



MASTERING YOUR MARKET UNDER AFCFTA - GAMBIA

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OVERVIEW OF GAMBIA

The Gambia, a nation situated on the western coast of Africa and encircled by Senegal, exhibits a distinctive form and size. Marked as Africa's smallest mainland country, The Gambia also ranks among the continent's most densely populated nations. While a few towns are positioned upriver, the majority of Gambians reside in rural villages. The principal ethnic groups mirror those found in Senegal and encompass the predominant Mankinle population, alongside Wolof, Fulani (Fulbe), Diola (Jola), and Soninke peoples.

The Gambian economy heavily relies on the production and export of peanuts (groundnuts). The country's recognition stems from its modest Atlantic coastline, characterized by its beaches, as well as its association with Jufureh (Juffere), reputed as the ancestral village of Kunta Kinte, the central figure in Alex Haley's renowned novel, "Roots."

ECONOMIC SNAPSHOTS

Gambia, a diminutive nation housing just over 2.2 million inhabitants, finds its place in the sub-Saharan region of Africa, characterized by its status as a low-income country. Nestled within the West African sub-region, Gambia secured a score of 50.3 on the global competitive index, ranking 155th among 180 countries evaluated by the World Bank.

With an approximately 80-kilometer coastline, English stands as the official language, coexisting alongside indigenous languages. The country's religious landscape is primarily Muslim, while its literacy rate reached 50.8% as of 2018. Notably, Gambia's Gross Domestic Product (GDP) reached around USD \$1.75 billion in 2019, with the household component accounting for approximately 20.7%.



ECONOMIC SNAPSHOTS

Within Gambia's agricultural sector, a diverse array of products is cultivated, including groundnuts, milk, oil palm fruit, sorghum, rice, maize, vegetables, and cassava. Additionally, the industrial landscape encompasses a range of products such as beverages, wood-working, clothing, metalworking, agricultural machinery assembly, hides, fishing, and tourism.



MARKET CHALLENGES

Gambia is heavily reliant on imports from other nations, resulting in a substantial trade deficit that has implications for its economic stability. The core pillars of its economy include tourism, rain-dependent agriculture, and remittances. However, this reliance also renders the nation particularly vulnerable to external shocks, such as global economic fluctuations.

Owing to its relatively compact size, the Gambian market presents unique challenges for companies seeking to achieve rapid turnovers of profits. Moreover, obtaining access to credit within The Gambia's economic framework is a complex process, driven by high interest rates and stringent demands for proving liquidity through deposit requirements. As a result, small and medium enterprises often face difficulties when attempting to secure the necessary capital for growth and expansion.

One of the pronounced challenges that echoes across numerous African nations is the frequent occurrence of power outages. In The Gambia, this

issue presents significant obstacles to businesses that lack backup power supplies. Consequently, businesses operating within the country are compelled to invest in backup power systems to mitigate the potential negative impacts of these outages.

A fundamental market hurdle faced by Gambia revolves around inadequate infrastructure, which contributes to its lower placement in the global ease of doing business report. This issue is a significant factor influencing the country's ranking. Compounded by a poverty rate of approximately 50%, Gambia also contends with notably modest average public sector income levels, ranging between USD \$50 and \$100 per month.

In addition to the challenges mentioned above, The Gambia grapples with a high inflation rate, escalating national debt, and a notable burden of taxes. These factors collectively serve as disincentives for foreign investment.

IMPORT PRODUCTS

In 2021, the total import volume of Gambia amounts to about \$1.86 billion. Some of the items imported and the amount include the following:

1. Textile -	\$337m
2. Food Stuff-	\$243m
3. Metal -	\$204m
4. Mineral Product-	\$169m
5. Veg. Product-	\$144m
6. Machine -	\$143m
7. Chemical Product-	\$106m
8. Animal Bi-Product-	\$106m
9. Transportation -	\$96.1m
10. Animal Product.-	\$80.7m
11. Plastic & Rubber -	\$57.9m
12. Stone & Glass-	\$46.2m
13. Miscellaneous -	\$43.9m
14. Foot & Head Ware-	\$32.6m
15. Paper Goods-	\$23.5m
16. Wood Products -	\$11.3m
17. Instrument-	\$10.9m
18. Animal Hides-	\$6.34m
19. Arts & Antiques -	\$21.9k
20. Precious Metals—	\$344k
21. Weapons -	\$109K

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MARKET OPPORTUNITIES

Despite its compact market size and the array of challenges it faces, Gambia remains an arena rife with investment prospects for discerning investors. These opportunities are underscored by the National Development Plan (NDP) spanning from 2018 to 2021, which serves as a comprehensive roadmap to stabilize the economy and stimulate growth over the medium term.

Encouragingly, Gambia's economic resurgence is gaining momentum, bolstered by a renewed surge in business confidence, as highlighted by the International Monetary Fund (IMF). The West African nation's trade landscape is set to benefit from the inauguration of the Trans-Gambia bridge in 2019 and the pivotal Trade and Transit Cooperation Agreement inked between Gambia and Senegal. Furthermore, the GIEPA provides incentives for business registration, coupled with extended tax exemptions designed to support qualifying investments, notably including machinery importation for priority sectors and manufacturing endeavors.

The energy sector, poised for substantial growth, beckons with significant investment openings, partic-

ularly in electricity generation. Anticipated demand growth necessitates an additional 40 megawatts to satisfy the current national consumption. Moreover, there's a palpable need for energy storage equipment such as inverters and renewable energy devices to augment the sector's resilience and sustainability.

Gambia's agricultural sphere, though currently reliant on imported machinery and irrigation equipment, offers an expansive canvas for investment. The sector's potential to evolve from being highly seasonal to a year-round enterprise hinges on the expansion of irrigation capacity, presenting opportunities for savvy investors to contribute to the sector's transformation.

Construction activities have flourished since the transition of government, and while a considerable portion of manufactured products is sourced from China and India, the escalating demand for quality construction materials and equipment creates a niche for countries that prioritize the production of superior quality offerings.

MARKET ENTRY

To enter the Gambian market, the Gambia Import and Export Promotion Agency (GIEPA) serves as the country's national trade facilitation agency. The primary gateway for goods is the seaport. While there is a somewhat competitive logistics sector, it's dominated by a few major importers. These importers distribute products to a network of wholesalers, who subsequently supply retailers. Notably, the top end of the market is largely controlled by the Lebanese, Mauritanian, and Indian business communi-

ties. In terms of trade finance, the Gambian landscape differs from common practices. Trade credit isn't prevalent, reflecting the broader challenge of limited access to financing due to high interest rates. Nevertheless, established importers and exporters with good relationships can access funding through mechanisms like letters of credit and overdrafts. Collaborating with agents or distributors is another avenue for market en-

try. Larger enterprises often opt to establish a local presence by registering a company. Additionally, some businesses explore approaches like franchising, direct marketing, and joint ventures. Engaging in thorough due diligence is crucial when pursuing any of these avenues.

IMPORT DOCUMENTATIONS

Accessing the Gambian market involves adhering to specific import documentation requirements. These documents, necessary for customs purposes, encompass the bill of lading, certificate of origin, cargo release order, commercial invoice, packing list, custom import declaration, and in some cases, technical standards, health, or environmental certificates for specific products.

Registered agents specializing in importation services are available to assist in navigating Gambia's import procedures. While not mandatory, utilizing these agents can streamline processes and alleviate common challenges encountered at ports.

However, there are certain goods that cannot be imported into Gambia due to regulations. These prohibited or controlled items en-

compass illegal narcotics, firearms, ammunition, explosives, skin bleaching ointments, pornographic materials, unapproved radio communication equipment, counterfeit goods, meat and poultry products, as well as tear gas and similar substances. Familiarizing oneself with these restrictions is vital for successful engagement with Gambia's import regulations.



SELLING FACTORS

Billboard usage is widespread in Gambia, especially among local distributors of global brands. Since English serves as the official language, all signage is displayed in English. However, advertising on television and radio often employs local languages.

Notably, prominent companies like telecommunications firms now regularly broadcast commercials on local TV. Newspapers also serve as a platform for

private sector advertising of products and services. This establishes numerous marketing opportunities in the Gambian market, without posing any language barriers for US companies.

In Gambia, customer service is generally lacking, with minimal resources allocated to Customer Relations Management (CRM). Providing post-sales support to customers is not a common practice.

Consumers anticipate some level of assistance, especially for intricate products such as large household items, heavy machinery, significant electronics, and IT equipment. Such services are effectively offered by local distributors.

While printed materials might be disseminated in English, the presence of local distributors capable of communicating in local languages is vital.

PAYMENT & EXCHANGE DOCUMENTS

The prevailing practice among Gambia's commercial banks involves offering trade finance instruments, prominently including letters of credit (LCs). However, these LCs often seek validation from esteemed correspondent banks to enhance their credibility. The utilization of open account arrangements for cross-border transactions is a rarity, owing to the scarcity of just four Gambian distributors, a majority of which lack international repute. As a

result, many Gambian importers favor a direct pre-delivery payment to exporters, unless a pre-existing rapport with a local distributor is established. Within Gambia's economic landscape, a managed floating foreign exchange rate system is upheld. In this dynamic, exchange rates gracefully undulate in response to shifts in supply and demand, occasionally receiving a gentle nudge from government intervention in the foreign exchange market.

BUSINESS CULTURE

In Gambia, greetings wield paramount significance, serving as the cornerstone for forging successful relationships across all strata. Omitting a salutation, even for a mere question, risks grave offense. From a distance, clasped hands often supplant handshakes.

In its conservative Islamic milieu, "Salamaleikum" (peace be unto you) reigns as the prevailing greeting, demanding a fitting reply.

Communication adopts an artful indirectness. Direct requests are scarce, as rapport-building takes precedence. Yet, Gambian humor embraces directness. Conflict evasion is the norm, preferring third-party intervention for dispute resolution.

Public transport languishes on its own clock, while social programs commence fashionably late, 2 to 4 hours past schedule, making tardiness the rule. State endeavors sway with approximate time, the visitor's rank determining punctuality norms.

In commerce, private meetings adhere more rigorously than public ones. Professionalism leans towards punctuality. Sessions involving local government or NGOs await full attendance, preceded by a room-wide salutation.

Casual banter abounds, prefaced by the highest-ranking male leading an Islamic prayer. Discussions extend, each voice holding weight. Closure comes with another Islamic prayer.





IN CONCLUSION

The Gambia, situated on Africa's western coast and encircled by Senegal, is marked by its small size and population density. It is Africa's smallest mainland country and heavily populated. Its economy relies on peanut production and exports, and it is renowned for its modest coastline and association with Kunta Kinte's ancestral village. Despite its low-income status, Gambia's diverse economy includes agriculture, industry, and tourism. A significant youth demographic, trade deficit, and vulnerability to external shocks are notable features. Challenges include power outages, inadequate infrastructure, and limited

access to credit. The National Development Plan (NDP) aims to stabilize and stimulate growth.

Gambia's economic resurgence is evidenced by business confidence and international agreements. The energy sector presents investment potential, and agriculture's transformation hinges on irrigation expansion. Construction is thriving, driven by demand for quality materials. The Gambian market's complexity is navigated through the Gambia Import and Export Promotion Agency (GIEPA), and understanding import regula-

tions is crucial. Advertising methods include billboards, TV, radio, and newspapers in both English and local languages.

Customer service and post-sales support are limited, with local distributors providing assistance for complex products. Gambia's commercial banks offer trade finance instruments, while the foreign exchange rate is managed. Greetings hold paramount importance, reflecting the nation's conservative Islamic culture. Communication favors indirectness, while punctuality norms vary in different settings. Meetings are often initiated with Islamic prayers.

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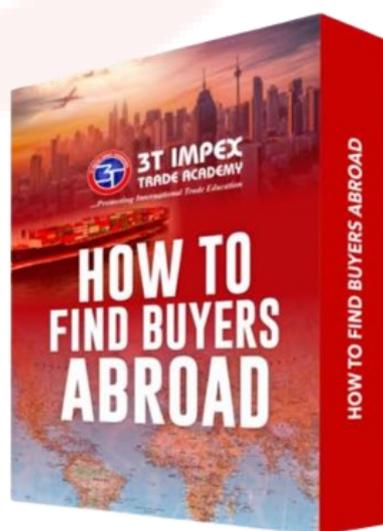
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