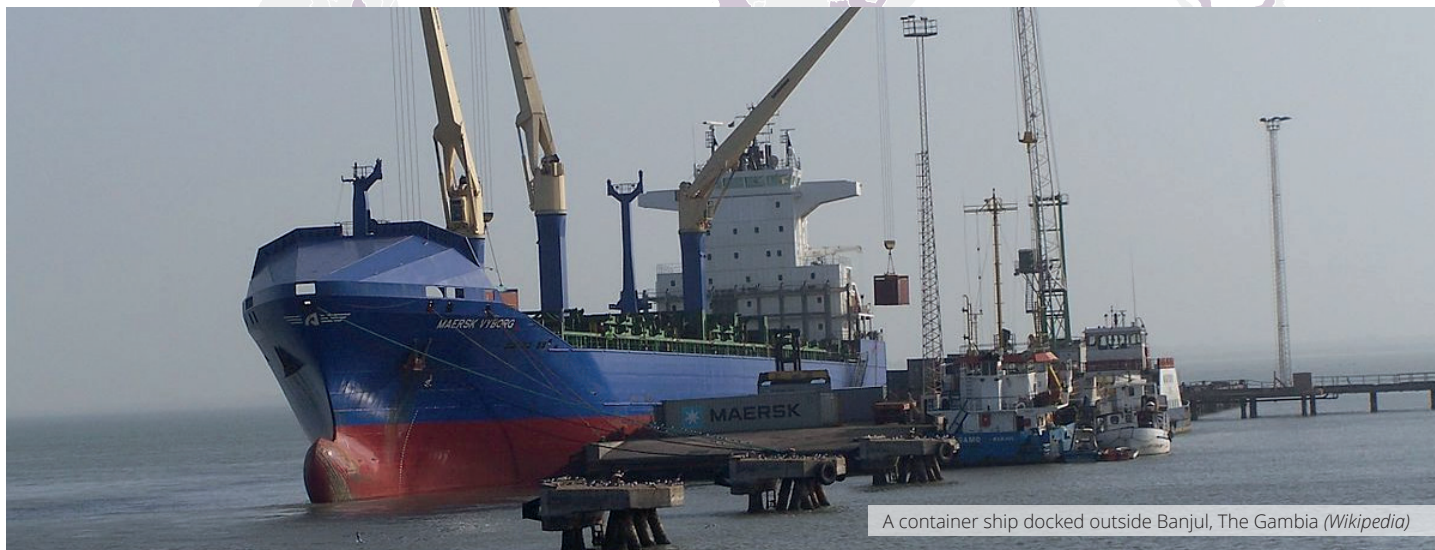


TRADE & THE GAMBIA

SUMMARY NOTE BY MATTHEW SALIK*



As part of the Commonwealth Parliamentary Association UK's strategic thematic focus on International Trade, a delegation, led by Lord German, met with the Minister of Trade, Industry, Regional Integration & Employment in Banjul in April 2019. This is a summary of that meeting and wider research.

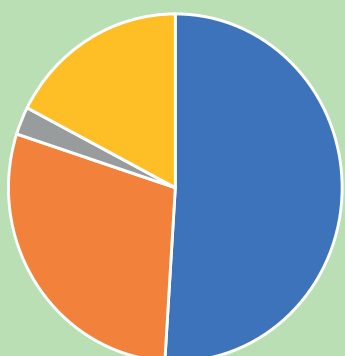
Overview

According to the The Observatory of Economic Complexity (OEC), The Gambia is the 177th largest export economy in the world. In 2017, the Gambia exported USD\$174M and imported USD\$1.16B, resulting in a negative trade balance of USD\$987M. In 2017, the GDP of the Gambia was USD\$1.49B and its GDP per capita was USD\$1.7k. The top exports of the Gambia are Rough Wood, Coconuts, Brazil Nuts, and Cashews, Non-fillet Frozen Fish, Scrap Iron and Tropical Fruits. Its top imports are Light Pure Woven Cotton, Raw

Sugar, Palm Oil, Malt Extract and Rice. The top export destinations of the Gambia are China (USD\$90.5M), India (USD\$56.8M), South Korea (USD\$3.47M), the United Kingdom (\$USD.27M) and Senegal (USD\$2.92M). The top import origins are China (USD\$397M), Senegal (USD\$107M), India (USD\$105M), Brazil (USD\$90.6M) and the Netherlands (USD\$57.9M).¹

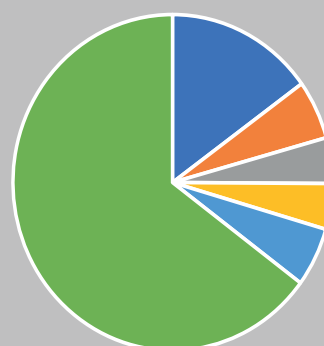
Since the fall of President Jammeh, the Barrow administration has been prioritising economic stabilisation with a determination to reverse the damage inflicted on The Gambian economy. To give an indication of the problems, it has been alleged that Jammeh and his associates stole at least US\$975m between 2011 and 2016.² The Barrow Government have therefore been seeking to reclaim these illicit outflows as well as remove those officials who facilitated such corruption.

Export (2017): \$174m



- Rough Wood
- Coconut, Brazil nuts and Cashews
- Non-fillet frozen fish
- Others

Import (2017): \$1.16b



- Light pure woven cotton
- Raw sugar
- Malt extract
- Rice
- Palm oil
- Other items

Governance

The Ministry of Trade, Industry, Regional Integration & Employment has a large mandate. The new Minister, appointed in March 2019, the Hon. Lamin Jobe had previous experience at the Ministry of Finance and Trade from 1981 to 1996 before moving to the National Investment Promotion Authority and Social Security and Housing Finance Corporation respectively. From 1998 to date, he was General Manager of LAMFAM Enterprises in The Gambia and Guinea Bissau.

The Ministry has two priorities, stabilisation and growth. These are important to ensure long-term and sustainable recovery from the financial mismanagement of the Jammeh era. The Ministry is keen to improve investor relations and The Gambia's reputation for the rule of law and ease of doing business (according to the World Bank, The Gambia is ranked 146).³

The Ministry has sought to strengthen its governance structures and policies by building administrative capacity. As a first step it has consolidated revenue collection and management systems, developed an International Trade Centre (ITC) and enhanced collaboration with ECOWAS and the Africa Free Trade Area.

Transport

One step taken so far by the government to improve trade links has been achieved by opening a new bridge spanning the River Gambia which is set to open up travel and trade in the region. The 1.9km (1.2 miles) Senegambia Bridge near Farafenni links the two halves of The Gambia, as well as allowing people from the north of Senegal to reach the southern Senegalese province of Casamance. The African Development Bank funded the project which opened in January 2019 and will be open to heavy-goods vehicles in July 2019.⁴

Energy

At its core, the Trade Ministry believes the best approach in tackling the domestic financial crisis is through increased foreign direct investment. With 35% unemployment in The Gambia, inward investment and improving efficiencies and strategies towards value chain across sectors can help improve the economy. One area that needs investment is in the energy sector. The Gambia has insufficient power generation, transmission and distribution. It has a deficiency of approx. 40MW and only around 42% of the population has access to electricity. This issue is doubly important as electricity is essential to provide water supply to the country.⁵ The Gambia is highly reliant on imported energy. Imports of mineral fuels comprised an estimated 17.4% of the value of total merchandise imports in 2016.⁶

According to the National Development Plan (2018 – 2022), there is a desire to increase production from 102 to 250 MW by 2025. A number of development banks are each financing projects in The Gambian energy market. Due to its location, climate and geology it has the potential to effectively utilise solar, wind and hydro power. In the meantime, The Gambia has been heavily reliant on Turkish support through “Karpowership”, an offshore power generator which relies on fuel burning has been operation in May 2018 in Banjul, providing 30 MW over two years.⁷



Agriculture & Fisheries

As well as energy, The Gambia is keen to improve its fisheries sector and seeks to exploit opportunities through processing and distribution. Building processing industries for export of fish across Africa and Europe would help increase employment especially in Banjul and fishing communities on the coast. In addition, The Gambia hopes to expand and diversify its agricultural sector and products by, for example, developing horticulture and cargo transportation.

Tourism

There is an aspiration to build on the established tourism sector by diversifying into eco-tourism as well as investing in accommodation to meet growing demand from China. The services sector contributed 65.6% of GDP in 2016, according to official estimates. The tourism industry is of particular significance as a generator of foreign exchange. Tourism contributed about 16% of annual GDP in the late 2000s, and employed some 10,000 workers. The GDP of the services sector increased at an average annual rate of 4.6% in 2007–16; services growth in 2016 was an estimated 5.1%.⁸ The Tourism Board are looking at ways to increase advertising in Europe and at improving airline routes and connectivity. They are seeking to package The Gambia for a more adventurous tourist seeking more than just “Sunshine, Smiles and Sand”.

Petroleum

The Gambia is keen to replicate its neighbour's success with exploitation of possible offshore petroleum and gas. Although seismic surveys have indicated the existence of petroleum deposits off-shore and drilling licenses have been issued, as yet no deposits have been found. Should The Gambia discover such a valuable commodity, it could have a substantial impact on the economy and trade deficit.⁹

Oversight

The National Assembly of The Gambia is the main institution to provide oversight and scrutiny of trade. This comes in two key formats; questions in plenary to the relevant Minister which happens whenever the Assembly is in session and through the Trade Committee which meets out of session to scrutinise the government on its policy and implementation of trade.

UK Trade and Aid Support

Stakeholders expressed that the lack of engagement from countries like the UK have inevitably meant that generous financial support from countries like China and Turkey have been welcomed. But such an approach is not necessarily a zero-sum game.

In 2011, under the Jammeh administration, the UK government diverted support and engagement away from The Gambia. In particular, the Department for International Development withdrew ODA in part due to human rights abuses and corruption. The current Trade Ministry is keen to see relations with the UK, the Commonwealth and the EU started with an “Aid for Trade” approach. Currently, DFID in particular has increased its support by increasing the UK's contribution to World Bank, African Development Bank, European Commission and other multilateral



programmes. The Ministry is keen that support from the UK comes in the form of capacity building for government departments as well as businesses, promotion of The Gambia as a worthy destination for private inward investment.

End Notes

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