and processors to acquire appropriate skills and competencies to effectively increase export competitiveness.	Ministry of Education, Ministry of Trade	Mid 2022	100,000	- 200 fishers, artisans, farmers and processors receive specialised training
	Developing a specialised and targeted training programme for women and people under 25 to learn entrepreneurial skills.	Ministry of Education, Ministry of Trade	Mid 2022	200,000	- 1000 persons graduated from the programme - no less than 40% are women
To build skills for economic resilience/resilient entrepreneurship	Developing COVID-19 businesses recovery coaching programmes (business development services, market sourcing and mentoring).	Ministry of Trade	Sep 2020	150,000	Ongoing programmes promoted and implemented
	Creating competitions to encourage young talent to be active in the development of solutions to economic and other challenges created by the COVID-19 pandemic.	GIEPA	Mar 2021- Dec 2021	100,000	Annual competitions developed

US \$1,585,000

Table 15.6 HR development and entrepreneurship strategies

Chapter 16 NES Implementation Structure and Institutional Framework

16.1 NES Monitoring Committee

The National Export Strategy is to be monitored and evaluated through a public-private partnership approach in the form of an NES Monitoring Committee. The proposed committee will be led by the Ministry of Trade, Industry and Employment (MOTIE). Other government ministries will include the Ministry of Finance and Economic Affairs (MOFEA), the Ministry of Agriculture (MOA), the Ministry of Fisheries and Water Resources (MOWFA), the Ministry of Tourism and Culture (MOTC), the Ministry of Transport, Works and Infrastructure, and the Ministry of Higher Education, Research, Science and Technology (MoHERST). This committee will also include private sector participation, as well as civil society representation. The proposed private sector organisations include the Gambia Chamber of Industry and Commerce (GCIC), the Association of Gambian Manufacturers and the Gambia Hotel and Tourism Association.

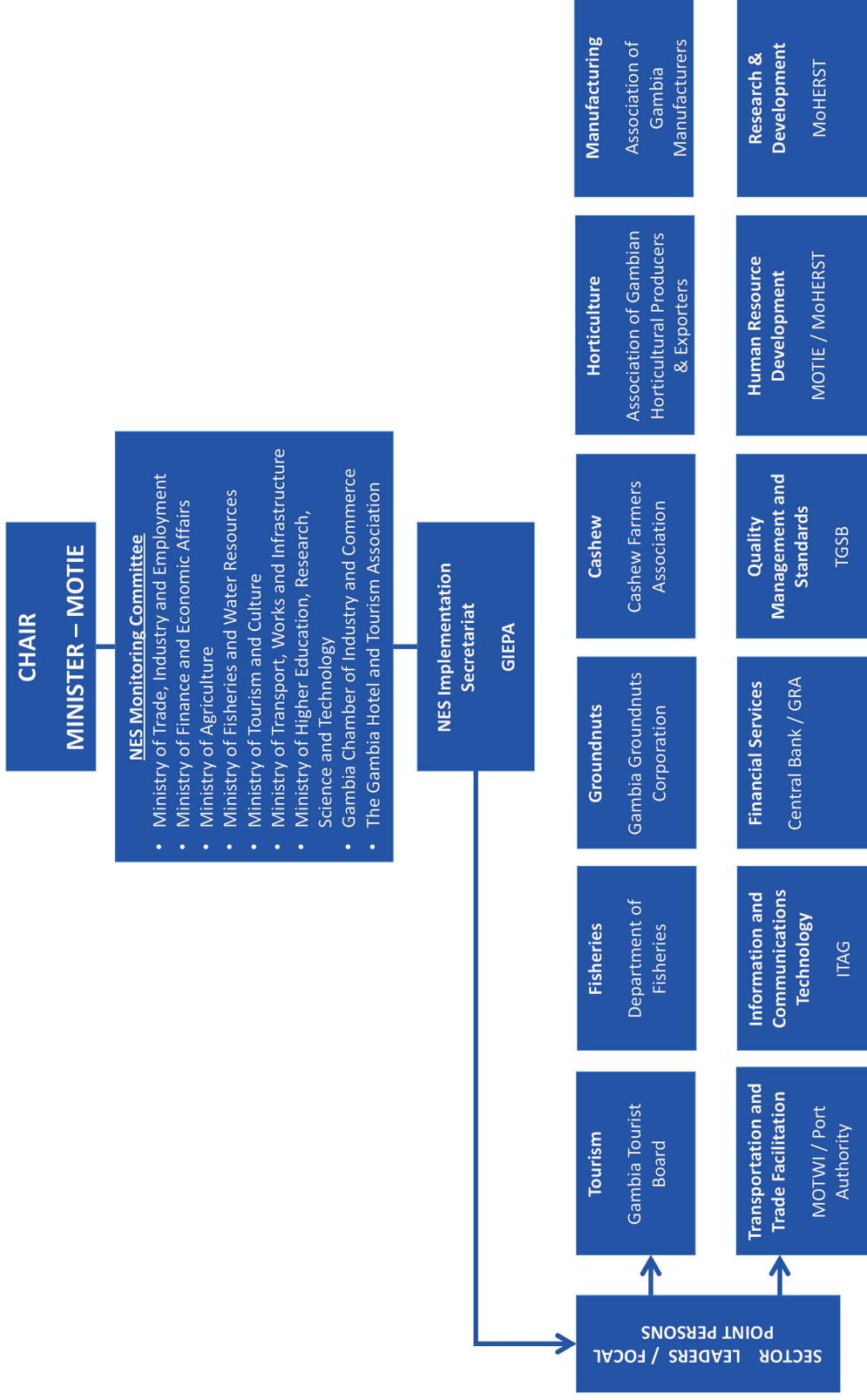
The NES Monitoring Committee will oversee the NES Implementation Secretariat, which will comprise GIEPA at the helm and sector leaders / focal point persons in each of the priority sectors and cross-cutting areas.

16.2 Key Support Institutions

The implementation of the National Export Strategy is critically important for the export sectors to be properly developed. The following institutions have a key role to play in the implementation of the NES:

- Gambia Investment and Export Promotion Agency
- Department of Agriculture
- Department of Fisheries
- Gambia Tourism Board
- The Gambia Hotel and Tourism Association
- Central Bank of The Gambia
- Gambia Revenue Authority
- Gambia Ports Authority
- Gambia Bankers Association
- Gambia Groundnut Corporation
- Food and Agricultural Organization
- National Training Authority
- Association of Gambian Manufacturers
- Gambia Chamber of Commerce and Industry
- Association of Clearing and Forwarding Agencies
- The Gambia Standards Bureau
- Plant Protection Services
- Food Safety and Quality Authority
- ASSERT
- Gambia Transport Control Association
- Youth Empowerment Programme

Figure 16.1 Gambia NES implementation structure



16.3 Implementation Plan

The implementation plan comprises a comprehensive action matrix, according to the agencies responsible for the implementation of the respective actions. Each agency or institution will have its own set of actions for the respective priority sectors and cross-cutting areas.

The implementation plan is maintained electronically on a dedicated portal/network, enabling all implementing agencies to apprise the NES Secretariat on a real-time basis of changes in the status of the sectors of which they are responsible. The NES Secretariat consist of project managers of the implementation plan, with a day-to-day oversight function and the ability to collate reports in readiness for engagement with the Trade Facilitation Committee. The implementation matrix is broken up into the following areas:

- activities to be implemented;
- the target beneficiaries that the activities cater to;
- the responsible agencies and partners;
- the budgeted timeframe;
- the actual implementation timeframe;
- the expected budget;
- the actual implementation expenditure;
- the objectively verifiable indicators;
- the sector that the activity belongs to; and
- the implementation status and progress to date.

16.4 Progress Reporting System

The progress reporting system should constitute the following key elements:

1. Quarterly updates on NES implementation progress.
2. Annual updates on NES implementation progress.
3. A mid-term review in June 2023 to report on all key actions and their progress to date, to include level of completion, percentage of budget spent, any variances in budget and reason behind variances, and the degree to which targets have been achieved and any remedial actions needed to bridge the gaps.
4. A final review at the end of 2025 to report on all key actions and their progress to date, to include level of completion, percentage of budget spent, any variance in budget and reason behind variances, and the degree to which targets have been achieved and any remedial action to bridge the gaps.

These reports, particularly the mid-term and final reviews, should be made available to the public.

The main backbone of the progress reporting system would be the implementation matrix. Each lead implementing agency with responsibility for carrying out specific actions should be given the task of reporting on their respective areas.

The implementation matrix reflects progress reporting timelines and is co-ordinated by the NES Secretariat, which in turn reports to the NES Monitoring Committee.

