



THE GAMBIA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

The Gambia has an active private sector and the government has announced its support for encouraging local investment and attracting foreign direct investment. There is a government agency dedicated to attracting foreign investment and promoting exports and it provides guidelines and incentives to all investors whose portfolios qualify for a Special Investment Certificate.

The Gambia is a small market compared to some of its West African neighbors. There is a visible presence of foreign investors, particularly from Nigeria, East Asia, the Middle East and North Africa and a limited number of European and American-owned businesses. Trade relations with Turkey have also increased recently.

There are opportunities for investment in various sectors such as tourism and the hotel industry as well as agriculture for the larger West African market. There are also opportunities for cashew processing with one of West Africa's biggest cashew growers, Guinea Bissau, less than a day away by truck.

The country has a functioning bank system, although in May 2014, the Central Bank took control over two Nigerian-owned banks due to concerns over bad assets and issues with capital reserves. The international parent of one of those two banks recapitalized the local subsidiary and the Central Bank relinquished control over it. There are currently no restrictions on the conversion of funds. Investors may repatriate profits and dividends through commercial banks or licensed money transfer agencies at prevailing exchange rates. Bank customers can also open foreign currency denominated accounts (FCDs).

There is no legal distinction between the treatment of foreign and domestic investors but anti-Western discourse emanating from senior government officials has been of concern to many private sector operators. A ban on the importation of frozen poultry products, which lasted about six months in 2013 impacted American chicken exports to The Gambia. This trade issue was resolved in early 2014. In October 2014, the government banned the importation of beef offal (liver and kidney) because of concerns over the manner in which it was handled and sold to the public. The ban was lifted that December.

Gambian law provides the legal framework for the protection of private ownership of property and for adequate and prompt compensation in the event of compulsory acquisition. However, in January 2013, the Government of The Gambia cancelled petroleum exploration, development and production licenses awarded to at least two foreign oil companies. One of the licenses was reinstated in early 2015 and there has been no public discussion of any type of settlement with the other companies. There have been several land disputes over the past year involving the government and private owners. Most remain unresolved, with private property owners having few if any legal options if their property is seized by the government.

The government has a poor human rights reputation that has dampened investment prospects. After passage in 2014 of a draconian law mandating life imprisonment for persons engaging in acts of "aggravated homosexuality," denying access to UN Special Rapporteurs investigating reports of torture and extrajudicial executions, and ongoing reports of arbitrary arrests of

journalists, human rights advocates, and civil servants, the U.S. government on December 24, 2014 suspended The Gambia from eligibility to participate as a trade beneficiary under the provisions of the African Growth and Opportunity Act (AGOA).

As a result of U.S. expressions of concern about The Gambia's human rights record and the AGOA suspension, the government on December 29, 2014 issued a written directive to all Ministries, Government Departments and Agencies instructing that issues regarding agricultural matters and national strategic development objectives should no longer be discussed with U.S. authorities. The directive added that this information be disseminated to all Civil Servants working at the respective institutions. The practical effect of this directive has been to limit the ability of U.S. Embassy personnel to have substantive discussions with Gambian officials without their interlocutors first receiving permission to meet. These restrictions severely limit the ability of U.S. Embassy personnel to advocate on behalf of American companies and individuals seeking to do business in The Gambia.

American companies seeking to invest in The Gambia must work through a local lawyer and be open and transparent in all their dealings.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of The Gambia publicly espouses a liberal, open economic environment and free-market pricing, with a firm commitment to private sector participation in all sectors of the economy.

The Government of The Gambia recognizes the potential of the private sector as an engine of growth. However, the executive branch has taken over key industries like the buying and processing of the country's principal cash crop, groundnuts, as well as more sensitive areas like television and radio broadcasting. There is no legal distinction between the treatment of foreign and domestic investors.

Other Investment Policy Reviews

The Government of The Gambia has not conducted an investment policy review in the past three years, either on its own or through international organizations such as: the World Trade Organization (WTO); the Organization for Economic Cooperation and Development (OECD); or the United Nations Conference on Trade and Development (UNCTAD).

Laws/Regulations of Foreign Direct Investment

The Government of The Gambia's drive to attract foreign direct investment (FDI) received a jumpstart in 2002 when it set up The Gambia Investment Promotion and Free Zones Agency (GIPFZA), whose primary task was to establish and manage Free Economic Zones (FEZs) around Banjul International Airport. In July 2010, GIPFZA was restructured and transformed into the Gambia Investment and Export Promotion Agency (GIEPA) with an extended mandate to include export promotion and support for small and micro enterprise (SME) development.

Under the GIEPA Act 2010, the former free economic zones are now called Export Processing Zones (EPZ) and the incentives that were provided under the now repealed GIPFZA laws have been enhanced to attract more investors. Other laws affecting foreign investment are the Companies Act of 1955 and the Business Registration Act of 2005.

For information on the laws, rules, procedures and registration requirements, foreign investors can visit the website of the Gambia Investment and Export Promotion Agency (GIEPA): www.giepa.gm. GIEPA is a government agency set up to promote investment, exports and entrepreneurship development.

Industrial Promotion

The Government of The Gambia welcomes investment in all sectors of the economy. However, eight have been identified as "priority sectors," which attract a Special Investment Certificate (SIC) that provides a number of incentives including duty waivers. The eight sectors are agriculture, air services, energy, fisheries, Information Communication Technology (ICT), light manufacturing, river transportation and tourism.

The list of priority sectors and incentives for investors are available on the Gambia Investment and Export Promotion Agency (GIEPA) website - www.giepa.gm

Limits on Foreign Control

There are no limits on foreign ownership or control of businesses except in the operations of foreign exchange bureaus, television broadcasting, and defense industries; the latter two sectors are closed to all private sector participation, irrespective of nationality. An embargo on the establishment of private security companies imposed in previous years was lifted. However, security firms are required to pay the sum of GMD 1,000 (USD 21.27) for every new guard who receives induction training at the Police Training Academy.

Privatization Program

The Government of The Gambia has not implemented any programs in recent years. However, when they have taken place in the past, foreign investors were encouraged to participate.

Foreign investors are encouraged to participate in privatization programs, particularly as what is known as a "strategic investor" with majority shares. In such cases, some shares are reserved for state corporations that are described as "institutional investors," some are reserved for Gambian private individuals and businesses, and a limited number of shares are reserved for the staff of the institution being privatized.

The bidding process in some cases is not made public. For example, in 2007, firms with Lebanese connections secured 50 per cent of the state-owned telecommunications and cellular phone companies and took over management of the state-owned electricity and water company. However, the contract with Spectrum, a little known Lebanese company that bought 50 per cent of the shares of the state-owned telecommunications company (GAMTEL) and its cellular phone subsidiary (GAMCEL), was terminated by the Government of The Gambia in November 2008.

The management contract for the state-owned electricity and water company is still in force.

Screening of FDI

There is no mandatory screening of foreign direct investment, but such screening may be conducted if there is suspicion of money laundering or terrorism financing. No U.S. businesses have complained about any screening mechanism.

There is no information on how the review process works or how long it might take, but it is likely to be conducted by financial and intelligence officers. Investors subjected to such a screening may be asked for business registration documents and bank statements.

Foreign investors are not denied national treatment (i.e. the same treatment as domestic firms) or MFN treatment (i.e. the same treatment as the most favored foreign investor) in any sector. As part of the country's privatization program, foreign investors are treated equal to local investors.

Competition Law

A Fair Competition Law was enacted in 2007 and a Fair Competition Commission was established in 2009. In addition, there is the Public Utilities and Regulatory Authority (PURA) which covers activities in the telecommunications, water and energy sectors.

Investment Trends

The Government of The Gambia welcomes investment in all sectors of the economy. However, eight have been identified as "priority sectors," which attract a Special Investment Certificate (SIC) that provides a number of incentives including duty waivers. The eight sectors are agriculture, air services, energy, fisheries, Information Communication Technology (ICT), light manufacturing, river transportation and tourism.

Although an updated list of investments and their dollar values could not be obtained from GIEPA due to the restriction imposed by the government's December 29, 2014 directive (see Executive Summary), significant investments have been made in some of these sectors, particularly in financial services where many Nigerian banks have established branches in the past 10 years. The tourism sector also continues to attract investments in hotel development with many new three- and four-star hotels. The energy sector, particularly power generation, transmission and distribution has attracted investments from Lebanon and Malaysia. There is a noticeable presence of Turkish and East Asian businessmen selling electronic goods and home appliances. There is also a growing interest in petroleum exploration particularly after the recent discoveries announced in neighboring Senegal.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	126 of 175	transparency.org/cpi2014/results
World Bank’s Doing Business Report “Ease of Doing Business”	2015	138 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	104 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 500	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

See: <https://assets.mcc.gov/scorecards/score-fy15-english-gm-gambia.pdf>

2. Conversion and Transfer Policies**Foreign Exchange**

There are no restrictions on the conversion of funds associated with an investment. Investors can repatriate profits and dividends through commercial banks or licensed money transfer agencies at prevailing exchange rates. There are currently 83 licensed FOREX bureaus and money transfer agencies with more than 300 branches across the country.

Most of the commercial banks in the country also offer foreign currency denominated accounts (FCDs), which were introduced by the Central Bank of The Gambia in 2001 to further facilitate international trade and foreign direct investment.

The national currency, the dalasi (GMD), has a floating exchange rate that is determined by market forces. The executive has intervened in the exchange market over the past couple of years - setting short-term fixed exchange rates and cancelling all licenses for commercial FOREX bureaus and money transfer agencies.

Remittance Policies

There are no plans to tighten access to foreign exchange for investment remittances. Investors may repatriate profits and dividends through commercial banks or licensed money transfer agencies at prevailing exchange rates. Most commercial banks in The Gambia operate foreign currency denominated accounts (FCDs), which were introduced by the Central Bank of The Gambia in 2001 to further facilitate international trade and foreign direct investment.

Banks do not issue dollar-denominated government bonds, but can issue cash or drafts drawn on overseas banks. There is no limit on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains, returns on intellectual property, or imported inputs. However, travelers through Banjul Airport are advised not to carry cash more than USD 10,000 or its equivalent value in other currencies.

The Gambia is a member of Inter-Governmental Action Group against Money Laundering in West Africa (GIABA). The assessment of the implementation of anti-money laundering and counter-terrorist financing (AML/CFT) measures in The Gambia was conducted by GIABA.

3. Expropriation and Compensation

The Gambian Constitution of 1997 provides the legal framework for the protection of private ownership of property and only provides for compulsory acquisition by the state if this is found to be necessary for defense, public safety, public order, public morality, public health, town and country planning. Both the Constitution and the Compulsory Acquisition Act require the state to affect adequate and prompt compensation. According to local media reports, the provision has generally been respected, although the government has ignored court injunctions and torn down private property in early 2014.

However, in April 2011, the Gambian government announced it had taken control of all Libyan assets in the country, which included a number of hotels and an amusement park in reaction to the crisis in Libya. In May of the same year, a high court judge ruled that the Gambian government can take control of the assets until a United Nations backed political force emerges from the crisis. There has been no further statement on the status of the properties even after the Transitional National Council assumed power in Libya.

In February 2008, the Government of The Gambia announced it had cancelled the license it granted to an Australian mining company, Carnegie Minerals (Gambia) Ltd., in December 2005 to extract and process heavy mineral sands containing zircon, ilmenite, and rutile. The decision to cancel Carnegie's mining license came nearly a month after the government gave the company a 24-hour ultimatum to provide information about the type and quantity of minerals it had mined and the international value of tonnage already exported. The deadline was later extended for two weeks and after it elapsed, the authorities arrested the British manager of the company, Charles Northfield. He was charged with economic crimes, but the trial did not continue after Mr. Northfield jumped bail and left the country. Carnegie Minerals filed a claim against the Government of the Gambia in ICSID. In January 2014, The Gambia's Special Criminal Court delivered a judgment in the government's case against Carnegie Minerals and Mr. Northfield, and ordered the company to pay USD 200 million. If it defaults, the company is to forfeit all the machines and other assets of the company to the state.

In January 2014, the Government of The Gambia terminated the petroleum exploration, development and production licenses awarded to three oil companies – African Petroleum, Buried Hill, and Oranto. A statement from the Office of the President said the companies concerned had failed to meet the license obligations. The statement said the government would not allow companies to acquire licenses only to keep them for speculation. However, in November 2014, the government announced that it had reinstated the license to African

Petroleum after a commitment by the company to drill its first well by September 1, 2016. In 2015, African Petroleum discontinued two ICSID claims against the Government of The Gambia after its licenses were reinstated.

The Government of The Gambia does not discriminate against U.S. investments, companies or representatives. However, in June 2013, the government announced a ban on the importation of frozen poultry parts, which constituted the largest U.S. export to The Gambia, worth over USD 7 million a year. The ban was lifted in November 2013, but a statement issued by the Ministry of Trade imposed a new condition that all shipments of poultry products entering the country required SGS certification that they are hormone-free. In October 2014, the government banned the importation of beef offal (liver and kidney) because of concerns over the manner in which it was handled and sold to the public. There was no distinction in the origins of these products but a significant amount of these imports come from the United States. The ban was lifted in December 2014.

Based on historical precedent, there are sectors that are at risk of appropriation by the government, including (but not limited to) agriculture, energy, and natural resources sectors. There are no laws that force local ownership. However, there have been instances of "creeping expropriation" or governmental action tantamount to expropriation as noted above in this report.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The Gambia's legal system is based on English common law and there is a legal framework for enforcing property and contractual rights in courts. There is a written and consistently applied commercial law, which is found in the Companies Act. Monetary judgments can be made in both the investor's currency and local currency.

The Gambia Investment and Export Promotion Act 2010 and the Gambian legal code provide the mechanisms and legal framework for dispute settlement, either through negotiation or arbitration. Appeals against decisions of district tribunals (or the industrial tribunal in the case of labor disputes) may be lodged with the lower courts, the High Court, and the Supreme Court, which is the highest court of appeal in the country.

In principle, the judicial system is independent of the executive branch but there have been incidents of the executive interfering in judiciary matters. However, the judicial process is generally competent, fair, and reliable.

The Gambia is a member of the International Center for the Settlement of Investment Disputes (ICSID), but there is no specific legislation providing for enforcement of ICSID awards. There are no known cases of foreign courts rendering judgements affecting the government.

Problems with foreign investments can be handled by courts. The Gambia Investment and Export Promotion Act 2010 and the Gambian legal code provide the mechanisms and legal framework for dispute settlement, either through negotiation or arbitration. Appeals against decisions of district tribunals (or the industrial tribunal in the case of labor disputes) may be lodged with the

lower courts, the High Court, and the Supreme Court, which is the highest court of appeal in the country.

Bankruptcy

Bankruptcy in The Gambia is covered by the Bankruptcy and Insolvency Act of 1992. Bankruptcy is not criminalized. Creditors, equity shareholders, and holders of other financial contracts may file for both liquidation and reorganization.

Investment Disputes

The Gambia Investment and Export Promotion Act 2010 and the Gambian legal code provide the mechanisms and legal framework for dispute settlement, either through negotiation or arbitration. Appeals against decisions of district tribunals (or the industrial tribunal in the case of labor disputes) may be lodged with the lower courts, the High Court, and the Supreme Court, which is the highest court of appeal in the country.

The Government of The Gambia has previously accepted court rulings on investment disputes and has been willing to discuss and honor out-of-court settlements. The last major dispute with foreign investors was with the Swiss group Alimenta over the assets of the Gambia Groundnut Corporation in 1998. This groundnut processing plant at Denton Bridge is the biggest industrial complex in the country and the hostile takeover sparked off a protracted legal battle. The government eventually settled out of court and paid Alimenta compensation of USD 11.2 million and Alimenta discontinued the claim it had filed with ICSID.

There are also domestic commercial courts presided over by high court judges that have the competence to arbitrate commercial and investment disputes. However, on January 16, 2015, the authorities deported a German national, Bern George Diedrich, shortly after he and his Gambian friend, Alieu Barry, were evicted from a property that was the subject of litigation in the high court. The court had ruled in their favor but the authorities proceeded to evict them from the compound.

The country's legal system is based on English common law and there is a legal framework for enforcing property and contractual rights. According to local media sources and legal experts, however, the government is known to interfere in the court system. There is no known historical precedent for the Government of The Gambia to accept the rulings of foreign courts.

The Gambia has a written and consistently applied commercial law, which is found in the Companies Act. Monetary judgments can be made in both the investor's currency and local currency.

There is no set duration for local investment/commercial dispute resolution proceedings. However, cases in the lower courts may be settled quicker than those in the higher or appellate courts where sittings can sometimes be far in between.

International Arbitration

The Gambia is a member of the International Center for the Settlement of Investment Disputes (ICSID), but there is no specific legislation providing for enforcement of ICSID awards. There is an Alternative Dispute Resolution (ADR) mechanism as a means for settling disputes between two private parties. The law creating the ADR mechanism was enacted in 2003 and the ADR Secretariat became fully operational in 2008.

ICSID Convention and New York Convention

The Gambia is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID), but is not a signatory to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Duration of Dispute Resolution

There is no set duration for local investment/commercial dispute resolution proceedings. However, cases in the lower courts may be settled quicker than those in the higher or appellate courts where sittings can sometimes be far in between.

Court decisions are generally applied and in the single case of international arbitration involving the government, the government complied with the decision.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The Government of The Gambia does not maintain any measures that it has notified the WTO to be inconsistent with TRIMs or that violate the TRIMs text.

Investment Incentives

The Gambia Investment and Export Promotion Agency (GIEPA) Act, signed into law in 2010, sets out the administrative and legal requirements for investing in The Gambia and makes provisions for business incentives, protection against compulsory acquisition, settlement of disputes and the transfer of funds. The ultimate objective is to promote The Gambia as an investment haven by:

- providing an attractive business environment and incentives for business activities in The Gambia;
- facilitate the securing of permissions, licenses, land, and incentives required to establish a business enterprise;
- attracting, promoting, and increasing the manufacture of goods and trade in goods and services;
- coordinating, promoting, and facilitating investment in The Gambia;
- advising government on investment policy and related matters;
- promoting and facilitating the development of exports in The Gambia;
- promoting and facilitating the development of micro, small and medium enterprises.

Investments must fulfill the following criteria to qualify for special investment certificates:

- investment outlay in fixed assets of at least USD 250,000 (within two years) or its equivalent in GMD or other freely convertible currencies at the time of application;
- investment activities targeted in one of the priority sectors as specified in Schedule 1 of the GIEPA Act, which include: agriculture, fisheries, tourism, forestry, manufacturing, energy,
- skills development, financial and offshore services, health and veterinary, river and air transportation, information technology, minerals exploration and exploitation, and communications;
- utilization of local materials, supplies and services;
- creation of employment opportunities in The Gambia;
- introduction of advanced technology or upgrading of indigenous technology;
- contribution to locally or regionally balanced socio-economic development.

The Act establishes two priority investment categories namely: a) priority sectors, which consist of the list of sectors specified in schedule 1 of the Act and b) priority areas, which consist of geographical areas specified in schedule 11, considered by Government to be in urgent need of development. Special Investment Certificate (SIC) applicants shall be granted incentives if engaged within any priority investment category as specified under the GIEPA Act. Such investments will be entitled to the following incentives:

- exemption from corporate tax, turnover tax, depreciation allowance, withholding tax on dividends for five years in the case of priority sector and for a maximum of eight years in the case of priority area;

A newly established investment enterprise that falls within a priority investment category under section 61 shall be granted import sales tax waiver in respect to the importation of:

- a) its manufacturing plant, construction materials, and spare parts for a period of five years from the date of signing of the investment agreement;
- b) raw and intermediate inputs, for a period of five years from the date of commencement of operation; and
- c) the product listed in the third schedule to the Custom and Excise Acts.

The Act makes no discrimination between foreign and local investors and there are no requirements that nationals own shares or that the share of foreign equity be reduced over time. Within the Gambia Investment and Export Promotion Agency (GIEPA) Act, there are attractive incentives for export and SMEs.

Citizens of the Economic Community of West African States (ECOWAS) and other nations with a reciprocal visa abolition agreement with The Gambia do not require a visa to enter the country; whether on holiday or on a business trip not exceeding 90 days. The same rule applied to citizens of the United Kingdom and the Commonwealth until October 2, 2013 when The Gambia withdrew from membership of the Commonwealth of Nations. Citizens of the U.S. require an entry visa with at least one blank page on their passport for the stamp as per the rules and regulations of the Immigration Act.

Research and Development

There are policies or regulations that prevent American and or other foreign firms from participating in government financed and or subsidized research and development programs.

Performance Requirements

Local employment is mandated. Companies employing non-Gambians are required not to exceed 20 percent of their staff. They are also required to pay an annual expatriate quota (or payroll tax) fee of GMD 10,000 (USD 256.40) for ECOWAS citizens and GMD 40,000 (USD 1,025.64) for all other foreigners. Such foreign workers are also required by law to pay an annual registration fee of about USD 54 and a work permit fee of about USD 11.

It is not difficult to obtain visas, residence and work permits or other requirements inhibiting mobility of foreign investors and their employees. There are no tariff barriers.

Data Storage

The government does not follow “forced localization,” requiring foreign investors to use domestic content in goods or technology. It is not known if foreign IT providers are required to turn over source code and/or provide access to surveillance software or turn over keys for encryption.

6. Right to Private Ownership and Establishment

The Gambian Constitution guarantees the right of private ownership. Under the Company Act of 1955, there are no restrictions on the minimum or maximum share capital of a business venture, nor is there any compulsory requirement for equity participation by Gambian nationals in foreign-owned enterprises.

Businesses may be wholly owned by foreigners or jointly owned with participation by local investors.

7. Protection of Property Rights

Real Property

Interests in property are enforced. The Department of Lands issues title deeds which are duly registered. The bulk of the land, however, is free hold or controlled by farmers and traditional rulers. Such lands however can be easily taken over by government or declared reserved lands to be used in future for social amenities such as schools, hospitals or office buildings. Land tenure remains an on-going issue - both the jurisdictional authority for awarding land (central government vice local leaders) and the extra-legal seizure without compensation or due process of privately held property. There are very few mortgages in The Gambia.

Intellectual Property Rights

The Gambia is a signatory to both the Paris Convention for the Protection of Industrial Property and the Bern Convention for the Protection of Literary and Artistic Works. In 2003, the country enacted its own Copyright Act. This law provides adequate protection for intellectual property, patents, copyrights and trademarks.

The Government has also signed and ratified both the WIPO Copyrights Treaty and WTO TRIPS agreement. However, enforcement of these regulations and treaties is sometimes inadequate due to a lack of resources and expertise. The Gambia has not yet ratified the WIPO Internet Treaties.

There have been no recent reports of the government seizing counterfeit goods despite the prevalence counterfeit goods such as toothpaste and cigarettes imported from China.

Meanwhile, the Government of The Gambia, through the National Centre for Arts and Culture, is in the final stages of launching a fully operational Collecting Society for The Gambia. A Board for the Society has been elected and it meets regularly and conducts training programs as it awaits the government's finalization of the regulations that will govern its operation.

The country is not listed in USTR's Special 301 report or the notorious market report. Counterfeit goods such as toothpaste and cigarettes, mostly imported from China, are prevalent in the local market.

Resources for Rights Holders

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Local lawyers list: http://banjul.usembassy.gov/public_services/legal-services.html

The World Intellectual Property Organization (WIPO) provides Country Profiles at:
<http://www.wipo.int/directory/en>

8. Transparency of the Regulatory System

A Fair Competition Law was enacted in 2007 and a Fair Competition Commission was established in 2009. There is also the Public Utilities Regulatory Authority (PURA), which oversees compliance and telecommunications, broadcasting and utility supplies.

9. Efficient Capital Markets and Portfolio Investment

There are no policies in place that impede the free flow of financial resources in the product and factor markets. On the contrary, the authorities facilitate the free flow of resources to support the government's growth agenda.

Foreign investors can acquire credit on the local market at prevailing interest rates if they are able to provide the requisite collateral or guarantee. There are limited credit instruments available to the private sector because the only money market instruments available are the government treasury bills.

Portfolio investment is also very low because, among other reasons, there is no formal stock market such as a stock exchange for trading equity securities. Only one Gambian bank, Trust Bank Limited, is listed on the Ghana Stock Exchange.

The estimated total assets of the country's 12 commercial banks at the end of December 2014 were GMD 28.21 billion (about USD 626.2 million). In May 2014, the Central Bank took over two Nigerian-owned banks - Keystone and Access - apparently in response to the banks' failures to maintain minimum capital reserves. However, within a week, the owners of Access injected USD 12.5 million into the Bank to recapitalize it and free it from Central Bank control.

Money and Banking System, Hostile Takeovers

The country has a functioning bank system with 12 commercial banks. The majority are Nigerian-owned, but two are sub-regional, two are Gambian-owned, and one British-owned. Most of the banks offer foreign currency denominated accounts (FCDs).

In May 2014, the Central Bank, which regulates and monitors the banking sector, took over two Nigerian-owned banks - Keystone and Access - apparently in response to the banks' failures to maintain minimum capital reserves. However, within a week, the owners of Access injected USD 12.5 million into the Bank to recapitalize it and free it from Central Bank control.

The estimated total assets of the country's 12 commercial banks at the end of December 2014 were GMD 28.21 billion (about USD 626.2 million).

There are no restrictions on a foreigners opening a bank account. Most of the banks offer foreign currency denominated accounts (FCDs) to their customers, making it possible to withdraw or make payments in foreign currencies.

10. Competition from State-Owned Enterprises

Private enterprises are allowed to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations, such as licenses and supplies.

However, public enterprises often have material advantages and there is a general conception in the public that the president's own diversified companies (e.g., Kanilai Bakery, one subsidiary of KGI) enjoy privileges that independent private companies do not. KGI reportedly utilizes government employees and resources regularly.

State-owned enterprises are active in tourism, aviation, maritime services, public transport, power generation, telecommunications, road building, and housing.

OECD Guidelines on Corporate Governance of SOEs

All SOEs have a Board of Directors which is appointed by their line ministry. Members of the Board usually comprise of key stakeholders in the sector and some government officials who serve as ex-officio members. Management reports to the line ministry, which has final responsible to approve Board decisions.

All SOEs are required to submit their annual report and audited accounts to the National Assembly.

SOEs adhere to the OECD Guidelines on Corporate Governance.

Sovereign Wealth Funds

There is no Sovereign Wealth Fund in The Gambia.

11. Corporate Social Responsibility

Generally speaking, the notion of corporate social responsibility is not well known in The Gambia and only some state-owned enterprises and some private companies such as banks and mobile phone companies adopt CSR as a policy.

In most cases, their understanding of CSR is allocating funds to support various charitable causes such as supporting schools and health projects, disaster relief, and environment enhancement. However, the banks and mobile phone companies often use such donations for publicity and marketing reasons. These firms are often viewed favorably by the Gambian public.

OECD Guidelines for Multinational Enterprises

Foreign and local enterprises are encouraged to follow CSR principles such as the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

12. Political Violence

Compared to the rest of West Africa, The Gambia has generally benefited from a stable political climate since independence in 1965. A bloody coup attempt in 1981 was put down by the Senegalese army after the former President invoked a mutual defense agreement between the two countries. The country's only successful coup d'etat occurred in July 1994 and was accompanied by minimal violence.

President Jammeh took power in 1994 was elected president in 1996 and again in October 2001, which foreign observers (Commonwealth, EU, U.S., etc.) deemed generally free, fair, and transparent, albeit with shortcomings such as voter intimidation and the use of state resources to create an uneven playing field. As a result, the U.S. Government lifted section 508 sanctions in April 2002.

In March 2006, an aborted coup attempt led to several arrests of military officers and civilians. Many of the alleged high-profile coup leaders, including former Chief of Defense Staff Lieutenant General Lang Tombong Tamba are in prison serving life sentences.

In November 2011, President Jammeh was elected for a fourth consecutive time with 72 percent of the vote. Voter turnout exceeded 83 percent. National Assembly elections were held in March 2012 and local government elections took place in April 2013. The Independent Election Commission (IEC) oversees elections, including special elections to fill vacancy. The terms of many IEC members have expired.

On December 30, 2014, a group of foreign-based dissidents launched an attack on State House (the presidential palace) in an apparent attempt to overthrow the government. In the ensuing fighting, three of the attackers were killed: U.S. army reservist Captain Njaga Jagne (a dual national), former Gambian Presidential Guard Commander; Lieutenant Colonel Lamin Sanneh, who was resident in the US; and former Gambian gendarmerie officer Alhagie Nyass, who was based in the United Kingdom. At least six other Gambian army officers were arrested. On April 2, 2015, a military press release reported that six individuals who were brought before a court martial received life imprisonment and death sentences.

There have been no incidents of politically motivated damage to projects or installations. Various political parties are active, but there is no indication that civil disturbances are likely because of this. Relations with the country's neighbors are generally peaceful. Skirmishes along Gambia's southern border with Senegal have occurred in the past, but this violence and instability generally does not cross the border into The Gambia.

13. Corruption

Corruption exists, and the government continues its efforts to combat it. On June 28, 2012, the National Assembly passed the Gambia Anti-Corruption Act aimed at fighting official corruption. The law provides for the setting up of a permanent six-member Commission mandated to investigate and prosecute all crimes of corruption committed by Gambians within and outside the country. On March 6, 2015 President Jammeh said the Commission would soon commence.

The Criminal Code also provides a legal platform for combating corruption. For example, in May 2011, a former permanent secretary at the Ministry of Agriculture was convicted on charges of "stealing by a person in public service" for fraudulently overpaying his travel per diem entitlement. He was fined GMD 100,000 (USD 3,300). In July 2011, a former Inspector general of Police was sentenced to life in prison after being convicted on numerous charges including corruption. In December 2013 and January 2014, a former Minister of Justice and a former President of the Gambia Court of Appeal, were each sentenced to two years in prison for soliciting a bribe, an audio recording of which was later uploaded on to YouTube. In the 2014, several officials of the Ministry of Agriculture and the Department of Fisheries were arrested and charged with various counts of corruption. The trials are still ongoing.

U.S. firms have not identified corruption as a serious obstacle to foreign direct investment in The Gambia. Traffic police and other junior police and immigration officers are often accused of corruption and solicitation of bribes. Accepting a bribe, irrespective of source, is a criminal act

and the penalties are fines and imprisonment depending on the magnitude of the amount. Senior government officials take anticorruption efforts seriously, even though some of them have been investigated for corruption.

The police, the National Intelligence Agency and the Ministry of Justice are responsible for combating corruption.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

The Gambia was ranked 126 out of 175 countries in Transparency International's 2014 Corruption Perceptions Index. The Gambia has signed and ratified the African Union Convention on Preventing and Combating Corruption and Related Offences, but has neither ratified the UN Convention Against Corruption nor the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Local companies do not have internal codes or effective controls to detect and prevent bribery.

The Gambia ratified the UN Anticorruption Convention in May 2014 but has not yet signed the OECD Convention on Combatting Bribery.

Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:
Commanding Officer, Fraud & Commercial Crime Unit
Gambia Police Force
Police Headquarters, ECOWAS Avenue, Banjul, The Gambia
(+220) 4223015 / 4222307
E-mail address not available.

No international, regional, or local NGO operating as "watchdog" organizations monitoring corruption are known to exist in the country.

14. Bilateral Investment Agreements

The Gambia has bilateral investment agreements with Mauritania, Morocco, the Netherlands, Switzerland, and the United Kingdom. However, only the agreement with Switzerland has gone into force.

The Gambia does not have a bilateral investment treaty with the United States.

Bilateral Taxation Treaties

The Gambia does not have a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

The Gambia is a member of the Multilateral Investment Guarantee Agency (MIGA). The Overseas Private Investment Corporation (OPIC) was not opened for business in The Gambia until the lifting of restrictions on bilateral assistance in April 2002. In 2003, OPIC conducted a study of The Gambia and listed it as having significant potential for investment.

There are no OPIC programs in The Gambia at the moment. However, in view of the private sector willingness to engage with U. S. firms, there is potential for OPIC programs.

The Gambian currency, the dalasi, significantly depreciated in 2012 and 2013 which prompted the Central Bank to fix the exchange rate for a short period of time. The currency also depreciated in 2014, but the government did not intervene and maintained a free floating exchange rate.

From December 2012 to December 2013, the dalasi depreciated by nearly 15 percent, and between January 2014 and January 2015, it fell by another 18 per cent against the dollar. The current exchange rate used by the Embassy is GMD 49 to the dollar and could depreciate further in 2015 with the end of the tourist season and extra budgetary spending by the GOTG.

This depreciation of the currency has affected real purchasing power and hampered regional trade.

The country's leadership has supported the proposed common currency of the five-nation West African Monetary Zone (WAMZ), the ECO.

16. Labor

The Gambia's total economically active population is estimated at 400,000. About 75 percent are engaged in agriculture; 18 percent in industry, commerce, and services; and 7 percent in government.

The Gambia suffers from high unemployment and underemployment, compounded by a shortage of skilled workers and trained professionals. Many of the skilled workers in the construction and mechanical industries are foreigners from neighboring countries. However, many Gambians are now taking up these trades.

Foreign workers are required by law to pay an annual registration fee of about USD 54 and a work permit fee of about USD 11. Companies employing non-Gambians are required not to exceed 20 percent of their staff. They are also required to pay an annual expatriate quota (or payroll tax) fee of GMD 10,000 (USD 256.40) for ECOWAS citizens and GMD 40,000 (USD 1,025.64) for all other foreigners.

The Labor Act of 2007 and its regulations, provide the legal framework for labor relations in The Gambia. The Ministry of Trade, Regional Integration and Employment enforces the Act. It covers most conditions of employment, including dismissals, recruitment and hiring, registration and training, protection of wages, registration of trade unions and employees' organizations, and

industrial relations in general. The Act also contains procedures for the settlement of disputes, including an industrial tribunal. Minimum wages and working hours are established through six joint industrial councils: commerce, artisans, transport, port operations, agriculture, and fisheries. Private-sector employees receive between 14 and 30 days of paid annual leave, depending on length of service.

International labor rights, such as freedom of association, the elimination of forced labor, child labor employment discrimination and minimum wage, are recognized within the domestic law. Labor and trade unions exist, but are not very active. Most workers are not unionized. The most active unions are for dock workers and workers in the transport sector. The Gambia Workers Confederation, formed in 1985, coordinates union activities. The confederation is a member of the International Labor Organization (ILO). The confederation is not political but is increasingly active in negotiations on pay and employment conditions. There are hardly any strikes and certainly none that pose an investment risk.

The Children's Act of 2005 raised the minimum age for employment from 14 to 16 and holds corporate entities accountable for exploitative labor practices involving children on their premises with executive officers of these entities subject to fines and criminal liability for violations of the Act.

A regulation that set up the Expatriate Quota Board is intended to encourage businesses to hire qualified Gambian staff. If a company chooses to hire an expatriate for a job that can be done by a Gambian, they are required to pay the equivalent of USD 345 in tax annually. An amendment to the Payroll Tax Act approved by the National Assembly in April 2008 set the limit of non-Gambians that businesses can employ to 20 per cent, except in the case of specialized professionals.

No new labor related laws were enacted during the last year and there are no pending draft bills.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

The GIEPA Act provides for Export Processing Zones (EPZ) to be established in separate selected areas to which special customs territory status shall be conferred as well as for the establishment of single factory EPZs for which GIEPA will be the regulator.

The aim of the EPZ is to provide a conducive business environment for export oriented investment enterprises through the provision of additional incentives, simplifying the import-export procedures and facilitating the acquisition of land, permits and licenses.

An area measuring 164 hectares at Banjul International Airport has been designated an Export Processing Zone (EPZ) and the first phase of this USD 6 million project was completed in December 2005. An area of almost 9 hectares has been fully developed with factory space, access roads and electricity. The July 22 Business Park, as it is called, is designated as a mixed-use EPZ to allow both free zone and non-free zone activity. It is currently occupied by a garment, diaper and tissue manufacturing company. There are also some bonded warehouses at the Banjul port which have not yet been designated as EPZs.

An investor operating within an export processing zone that exports at least eighty percent of its output is exempted from the payment of:

- a) import or excise duty and sales tax on goods produced within or imported into an export processing zone unless the goods are entered for consumption into the customs territory;
- b) import duty on capital equipment;
- c) corporate or turnover tax;
- d) withholding tax on dividends;
- e) municipal tax;

An investment enterprise located outside an export processing zone that exports at least thirty percent of its output is entitled to the following incentives;

- f) a ten percent corporate or turnover tax concession for five years;
- g) financial planning services and advice;
- h) participation in training courses, symposia, seminars and workshops on export promotion;
- i) export market research;
- j) advertisement and publicity campaigns in foreign markets;
- k) product design and consultancy.

Incentives for investors in the EPZ are valid for maximum period of ten years.

Foreign-owned firms have the same investment opportunities as local companies. However, an American investor locally registered as Zain Group Limited, who approached GIPFZA for agricultural land in 2010 (during the period of its transition to the new agency GIEPA), had to wait six months before the land was finally allocated. When the company's workers moved in to survey the 25 hectares of land near the village of Siffoe, some villagers asked them to leave saying it was their traditional land. Zain Group was then offered an alternative site to grow vegetables for export but the company decided to leave the country.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	N/A	N/A	2013	903.5	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	N/A	N/A	
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	N/A	N/A	
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	

*Data normally provided by GIEPA was not provided to the U.S. Embassy due to the restriction imposed by the government's December 29, 2014 directive which was discussed in the Executive Summary.

Table 3: Sources and Destination of FDI

Data normally provided by GIEPA was not provided to the U.S. Embassy due to the restriction imposed by the government's December 29, 2014 directive, which was discussed in the Executive Summary.

Table 4: Sources of Portfolio Investment

Data normally provided by GIEPA was not provided to the U.S. Embassy due to the restriction imposed by the government's December 29, 2014 directive, which was discussed in the Executive Summary.

19. Contact for More Information

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